SSGC | Sui Southern Gas Company Limited

ANNUAL REPORT 2023

DELIVERING VALUE BEYOND ENERGY

ABOUT THE
COVER

During the year under review, the Company remained committed towards implementing its UFG-reduction strategy. The result was the reduction in overall UFG for the fourth consecutive year. The Company has been carrying out rehabilitation projects for further UFG reduction. Significantly, the capacity to execute rehabilitation works has been doubled from the previous year, from 367 kms to 742 kms. Another major development was a massive increase in network capitalization that has contributed towards the Company's revenue stream. In the meantime, the Company's Meter Manufacturing Plant finalized a new Technology Transfer and License Agreement that will lead to complete indigenization of gas meters manufactured at the Plant. Moving forward, our top-most priority will be to continue to deliver value for the customers while remaining dedicated towards strengthening the Company's financials, further reducing line losses, reforming HR systems and promoting business diversification.

VISION

To be a model utility providing quality services by maintaining a high level of ethical and professional standards and through optimum use of resources.

MISSION

To meet the energy requirements of customers through reliable, environment-friendly and sustainable supply of natural gas, while conducting business professionally, efficiently, ethically and with responsibility to all our stakeholders, community and the nation.

COMPANY INFORMATION

BOARD OF DIRECTORS

AS ON JUNE 30, 2023

Dr. Shamshad Akhtar
Chairperson (Independent, Non-Executive Director)

Mr. Muhammad Raziuddin Monem
Director (Independent, Non-Executive Director)

Mr. Abdul Aziz Uqaili
Director (Non-Executive Director)

Ms. Saira Najeeb Ahmed
Director (Non-Executive Director)

Mr. Abrar Ahmed Mirza
Director (Non-Executive Director)

Dr. Sohail Razi Khan
Director (Independent, Non-Executive Director)

Mr. Manzoor Ali Shaikh
Director (Non-Executive Director)

Mr. Zuhair Siddiqui
Director (Independent, Non-Executive Director)

Mr. Ayaz Dawood
Director (Independent, Non-Executive Director)

Managing Director (Executive Director)
Mr. Imran Maniar

Company Secretary
Mr. Mateen Sadiq

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

Registered Office
SSGC House
Sir Shah Suleman Road,
Gulshan-e-Iqbal, Block-14,
Karachi – 75300, Pakistan.

Contact Details
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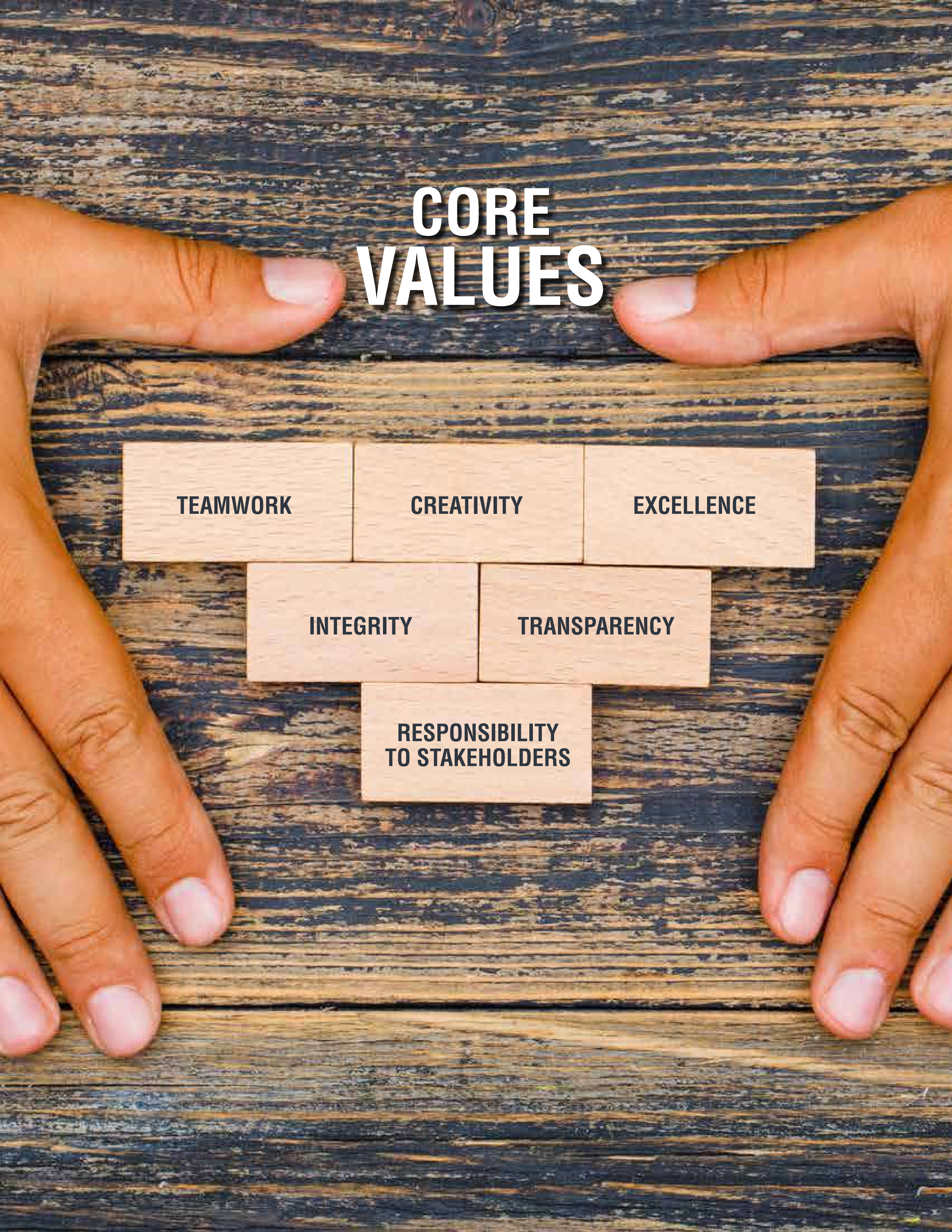
Fax: 92-21-9923-1702
Email: info@ssgc.com.pk
Web: www.ssgc.com.pk
ssgc.official | ssgc_official

Share Registrar
CDC Share Registrar Services Limited,
CDC House, 99-B, Block B, SMCHS,
Main Shahrah-e-Faisal, Karachi.
Ph: 021-111-111-500 I Fax: 021-34326034

Legal Advisor
M/s LMA – Liaquat Merchant Associates

CONTENTS


CORE
VALUES
TEAMWORK
CREATIVITY
EXCELLENCE
INTEGRITY
TRANSPARENCY
RESPONSIBILITY
TO STAKEHOLDERS

BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS
AS ON JUNE 30, 2023

Dr. Shamshad Akhtar
Chairperson

Mr. Muhammad Raziuddin Monem
Director

Mr. Abdul Aziz Uqaili
Director

Ms. Saira Najeeb Ahmed
Director

Mr. Abrar Ahmed Mirza
Director

Dr. Sohail Razi Khan
Director

Mr. Manzoor Ali Shaikh
Director

Mr. Zuhair Siddiqui
Director

Mr. Ayaz Dawood
Director

Mr. Imran Maniar
Managing Director

PRESENT BOARD OF DIRECTORS

Dr. Shamshad Akhtar
Chairperson

Dr. Shamshad Akhtar has had a broad-based development career in leading national and multilateral organizations spanning over 40 years. Dr. Akhtar is currently the Chairperson of Pakistan Stock Exchange. She served as the Governor of State Bank of Pakistan from 2006 to 2009, Under Secretary General of the Economic and Social Commission of the Asia and Pacific (UNESCAP), Senior Special Advisor on Economics and Finance and Assistant Secretary General UN, the UN Secretary General's G20 Sherpa and Vice President, Middle East and North Africa (MENA) at World Bank. She was also Senior Special Advisor to the President of Asian Development Bank (ADB). In 2023, she served as the caretaker Federal Minister for Finance. In 2018, Dr. Shamshad Akhtar served as Federal Minister of Finance, Revenue, Economic Affairs, Statistics Division, Planning and Development as well as industry and commerce areas in Pakistan's caretaker government. Dr. Shamshad has advised various governments and the private sector in specific areas of development, governance, poverty, privatization, and public-private partnerships in numerous sectors. As Governor of the State Bank of Pakistan, she was nominated Asia's Best Central Bank Governor by the Emerging Markets Group in 2006 and Bankers Trust in 2007. She was also amongst Asian Wall Street Journal's top ten Women Business Leaders in 2008. Dr. Shamshad is a Chairperson of Karandaaz, a not-for-profit Company that focuses on fostering economic growth and creating jobs through financial inclusion of unbanked individuals and unserved enterprises, with a special focus on women and youth. She was a Post–doctoral Fellow and U.S Fullbright Scholar at Department of Economics, Harvard University. The learned doctor is also a PhD Economics from University of Paisley, UK, Masters of Arts with Degree in Development Economics from the University of Sussex, UK and MSc (Economics) from the University of Islamabad and Bachelor of Arts (Economics) from the University of Punjab.

Mr. Muhammad Amin Rajput
Managing Director

Mr. Muhammad Amin Rajput is currently the Managing Director of SSGC. Previously, he had served as Chief Financial Officer and Chief Internal Auditor of the Company. Mr. Rajput has over 30 years of diversified experience of finance, audit and management in oil and gas, energy, manufacturing and automobile sectors. Before joining SSGC, he served with K-Electric as its Chief Internal Auditor and Zahid Tractor, Saudi Arabia (Volvo and Caterpillar) in various senior finance and audit positions. Mr. Rajput is a Fellow Chartered Accountant (FCA) and Certified Internal Auditor. He completed his Chartered Accountancy from KPMG, Pakistan Office.

Mr. Muhammad Raziuddin Monem
Director

Mr. Muhammad Raziuddin Monem is a seasoned, goal-oriented professional with over 40 years of experience in Oilfield Systematic Performance Management including emphasis on QHSE and Team Building. He started his career in 1974 with M-I Drilling Fluids / M-I Overseas Ltd. (later a division of SCHLUMBERGER) and worked there until 2014, where he retired as the Country Manager and CEO for Pakistan and Area Operations Manager Middle East. During his tenure, he managed the Planning and Execution of Annual and Strategic Business Plans, Execution of New Technology systems. He has worked on many technical projects with industry giants, including Exxon, Shell, Conoco, Union Texas, Petro Canada, British Petroleum, OMV and Eni / Lasmo and many more. His forte is Management Efficiencies, Product and Service Delivery Optimization and New Oilfield Technologies and has proven himself as a valuable asset for the company through his consistent display of sound business acumen, good people skills resulting in Internationally Leading EBITDA and ROI and QHSE Ranking. Mr. Monem underwent a number of Advanced Management and Drilling Engineering courses incl. negotiating skills, motivation, mentoring, QHSE leadership and management besides various courses on Drilling Engineering, Integrated fluids engineering, and Drilling Fluid Economics. He has authored several papers at international petroleum seminars, co-chaired SPE and other industry panel sessions. He is a member of, and Certified Board Director from PICG which is in collaboration with IFC. Additionally his rich corporate background includes serving on Board of Directors of listed companies including Pak Suzuki Motor Company, Ghandara Nissan. Mr. Monem is a prolific social service volunteer and served as Chairman of Patients Behbud Society of AKUH for 13 years. Since 2006 he has been the Co-Chairman of Community Advisory Board of AKUH. Mr. Monem holds a BS degree in Chemical Engineering from the University of Engineering and Technology, Lahore. He is a life member of American Institute of Chemical Engineers, Society of Petroleum Engineers and is a member of Petroleum Institute of Pakistan and was member of OICCI Energy Sub-committee.

Dr. Sohail Razi Khan
Director

Dr. Sohail Khan is a corporate Strategy, oil and gas business development management consultant with record of achievement in planning, development and growth of oil and gas industry. A highly motivated individual with successful working experience in Oil and Gas and service industries across the world. He has a solid track record working for Total (E&P) providing corporate strategy, improving the development of business by deploying oil and gas processes and implementing and coordinating efficiency improvement techniques with Affiliate management teams across the operations in Total (E&P) U.K, and Qatar. His entrepreneurial spirit and relationship building skills have allowed him to achieve career growth and a special talent for transmitting strategy into action and achievement. As a change management consultant; successfully secured contracts directly and through consultancy organizations. Contracts fulfilled across U.K according to the client requirements and International standards. He worked as a Management consultant and Training Development Manager responsible for implementing Focused Operational Improvement (FOI) programmes within Exploration and Production to implement and improve processes across the Affiliate. He was also responsible for determining competency requirements for all functions and staff, against the competency standards, and successfully delivered the annual training plan, within budget and on time. He has extensive experience of policy formation, development and execution of IT strategy to support operation by deploying Artificial Intelligence (AI), Big Data Analytics, Cyber Threat Intelligence and Cloud Computing to optimize production, efficiency and improve business processes across the operation. Working for I.P.S.G (U.K) he has managed I.T projects exceeding £10 Million budget, including software development, business process reengineering, processes development, implementation, audit, managing multiple departments and compliance with ISO and European standards. He has valuable company turnaround experience, having used leading management tools and techniques such as Lean Process, Change Management, Outsourcing strategies, IT Project Management methodologies, Kanban, SDLC, PRINCE 2, PMP, E-business, JDE, ERP and BPM to bring companies from loss to profit and improved the growth in small duration of time. Dr. Khan has a PhD Doctor of Philosophy (Portugal), MBA, MSc and M.A from England which gives him unique skills and advanced subject knowledge how to promote, market an organization to achieve its strategic goals.

Mr. Ayaz Dawood
Director

Mr. Ayaz Dawood is the Chief Executive of BRR Investments (Private) Ltd. (Manager of BRR Guardian Modaraba). He has the distinction of being founder of Dawood Islamic Bank, Dawood Family Takaful, Dawood Equities Limited, First Dawood Investment Bank, Dawood Capital Management, managers of First Dawood Mutual Fund, Dawood Money Market Fund and Dawood Islamic Fund. Mr. Dawood has also served Modaraba Association of Pakistan as its Chairman. He is a director of Systems Limited and Chairman of its Audit Committee. A member of Young Presidents Organization, Mr. Dawood is a graduate in Economics from McGill University, Montreal and completed his MBA in Finance and Money and Financial Markets with distinction from Colombia Business School, New York.

Mr. Shakeel Qadir Khan
Director

Chief Secretary, Balochistan Mr. Shakeel Qadir Khan joined Pakistan Administrative Service in 1998. He has served in Shangla, Swat, Mohmand and Khyber Agency in the initial days of his service. He was the Chief Economist, DCO Mansehra, Political Agent Bajaur and Director General PDMA during the middle management tenures. At senior levels, he served as Secretary, Law and Order and Secretary, P&D FATA, Secretary, P&D Balochistan, Chairman Balochistan Development Authority, Secretary Home and Tribal Affairs, Secretary Finance, Additional Chief Secretary in Khyber Pakhtunkhwa, Chief Secretary, Azad Jammu and Kashmir, and Additional Secretary, Power Division. Mr. Khan has a Bachelor's degree in Electrical Engineering and a Post Graduate Diploma in Financial Services from University of Surrey. He is also an alumnus of Bucerius Summer Law School, Hamburg. He is a graduate of National Institute of Management Lahore and National Defense University. He has represented the country at various fora in Europe, Middle East, USA, Southeast Asia and South Asia. Mr. Khan has attained varied experience during his various tenures however financial management, disaster management, institutional development, planning and development, social services delivery, and security-related issues are his forte.

Ms. Saira Najeeb Ahmed
Director

Ms. Saira Najeeb Ahmed is a career civil servant who joined the Government of Pakistan in 1998. She has experience of working in economic policy and implementation, covering the areas of power and petroleum, fiscal and trade, economic diplomacy, international development, regulation and compliance. Prior to assuming her responsibilities at the Ministry of Finance and Revenue (Finance Division) in 2023, she served as Joint Secretary, JV's and Corporate Affairs, Petroleum Division, DG National Electric Power Regulatory Authority, Joint Secretary, Finance Division, Commercial Counsellor, Pakistan High Commission, London. Ms. Ahmed holds an MSc degree in Finance and Financial Law, from SOAS, University of London.

Mr. Shoaib Javed Hussain
Director

Mr. Shoaib Javed Hussain is the Chairman of State Life Insurance Corporation of Pakistan. He has over 20 years of management experience at leading Global Insurance Groups and Consultancies in United Kingdom and in Asia. Through his global engagements across Europe, North America and Asia, Mr. Hussain brings on board his deep understanding and knowledge of finance, audit, risk and strategy matters with a proven track record of demonstrating proactive, dynamic, driven leadership with effective delivery from the conceptual stage through to successful implementation, expert analysis and decision-making skills, utilizing technical acumen and strategic depth, leading and delivering strategic projects including M & A, due diligence and capital and liquidity management, in-depth experience of leading financial audits and risk management programs, initiating policy and control improvements and driving programs that enhance transparency, governance and control and strong experience of industry and regulatory engagement on global supervisory developments and lobbying with international regulators and supervisory authorities. Before joining State Life, Mr. Hussain held senior leadership and management positions with AIA Group Ltd, Milliman, Prudential plc, EY and HSBC. Mr. Hussain holds MSc. degree in Actuarial Management from Cass Business School, City University, London, is also a fellow of the Institute of Actuaries (UK) and began his career at an Actuarial consultancy in Pakistan.

Mr. Zafar Abbas
Director

Mr. Zafar Abbas, Additional Secretary (Policy) at Ministry of Energy (Petroleum Division) is a seasoned civil servant who joined the Government of Pakistan in 1998. He has extensive experience working in economic and energy ministries, focusing on policy formulation and implementation, international cooperation for development, and project management. Before taking on his current role at Ministry of Energy (Petroleum Division) in July 2024, he served as Additional Secretary (Power Finance) in Power Division for two years. He has also held the position of Joint Secretary in both Power Division and Interior Division from 2015 to 2022. During his tenure at the Interior Division, was a key team lead on the FATF initiative, contributing to Pakistan's removal from the grey list in 2022. Additionally, Mr. Abbas served as Managing Director of NTDC for three years and also as Secretary to Government of Gilgit-Baltistan. He holds a Bachelor's degree in Civil Engineering from UET, Lahore, and an MBA from the University of Dundee, Scotland (UK).

NOTICE OF 69TH ANNUAL GENERAL MEETING

Notice is hereby given that the 69th Annual General Meeting of Sui Southern Gas Company Limited ("the Company") will be held on Friday, November 29, 2024 at 10:30 a.m., at Jade Hall, Arena, Habib Rehmatullah Road, Karsaz, Karachi as well as through video conferencing to transact the following businesses:

ORDINARY BUSINESS:

1. To review the minutes of the 68th Annual General Meeting held on December 29, 2023
2. To consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Directors' and Auditors' Reports thereon.

   www.ssgc.com.pk/all-financial-reports

3. To appoint auditors of the Company for the year ended June 30, 2024 and fix their remuneration. The Board Audit Committee and Board of Directors have recommended the name of M/s. BDO Ebrahim & Co., Chartered Accountants for appointment asauditors of the Company.
4. To transact any other business with the permission of the Chair.

By order of the Board

Fawad Ahmed Khan
Company Secretary

Place: Karachi
Date: November 08, 2024

Notes:

A. BOOK CLOSURE

i. The Share Transfer Books of the Company will remain closed from Friday, November 22, 2024 to Friday, November 29, 2024 both days inclusive). Transfers received in order at CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi - 74400, Pakistan, by the close of business hours on Thursday, November 21, 2024 will be treated in time, for the purpose of attending the AGM.

B. REQUIREMENTS FOR ATTENDING THE ANNUAL GENERAL MEETING

i. In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall authenticate his / her identity by showing his / her valid original Computerized National Identity Card (CNIC) or original Passport at the time of attending the AGM.

ii. In the case of corporate entity, Board of Directors' Resolution / Power of Attorney and attested copy of the CNIC or passport of the nominee shall also be produced (unless provided earlier) at the time of meeting.

C. REQUIREMENTS FOR APPOINTING PROXIES

i. A member entitled to attend and vote at this meeting may appoint another member as his / her proxy to attend and vote. Proxies in order to be effective, must be received at SSGCL Head Office, SSGC House, Sir Shah Suleman Road, Block -14, Gulshan-e-lqbal, Karachi, not later than forty-eight (48) hours before the time of the meeting and must be duly stamped, signed and witnessed.

ii. Members, proxies or nominees shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original Passport and by bringing their folio numbers at the time of attending the meeting.

iii. In order to be effective, the proxy forms must be received at the Head Office of the Company no later than 48 hours before the meeting, duly signed and stamped and witnessed by two persons with their names, addresses, CNICs' numbers and signatures.

iv. In the case of individuals, attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.

v. In the case of proxy by a corporate entity, Board of Directors' Resolution / Power of Attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with the proxy form.

vi. In case of proxy for corporate members, the Board of Directors' Resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of meeting (unless it has been provided earlier to the Shares Registrar).

D. TRANSMISSION OF ANNUAL REPORTS VIA QR ENABLED CODE AND E-MAIL

i. SECP vide S.R.O 389(I)/2023 dated March 21, 2023, shareholders in their Annual General Meeting held on December 29, 2023 have authorized the Company to circulate annual audited financial statements through QR enabled code and weblink instead of circulating the same through CD / DVD / USB.

ii. The Annual Audited Financial Statements along with the reports and Notice of AGM are being sent to members who have provided their email addresses. Physical copy of the Annual Report will be provided to the members on demand.

E. PARTICIPATION IN AGM THROUGH ELECTRONIC MEANS

i. Shareholders interested in attending the AGM through Zoom application are hereby requested to get themselves registered with CDC Share Registrar Services Limited latest by Wednesday, November 27, 2024 by 10:30 a.m., by sending an email with subject 'Registration for SSGC AGM' at cdcsr@cdcsrsl.com or send a message via WhatsApp on +92 321 820 0864 along with a valid scanned copy of the applicant's CNIC. While participating through electronic means, members are advised to provide the following mandatory information:

Company	Name of Shareholder	CNIC #	Folio / CDS Account #	Cell #	Email Address
SSGC					

ii. Members will be registered after necessary verification as per the above-required information and will be provided with a video link at their provided email address. The login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process on November 29, 2024.

F. AVAILABILITY OF ANNUAL AUDITED FINANCIAL STATEMENTS ON THE COMPANY'S WEBSITE

i. In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023 in addition to annual and quarterly financial statements for the prior years have been uploaded on the Company's website www.ssgc.com.pk/all-financial-reports.

G. NOTIFICATION OF CHANGE IN ADDRESS

i. Shareholders are requested to promptly notify any change in their address.

H. PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE

i. Under the provision of Section 242 of Companies Act, 2017, it is mandatory for listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank of shareholders, shareholders are requested to fill the "Electronic Credit Mandate Form" available on Company's website and send it duly signed along with a copy of CNIC to the Share Registrar of the Company M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, in case of physical shares. In case shares are held in CDC then "Electronic Credit Mandate Form" must be submitted directly to shareholder's broker / participant / CDC account holder.

I. CONVERSION OF PHYSICAL SHARES TO CDC ACCOUNTS

i. In compliance with Section 72 of the Companies Act, 2017, physical shares are required to be converted into book-entry form within four years of the promulgation of the Act. Shareholders holding physical share certificates are encouraged to convert their shares into book-entry form at the earliest. The shareholders of the Company may contact the Share Registrar, namely M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, for the conversion of physical shares into book-entry form.

J. UNCLAIMED DIVIDENDS AND SHARE CERTIFICATES

i. Shareholders, whose dividend or bonus shares are still unclaimed or have not collected their physical shares, are advised to contact our Share Registrar, M/s. CDC Share Registrar Services Limited, to collect / enquire regarding their unclaimed dividends or pending shares, if any.

K. DECLARATION AS PER ZAKAT AND USHER ORDINANCE 1980

i. Shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs. 50/- to the Share Registrar, if not provided earlier.

L. SUBMISSION OF COPY OF CNIC / NTN CERTIFICATE (Mandatory)

i. Members are requested to provide a copy of valid CNIC / NTN Certificate to their respective Participant / CDC Investor Account Services in case of Book-Entry Form, or to the Company's Share Registrar in case of Physical Form, duly quoting thereon the Company's name and respective folio numbers.

M. CONSENT FOR VIDEO CONFERENCE FACILITY

i. In accordance with Section 132 and 134 of the Companies Act, 2017, members can also avail video conference facility.

ii. If the Company receives consent from members holding in aggregate 10% or more shareholding, residing at a geographical location other than the city of the meeting, to participate in the meeting through video conference at least 7 days prior to the date of the Annual General Meeting; the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following form and submit the same to the registered address of the Company 7 days before holding of the Annual General Meeting.

iii. The Company will intimate to members regarding the venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

I / We _______________ of________________ being a member of Sui Southern Gas Company Limited, holder of _______________ordinary share(s) as per Registered Folio / CDC Account # ______________ hereby opt for video conference facility at_____________.

Signature of Member

BOARD / COMMITTEE MEETINGS

JULY 01, 2022 TILL JUNE 30, 2023

BOARD OF DIRECTORS' MEETINGS		
Name of Directors	**Total Number of Meetings***	**Number of Meeting(s) Attended**
Dr. Shamshad Akhtar	14	14
Mr. Muhammad Raziuddin Monem	14	14
Mr. Faisal Bengali	06	05
Mr. Abdul Aziz Uqaili	14	14
Mr. Hassan Mehmood Yousufzai	05	05
Dr. Imran Ullah Khan	07	04
Dr. Sohail Razi Khan	14	14
Mr. Manzoor Ali Shaikh	14	14
Mr. Zuhair Siddiqui	14	14
Mr. Ayaz Dawood	14	14
Mr. Sajid Mehmood Qazi	06	06
Ms. Saira Najeeb Ahmed	07	07
Mr. Abrar Ahmed Mirza	02	02
Mr. Imran Maniar	14	14

BOARD HUMAN RESOURCE AND NOMINATION COMMITTEE		
Name of Directors	**Total Number of Meetings***	**Number of Meeting(s) Attended**
Dr. Shamshad Akhtar	13	13
Mr. Muhammad Raziuddin Monem	13	13
Mr. Hassan Mehmood Yousufzai	07	07
Dr. Sohail Razi Khan	13	12
Mr. Manzoor Ali Shaikh	13	13
Mr. Sajid Mehmood Qazi	04	04
Mr. Abdul Aziz Uqaili	01	01
Ms. Saira Najeeb Ahmed	02	02
Mr. Imran Maniar	13	13

BOARD AUDIT COMMITTEE		
Name of Directors	**Total Number of Meetings***	**Number of Meeting(s) Attended**
Mr. Faisal Bengali	05	05
Dr. Imran Ullah Khan	06	06
Dr. Sohail Razi Khan	09	09
Mr. Ayaz Dawood	09	09
Ms. Saira Najeeb Ahmed	03	03
Mr. Sajid Mehmood Qazi	01	01

BOARD FINANCE AND PROCUREMENT COMMITTEE		
Name of Directors	**Total Number of Meetings***	**Number of Meeting(s) Attended**
Dr. Shamshad Akhtar	01	01
Mr. Faisal Bengali	05	05
Mr. Zuhair Siddiqui	09	09
Mr. Ayaz Dawood	09	09
Dr. Imran Ullah Khan	06	05
Ms. Saira Najeeb Ahmed	03	03
Mr. Imran Maniar	09	09

BOARD SPECIAL COMMITTEE ON UFG		
Name of Directors	**Total Number of Meetings***	**Number of Meeting(s) Attended**
Dr. Shamshad Akhtar	04	04
Mr. Abdul Aziz Uqaili	04	04
Mr. Hassan Mehmood Yousufzai	02	02
Dr. Sohail Razi Khan	04	04
Mr. Zuhair Siddiqui	04	04
Mr. Sajid Mehmood Qazi	02	02
Mr. Imran Maniar	04	04

BOARD RISK MANAGEMENT, LITIGATION AND HSE & QA COMMITTEE		
Name of Directors	**Total Number of Meetings***	**Number of Meeting(s) Attended**
Mr. Muhammad Raziuddin Monem	02	02
Mr. Abdul Aziz Uqaili	02	02
Mr. Manzoor Ali Shaikh	02	02
Mr. Zuhair Siddqui	02	02
Mr. Imran Maniar	02	02

*Held during the period, the concerned Director was on Board / Committee

TERMS OF REFERENCE OF THE BOARD COMMITTEES

The Board has established five committees namely Board Human Resource and Remuneration Committee, Board Finance and Procurement Committee, Board Audit Committee, Board Risk Management, Litigation and HSE & QA Committee and Board Special Committee on UFG. The primary function of these Committees is to assist the Board in effective and efficient discharge of its functions and to provide feedback on manners of significant importance for Board's operations. The Board has approved Terms of Reference (ToR) for each of the committees to ensure that the interest of the Company is safeguarded. The synopsis of their Terms of Reference is given below:

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Terms of Reference of the Board Human Resource and Remuneration Committee includes the following:

- To recommend human resource management policies to the Board.
- To thoroughly study and evaluate all HR related issues presented by the management and to formulate concise recommendations for the Board.
- To review MD's performance on an annual basis and recommend increment as per the contemporary practices.
- To pre-review and endorse promotion / demotion in Grades VIII, IX and X.
- To review the recruitment policy and procedures.
- To review and recommend hiring of executives in Grades VIII, IX and X.
- To pre-review and endorse HR plan including but not limited to executive training, development, career planning, potential assessment and succession planning.
- To recommend to the Board, the selection, evaluation, development, compensation (including retirement benefits) of DMDs, Chief Financial Officer, Company Secretary and Head of Internal Audit.
- To consider and recommend to the Board, matters relating to Health, Safety and Environment directly linked with the Human Resource Management.
- To consider and recommend to the Board, policy matters relating to harassment at workplace, employment of persons with special needs / disability etc.

BOARD FINANCE AND PROCUREMENT COMMITTEE

The Terms of Reference of Board Finance and Procurement Committee includes the following:

- To review strategic business / investment proposals and policies prepared in pursuit of the corporate purpose of the Company by the management and make recommendations to the Board for approval.
- To review and recommend to the Board, contracts of strategic nature that may have a material impact on the Company's capital, financial position and business.
- To ensure Board is aware of the matters, which may significantly impact the financial condition or affairs of the business including but not limited to providing oversight on the receivable and payable position of the Company and procurement cycle of goods and services etc.
- To examine the Capital and Revenue Budget of the Company and to make recommendations to the Board of Directors, thereon.
- To examine the budgetary and operating limits of authority and recommend to the Board any deviation or any enhancement thereof.
- To accord approval to contracts or purchase orders in local or foreign currency for supply of material, services or other works exceeding the financial authority delegated to the Managing Director.
- To review the contracts or purchase orders exceeding the financial authority of the Committee and make recommendations to the Board for approval.
- To approve / recommend major contracts of civil works along with cost benefit analysis thereof that also include purchase of land.

To Be Continued...

- To lay down time limits / parameters in respect of procurement of various materials and services.
- To review the borrowing plans of the Company by assessing the requirements thereof and make recommendations to the Board for approval.
- To approve procurement of materials and services exceeding the authority limits of the management.
- To review and recommend to the Board any changes / amendments in the Terms of Reference of the Committee.
- Any other matter entrusted by the Board of Directors from time to time.

BOARD AUDIT COMMITTEE

The Terms of Reference of Board Audit Committee includes the following:

- To recommend to the Board of Directors the appointment of external auditors by the Company's shareholders.
- To ensure the Independence of external auditor, reviewing the extent of non-audit work undertaken and the fees involved.
- To review quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors focusing on:
  - Major judgmental areas.
  - Significant adjustments resulting from the audit.
  - The going concern assumption.
  - Any changes in accounting policies and practices.
  - Compliance with applicable accounting standards.
  - Compliance with listing regulations, other statutory and regulatory authorities.
  - Compliance with management control standards Company policies including ethics.
  - Policy for good corporate governance.
- To facilitate the external audit and discussion with the external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management where necessary).
- To review the management letter issued by external auditors and management's response thereto.
- To ensure the coordination between the internal and external auditors of the Company to avoid duplication or incomplete coverage, as far as possible.
- To ascertain that the internal control systems including financial and operational controls, accounting system and reporting structure are adequate and effective.
- To ensure continuing suitability of the organization structure, at all levels.

  To determine the appropriate measures to safeguard Company's assets and their performance including post facto to review major investment projects and programs.
- To review the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
- To approve annual internal audit plan, review internal audit reports issued and action taken thereon.
- To review the appointment, performance, remuneration and replacement of the Head of Internal Audit Department, ensuring continuing independence of the internal audit function from undue management influence.
- To determine the compliance with relevant statutory requirements.
- To monitor the compliance with the best practices of corporate governance and identification of significant violations thereof.
- To consider any other issue or matter on its own or as may be assigned by the Board of Directors.

BOARD RISK MANAGEMENT, LITIGATION AND HSE&QA COMMITTEE

The Terms of Reference of Board Risk Management, Litigation and HSE&QA Committee includes the following:

- To promote international best practices in respect of Enterprise Risk Management (ERM) and to assist the Board in oversight of overall risk's in achievement of Company's defined objectives.
- To review the effectiveness of the ERM framework.
- To identify and mitigate risks affecting the objectives, business strategy and reputation of the Company.
- To identify and mitigate risks impacting operations, projects and the continuous and reliable supply of gas to SSGC customers.

To Be Continued...

- To monitor the methodology used in identifying risks and se ng up mitigation strategies.
- To review SSGC's risk appetite and risk profile in relation to credit, liquidity, financial assets, capital, operations and supply chain.
- To monitor compliance of all legal and regulatory matters including corporate, employment, Explosive Department of GoP, environmental safety, OGRA and IMS certification bodies and other licensing obligations.
- To review all HSE&QA matters and to promote, set standards and monitor Safety, Health, Environment and Quality Assurance matters and making recommendations to the Board in this regard.

BOARD SPECIAL COMMITTEE ON UFG

The Terms of Reference of Board UFG Committee includes the following:

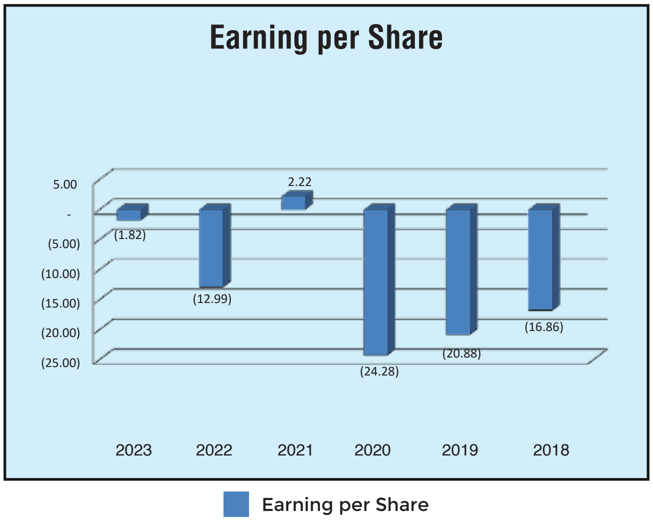
- To review the management's plans to minimize UFG and for the demand management on periodic basis and present the same to the Board for approval along with its recommendations.
- To monitor the performance of management in reduction of UFG.
- To monitor the performance of management in reducing wastage on demand side.
- To recommend Company's position vis-a-vis Government and the Authority regarding different issues.
- To recommend incentive-schemes, policies etc. for reduction of UFG and for reducing wastage on demand side.
- To review strategic issues pertaining to UFG and to the demand management.

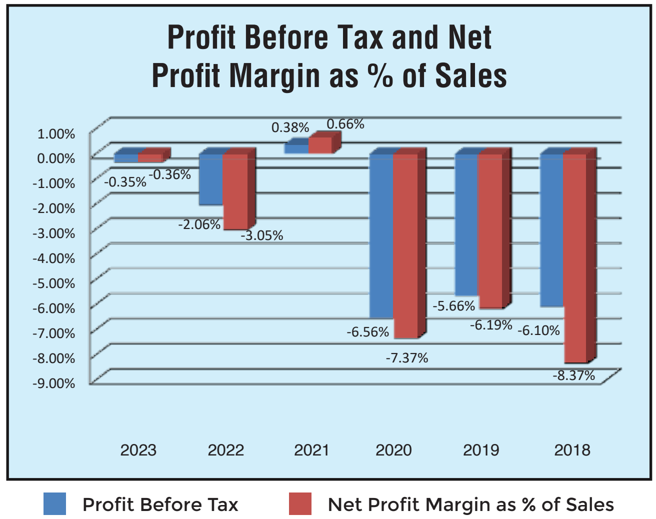
TRANSFORMING THE ENERGY LANDSCAPE

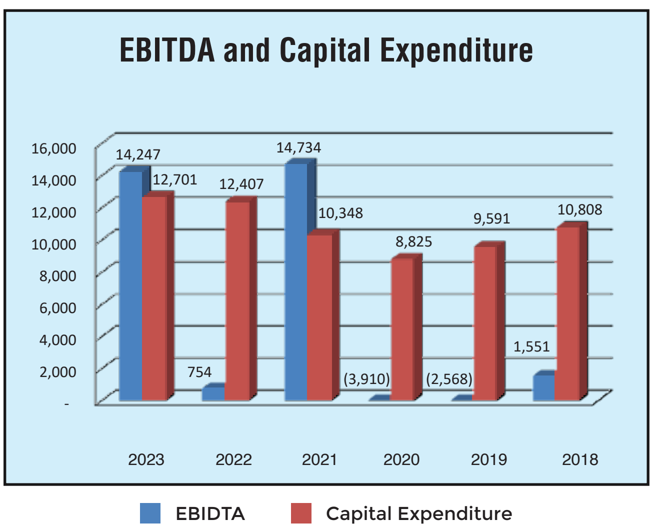
GENERAL
OVERVIEW

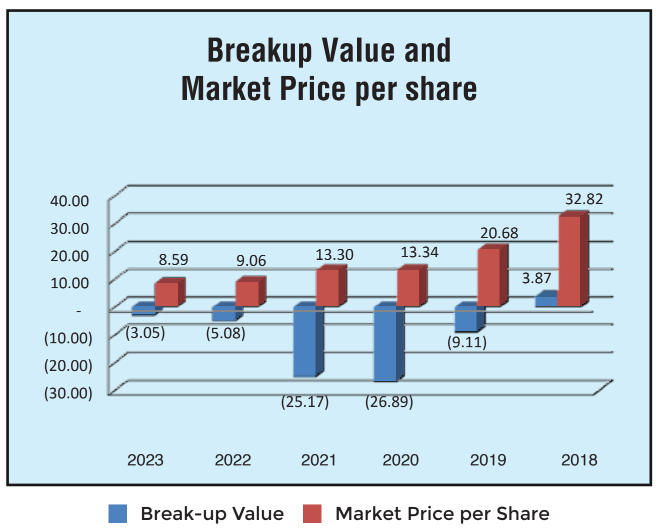
This section outlines Performance Indicators in the form of graphical representations and tables of the financial data and provides details of the Distribution Network and Six-year Financial Highlights.

PERFORMANCE INDICATORS









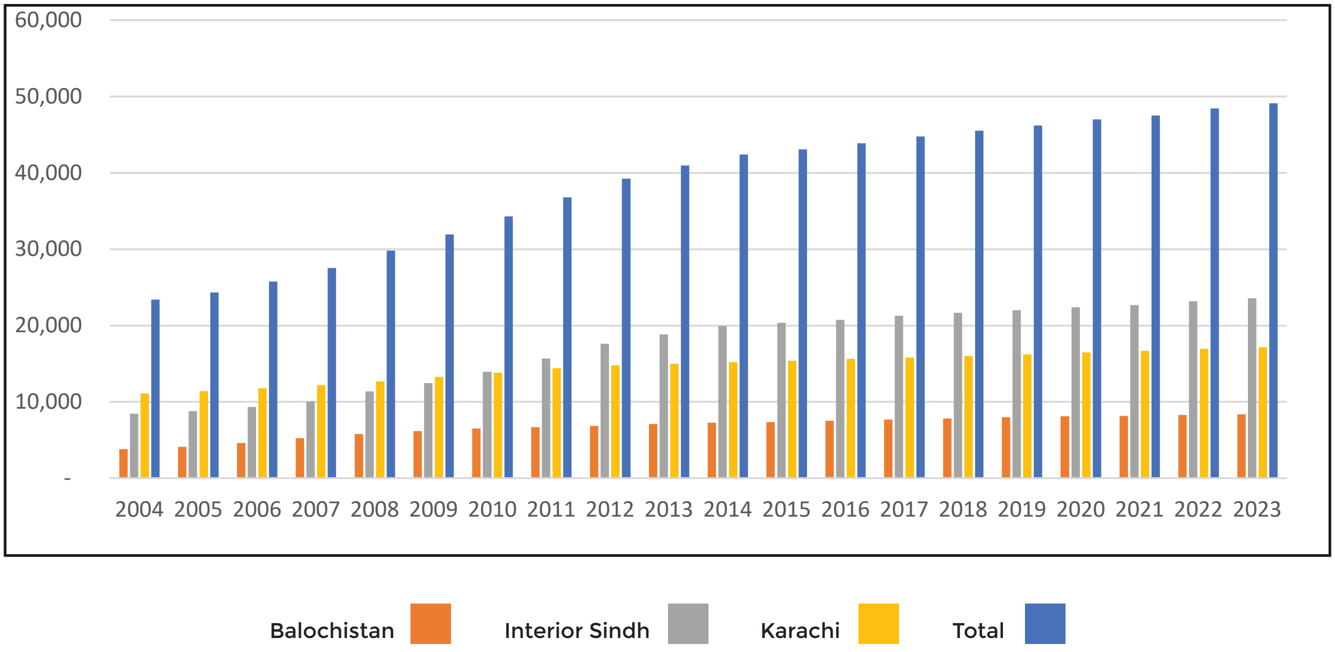
DETAILS OF
DISTRIBUTION NETWORK
IN KILOMETERS

LEGEND # 1 (2004 to 2013)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Balochistan	4,109	4,619	5,250	5,796	6,193	6,505	6,690	6,841	7,117	7,263
Interior Sindh	8,809	9,361	10,077	11,375	12,484	13,951	15,697	17,626	18,826	19,937
Karachi	11,422	11,784	12,215	12,659	13,253	13,826	14,398	14,786	15,019	15,217
Total	24,089	25,764	27,542	29,830	31,930	34,282	36,785	39,253	40,962	42,417

LEGEND # 2 (2014 to 2023)

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Balochistan	7,368	7,518	7,685	7,838	7,988	8,101	8,168	8,293	8,364	8,425
Interior Sindh	20,347	20,757	21,280	21,672	22,014	22,395	22,667	23,197	23,559	23,843
Karachi	15,374	15,615	15,796	16,009	16,207	16,497	16,685	16,959	17,175	17,206
Total	43,089	43,890	44,761	45,519	46,209	46,993	47,520	48,449	49,098	49,474

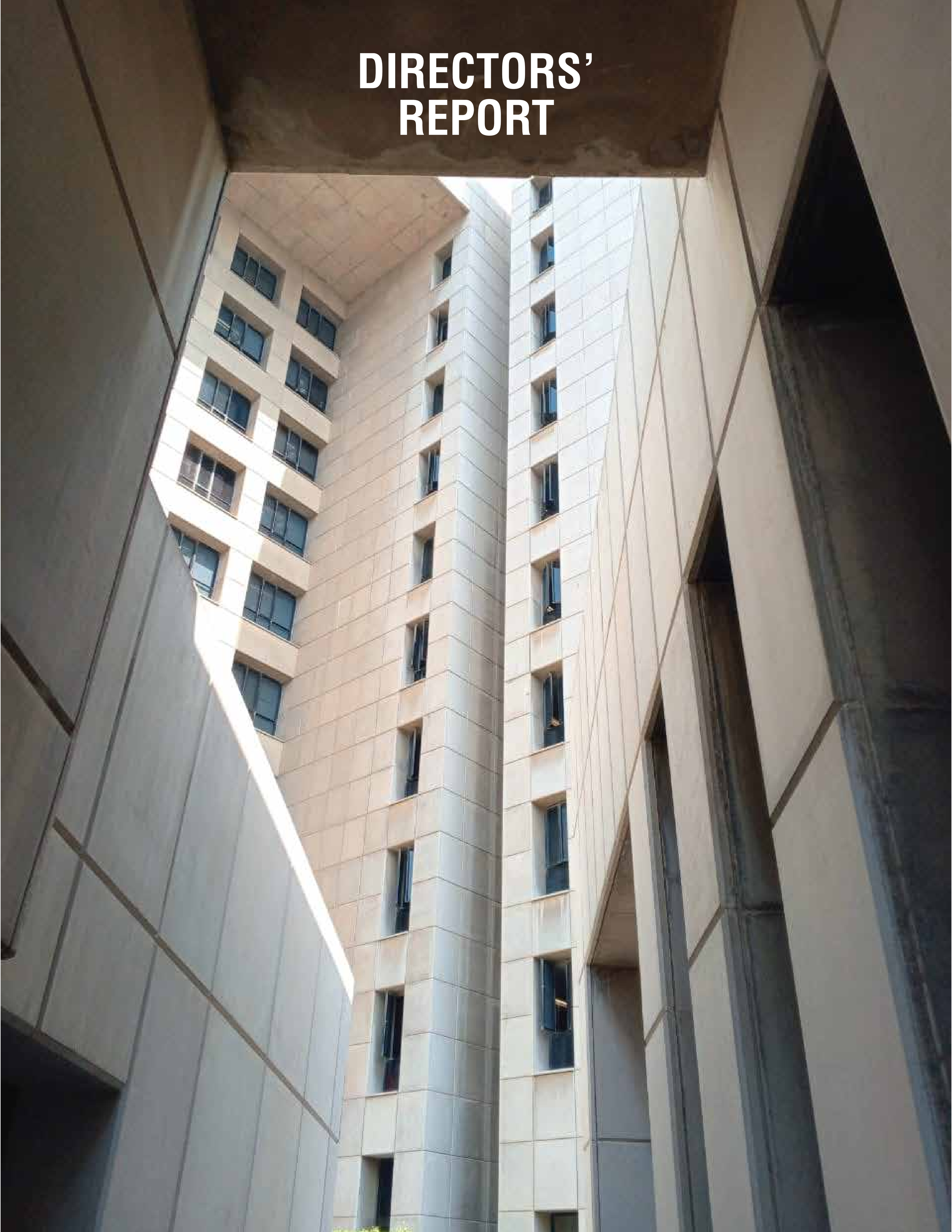


SIX - YEAR
FINANCIAL HIGHLIGHTS
KEY INDICATORS

		2023	2022	2021	2020	2019	2018
Trading Results	**Rs Million**						
Revenue from contracts with customers - Gas sales		449,501	375,559	296,129	290,240	297,167	177,404
Gross profit / (loss)		26,200	7,719	(5,750)	(17,051)	2,046	(9,777)
Profit / (loss) before taxation		(1,591)	(7,735)	1,135	(19,049)	(16,820)	(10,826)
Profit / (loss) for the year		(1,601)	(11,444)	1,956	(21,393)	(18,395)	(14,848)
Operating Ratios	**%**						
Gross margin		5.83%	2.06%	-1.94%	-5.87%	0.69%	-5.51%
Pre tax margin		-0.35%	-2.06%	0.38%	-6.56%	-5.66%	-6.10%
Net margin		-0.36%	-3.05%	0.66%	-7.37%	-6.19%	-8.37%
Financial position	**Rs. Million**						
Shareholders equity		(2,688)	(4,479)	(22,172)	(23,691)	(8,022)	3,406
Property, plant and equipment		187,414	175,264	135,988	134,346	129,720	120,524
Net current assets		(119,173)	(117,980)	(98,192)	(90,551)	(65,870)	(43,029)
Long term assets		10,583	5,980	6,100	1,734	1,649	1,870
Long term liabilities		81,512	67,743	66,067	69,220	73,522	75,959
Capital employed		29,501	19,202	7,169	13,483	38,735	59,702
Performance							
Capital expenditure	**Rs. Million**	12,701	12,407	10,348	8,825	9,591	10,808
Asset turnover ratio		0.48	0.53	0.48	0.51	0.65	0.51
Fixed assets turnover ratio		2.48	2.41	2.19	2.20	2.38	1.51
Inventory turnover	**Days**	2.65	2.52	2.39	2.49	1.93	2.45
Return on equity *	**%**	NA*	NA*	NA*	NA*	NA*	-152.37%
Return on capital employed	**%**	-6.58%	-86.80%	18.94%	-81.94%	-37.37%	-22.56%
Valuation and other Ratios							
Earning per share	**Rs.**	(1.82)	(12.99)	2.22	(24.28)	(20.88)	(16.86)
Net assets per share (breakup value)	**Rs.**	(3.05)	(5.08)	(25.17)	(26.89)	(9.11)	3.87
Market value per share at 30 June	**Rs.**	8.59	9.06	13.30	13.34	20.68	32.82
Price earning ratio		(4.73)	(0.70)	5.99	(0.55)	(0.99)	(1.95)
Debt : Equity ratio *		NA*	NA*	NA*	NA*	NA*	94:06
Current ratio		0.88	0.84	0.83	0.84	0.86	0.86
Debt service coverage ratio		0.93	0.02	1.13	(0.22)	(0.16)	0.11

* Not applicable as equity is negative

DIRECTORS' REPORT



DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of SSGC is pleased to present the Company's 69th Annual Report, including the Audited Financial Statements and the Auditors' Report, for the financial year ending June 30, 2023.

During FY 2022-23, SSGC achieved remarkable strides towards operational efficiency and financial recovery. The Company successfully reduced Unaccounted-for-Gas (UFG) levels, demonstrating a fourth consecutive year of reduction in UFG and establishing a more robust approach to operations, business, and organizational culture.

The Company's loss significantly decreased from Rs.11.444 billion in FY 2021-22 to Rs.1.601 billion in FY 2022-23, and Earning Per Share (EPS) improved from negative Rs.12.99 to negative Rs.1.82, indicating a tsubstantial recovery in financial performance. This reduction reflects the Board's commitment since November 2019, when it took charge, to address challenges while protecting the Company's interests.

Despite operating in a challenging environment, SSGC's focused strategies in enhancing operational efficiencies have led to improved UFG metrics. Over the period from FY 2018-19 to FY 2022-23, SSGC achieved a cumulative reduction of approximately 21 BCF in UFG, underscoring the Company's sustained efforts in tackling operational issues.

SSGC operates in a highly regulated environment, and the Financial Statements are prepared based on OGRA's decision on the Final Revenue Requirement. While FY 2020-21 marked a profitable year, FY 2022-23 presented notable challenges primarily due to a sharp 53% increase in Weighted Average Cost of Gas (WACOG) from Rs.641.11 to Rs.978.38 per MMCF. Nonetheless, the Company's initiatives within its control, especially the UFG reduction strategies, have significantly contributed towards minimizing losses.

The Company remains optimistic about its future trajectory, bolstered by substantial developments in operational efficiency and financial management. Initiatives like network rehabilitation, zonal management structure implementation, and investments in technology have set a solid foundation for future growth and stability. These improvements underscore SSGC's dedication to enhancing the reliability and sustainability of its gas distribution network and ensuring optimal service for its customers.

UFG Reduction Achievements

The Company has been undertaking extensive initiatives to improve its bottom-line through vigorous and sustainable reduction in UFG. Targeted efforts in FY 2022-23 contributed to a year-over-year reduction in Unaccounted-for-Gas (UFG), marking the fourth consecutive year of UFG improvement. Company-wide UFG figures were reduced to 51.15 BCF against 59.99 BCF the previous year, and the UFG percentage declined from 17.84% to 16.56%, reflecting an 8.84 BCF reduction and 1.28% decrease in UFG.

Continued focus on rationalizing gas purchases at SMS and TBS levels resulted in a significant boost to system optimization, ensuring improved supply to all sectors. In Karachi, an intense UFG reduction effort led to notable success, with single-digit UFG percentage maintained from October 2022 until year-end, culminating in an annual UFG volume reduction of 7 BCF and UFG percentage of 8.28% compared to 10.73% in the prior year. A comprehensive 3-year plan has been developed to further optimize gas purchases in high-demand areas. In parallel, a master plan for Karachi will help improve pressure, reliability, and supply to industrial areas.

Similarly, Upper Sindh region achieved a 2.8 BCF reduction in UFG, with a UFG percentage decrease from 16.3% to 13.3% year-over-year. A 3-year UFG Reduction Plan has been implemented for Upper Sindh, focusing on strengthened operational controls and sustainable improvement.

Balochistan remains a priority focus for UFG reduction, where weather and socio-economic conditions pose unique challenges. Although UFG levels remained at 25.9 BCF, the Company has rolled out an aggressive reduction plan aimed at saving 8 BCF in FY 2023-24. This initiative underscores SSGC's dedication to achieving regulatory compliance and implementing long-term solutions in this region.

Operational Excellence and Network Rehabilitation

The foundation of SSGC's future performance rests on a well-rounded operational strategy that integrates quality management, agile project management, and technological advancements. These efforts improve operational control, maximize human capital utilization, and enhance the Company's overall efficiency.

To maintain a robust gas distribution network, especially in areas where infrastructure has reached the end of its useful life, a massive rehabilitation program has been initiated. Focusing primarily on Karachi and Upper Sindh, this program addresses system leakages and strengthens network integrity. As part of this effort, significant organizational adjustments have been made to optimize efficiency, resulting in doubled rehabilitation capacity over last year. This rehabilitation initiative is targeting 7,500 Kms of the network over the next three years.

Major projects in Quetta city were completed efficiently, with 201 Kms of pipeline successfully installed within the target time frame, enabling a 38% gas savings in summer and 24% savings in winter. In addition, construction of a 32 Kms transmission pipeline segment was completed to enhance network reliability by reducing reliance on older infrastructure.

Revenue Growth and Strategic Financial Initiatives

Through these efforts, SSGC's network capitalization saw a substantial increase from approximately PKR 8 billion in FY 2021-22 to PKR 17.5 billion in FY 2022-23. New resources, strategies, and systems are in place to target further capitalization growth to PKR 25 billion in the coming year and ultimately PKR 40 billion annually in subsequent year.

Organizational improvements through a zonal management structure have allowed for a focused approach across various regions, facilitating enhanced accountability and flexibility. Karachi, Hyderabad, Quetta, and other major cities have been structured to ensure dedicated management of distribution, billing, and customer relations.

Technology and Innovation

The Company continued to enhance technological integration, using GIS and MAZIK platforms to maximize operations monitoring and network analysis capabilities. The GIS Platform now integrates live data from rehabilitation projects and unauthorized gas usage, helping improve gas supply management and planning. Automated monitoring of customer usage was expanded, with 50 TBS sites in Karachi now remotely controlled and monitored for greater operational efficiency.

Regulatory Compliance And Measurement Accuracy

SSGC consistently meets Key Monitoring Indicators (KMI) targets set by OGRA. Following active engagements with the Authority, SSGC achieved an unprecedented 92% KMI acceptance rate, raising the Company's UFG allowance from 6.97% to 7.40%.

Measurement accuracy has been a key focus, with nearly 1,500 customer meters replaced or upgraded and efforts underway to bring gas purchases under real-time monitoring. These initiatives enhance SSGC's ability to monitor, analyze, and improve measurement accuracy across its franchise areas.

Human Resource

Since its formation, the Board has relentlessly pursued an HR and institutional reforms agenda as it is the key to the transformation of SSGC. The New HR Manual has been approved and implemented in order to align our policies and regulations with best practices.

High quality performance assessment and results-based accountability has been institutionalized to achieve better outcomes per the expectations of the stakeholders. To achieve this, the management has implemented new performance-based assessment criteria backed by rigorous KPIs.

The Company is focused on bridging succession gaps through strategic career progression and the recruitment of both internal and external talent on senior management / business critical positions. Around 155 executives were promoted based on their consistent performance and 250 executives were recruited to meet operational requirement of the Company.

The Company is evaluating its HR function according to the requirements of New Employment Handbook and required change in the HR function will be introduced during the current year.

Meter Manufacturing Plant (MMP)

SSGC's Meter Manufacturing Plant (MMP) remains a vital component of the Company's commitment to localizing gas meter production.

In a significant development this year, SSGC successfully secured a tender to supply 1.3 million G-1.6 gas meter units to SNGPL over the next 16 months, demonstrating the plant's ongoing capacity to meet both domestic and international demands.

Extensive engagements have been made with the Trade Development Authority of Pakistan (TDAP) in relation to the export of SSGC meters to Egypt, Iraq and Turkiye. Through continuous efforts, MMP is now in talks with a key 3rd party firm in Egypt to streamline export. Extensive discussions have been undertaken with prospective buyers of SSGC meters and the meter parts located in Turkiye.

Gas Theft Control has been revolutionized by designing a concept and Operational Cycle for homing on to culprits, meaningful operations followed by efficient prosecution, conviction / punishment of culprits and recovery of lost gas volumes. Key initiatives include establishing deterrence against potential theft, reorganizing and training manpower, establishing 27 gas theft courts in Sindh and 11 in Balochistan and making special arrangements for controlling Technical Gas Theft in Industry.

Notwithstanding the above, natural gas depletion and rising operational costs continue to strain the Company, compounded by the adverse dollar-rupee exchange rate impacting the Weighted Cost of Gas (WACOG).

The issue of Gas Development Surcharge (GDS) continues to affect SSGC. As of June 30, 2023, the Tariff adjustment – indigenous gas receivable from the Government of Pakistan (GoP) amounted to Rs. 498.8 billion, a significant increase from Rs. 295.5 billion in June 2022.

SSGC Subsidiaries and Other Ventures

SSGC LPG Limited (SLL): SLL achieved historic milestones in the financial year 2022-23, recording the highest volumes in LPG sales and market share with unprecedented turnover. Profits, volumes and market shares in both LPG and the terminal business experienced significant growth. LPG sales volume increased by 98,700 MT and the market share rose to 7.7%. Terminal volume also increased to 164,204 MT, including 91,207 MT of the Company's own imports. The overall LPG market demand increased by 6% to 1,271,212 MT, according to the OGRA report. SLL, relying mainly on imports, diversified its supply sources, engaged with new suppliers and achieved market leadership in sea imports by importing the largest-ever parcels in Pakistan's history.

The Company reported a net profit after tax of Rs.770 million, with a basic and diluted earning-per-share of Rs.7.70. SLL sought and received certain exemptions from PPRA to navigate the volatility of LPG prices, enabling timely decisions, increased volumes, cost savings and improved profitability.

Looking ahead, SLL aims to further increase market share in both terminal business and LPG volumes, addressing the country's energy demands and providing competitive LPG prices. Collaboration with the Ministry of Energy (Petroleum Division) and other SOEs is underway to enhance the supply chain, achieve economies of scale and reduce LPG costs for end consumers. The Company expresses optimism about sharing more positive developments in the future.

SSGC Alternate Energy (Private) Limited (SSGC-AE): SSGC-AE continues to explore alternative energy sources. Complete value chain has been developed for the procurement of Biogas/ Biomethane from prospective producers on BOO basis. Detailed feedstock potential study, front end engineering design and policy draft have been developed. Similarly, foundational work for bringing difficult-to-market onshore gas streams has also been completed.

MoUs have been signed with two prominent business groups operating in the region for exploring the opportunities to convert the Thar Coal into gas and liquids whereas engagements are underway to uncover green hydrogen production and transportation in Pakistan.

DIRECTORS' REMUNERATION

Name of Directors	After Tax Remuneration (Rupees)	Board of Directors			Board Human Resource and Nomination Committee			Board Audit Committee			Board Finance and Procurement Committee		
		Member	Total Number of Meetings*	Total Number of meeting(s) Attended	Member	Total Number of Meetings*	Total Number of meeting(s) Attended	Member	Total Number of Meetings*	Total Number of meeting(s) Attended	Member	Total Number of Meetings*	Total Number of meeting(s) Attended
Dr. Shamshad Akhtar [1]	2,560,000	√	14	14	√	13	13				√	1	1
Mr. Muhammad Raziuddin Monem	2,320,000	√	14	14	√	13	13						
Mr. Faisal Bengali [2]	1,200,000	√	6	5				√	5	5	√	5	5
Mr. Abdul Aziz Uqaili	1,680,000	√	14	14	√	1	1						
Mr. Hassan Mehmood Yousufzai [3]	1,120,000	√	5	5	√	7	7						
Dr. Imran Ullah Khan [4]	1,200,000	√	7	4				√	6	6	√	6	5
Dr. Sohail Razi Khan	3,120,000	√	14	14	√	13	12	√	9	9			
Mr. Manzoor Ali Shaikh	2,320,000	√	14	14	√	13	13						
Mr. Zuhair Siddiqui	2,320,000	√	14	14							√	9	9
Mr. Ayaz Dawood	2,560,000	√	14	14				√	9	9		9	9
Mr. Sajid Mehmood Qazi [5]	1,040,000	√	6	6	√	4	4	√	1	1			
Ms. Saira Najeeb Ahmed [6]	1,120,000	√	7	7	√	2	2	√	3	3	√	3	3
Mr. Abrar Ahmed Mirza [7]	160,000	√	2	2									

Name of Directors	Board Special UFG Committee			Board Risk Management, Litigation and HSE & QA Committee		
	Member	Total Number of Meetings*	Total Number of meeting(s) Attended	Member	Total Number of Meetings*	Total Number of meeting(s) Attended
Dr. Shamshad Akhtar [1]	√	4	4			
Mr. Muhammad Raziuddin Monem				√	2	2
Mr. Faisal Bengali [2]						
Mr. Abdul Aziz Uqaili	√	4	4	√	2	2
Mr. Hassan Mehmood Yousufzai [3]	√	2	2			
Dr. Imran Ullah Khan [4]						
Dr. Sohail Razi Khan	√	4	4			
Mr. Manzoor Ali Shaikh				√	2	2
Mr. Zuhair Siddiqui	√	4	4	√	2	2
Mr. Ayaz Dawood						
Mr. Sajid Mehmood Qazi [5]	√	2	2			
Ms. Saira Najeeb Ahmed [6]						
Mr. Abrar Ahmed Mirza [7]						

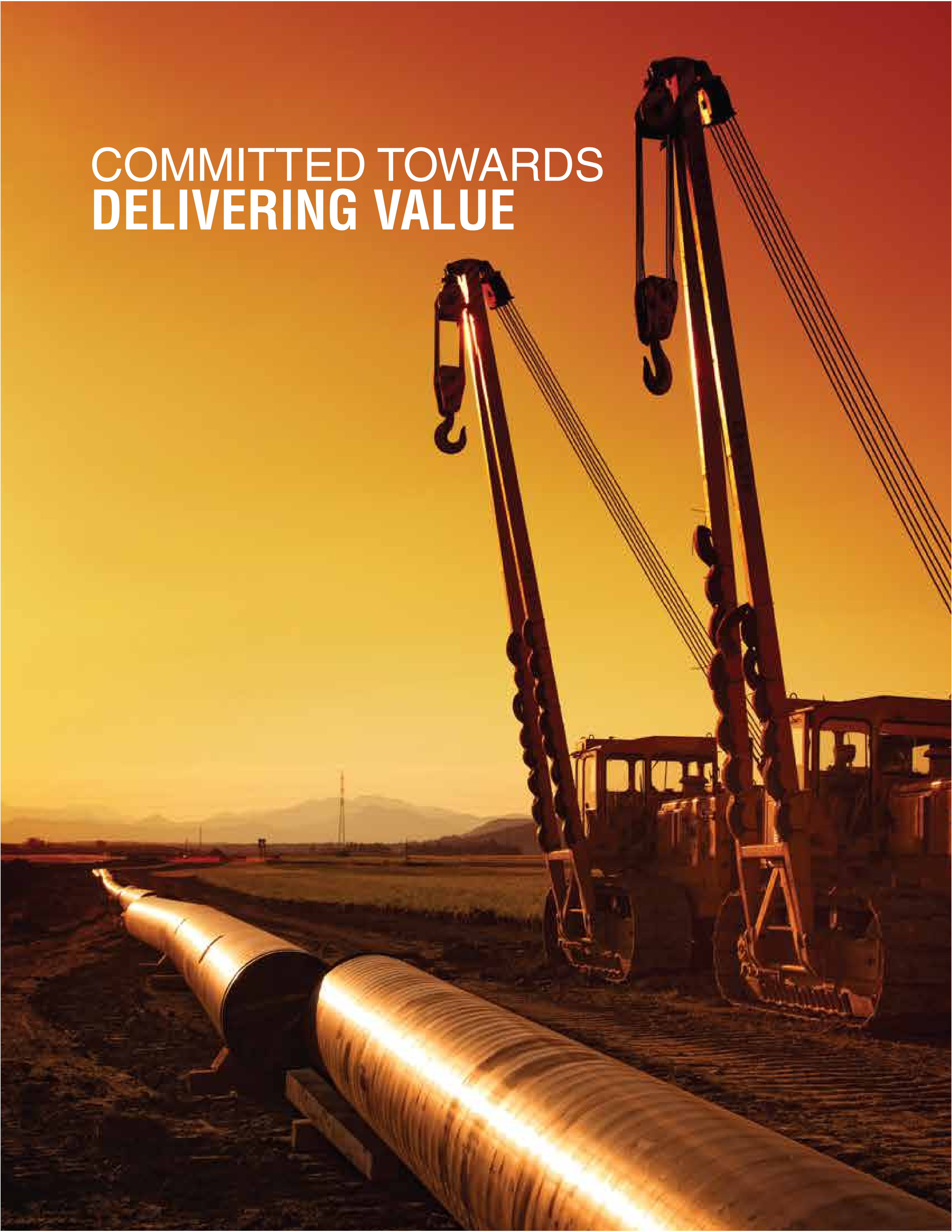
NOTES:

1. Chairperson was also entitled for an honorarium of Rs. 100,000 per month. An amount of Rs. 960,000 was paid to her, excluding tax as honorarium being the Chairperson, alongwith a Company maintained car with fuel and free medical cover.
2. Mr. Faisal Bengali ceased to be Director w.e.f. January 02, 2023
3. Mr. Hassan Mehmood Yousufzai ceased to be Director w.e.f. December 15, 2022
4. Dr. Imran Ullah Khan ceased to be Director w.e.f. February 15, 2023
5. Mr. Sajid Mehmood Qazi ceased to be Director w.e.f. May 20, 2023
6. Ms. Saira Najeeb Ahmed joined the SSGC Board w.e.f. February 15, 2023
7. Mr. Abrar Ahmed Mirza joined the SSGC Board w.e.f. June 12, 2023

The Directors were paid fee of Rs. 100,000 (inclusive of tax) per meeting. Board members residing locally receive pick-and-drop services with a driver on the meeting day, while out-of-town members are provided airport transfers, air tickets, hotel accommodations, and local transport with a driver for in-person attendance.

Remuneration of Chief Executive officer, Directors and other Executives are disclosed in note # 51 to the unconsolidated financial statements.

COMMITTED TOWARDS **DELIVERING VALUE**



ENERGY OVERVIEW

Pakistan's primary energy mix is dominated by fossil fuels, with natural gas and oil being the most widely used energy sources. The remaining natural gas reserves in the country (including non-pipeline quality gas) are estimated at 20.95 trillion cubic feet, making it the second-largest natural gas producer in South Asia. The total recoverable oil reserves in Pakistan are 249.05 million US barrels. Natural gas remains the dominant energy source in the country, comprising a substantial 41% of the total energy mix. In addition, imports of Liquefied Natural Gas (LNG) have increased and it now represents 11.4% of the overall primary energy supply.

Pakistan's gas sector comprises of the upstream sector and the downstream sector. The upstream sector has 24 Exploration and Production (E&P) companies that extract and supply indigenous oil and gas in the country. In 2022, the average oil production was recorded at 75,530 bpd, continuing its declining trend since peaking at 94,493 bpd in 2015. Natural gas production has also recorded a declining trend, recording production at 3,504 mmcfd in 2021 since peaking at 4,259 mmcfd in 2012. The gas downstream sector is dominated by two state-owned entities, SSGC and SNGPL. These companies own and operate gas transmission and distribution networks that spans over 205,000 kms in the country. Pakistan has a huge gas market with total consumers nearing 11 million. A few E&P companies also supply gas through small, exclusive pipelines to power and fertilizer companies. Two new entrants in the gas downstream sector, Engro Vopak Terminal Limited and Pakistan Gas Port Limited, own and operate LNG import terminals with a capacity of 1,200 million cubic feet per day (mmcfd) each. In 2022, Pakistan imported a record 9.9 mmtoe of LNG, the highest in the country's history. The total natural gas consumption in 2022 was 31.2 mmtoe.

Source: Petroleum Institute of Pakistan (PIP)

FINANCIAL OVERVIEW

During the period under review, the Company's financial position has significantly been improved from loss after tax of 11,444 million in 2021-22 to a reported loss after tax of Rs. 1,601 million. Earning per share also substantially improved from negative Rs. 12.99 to negative 1.82.

The summary of financial highlights is given below:

	2022-23	2021-22	Variation
	(Rupees in Million)		
Profit / (Loss) before taxation	(1,591)	(7,735)	6,144
Taxation	(10)	(3,709)	3,699
Profit / (Loss) after taxation	(1,601)	(11,444)	9,843
Earnings per share (Rs.)	(1.82)	(12.99)	11.17

SSGC's profitability is derived from the Guaranteed Return Formula prescribed by OGRA which derived from the Weighted Average Cost of Capital (WACC). Under this formula, SSGC was allowed 23.45% (FY 2021-22: 16.60%) return on its average net operating fixed assets before financial charges and taxes. However, OGRA makes disallowances/ adjustments while determining the revenue requirements based on efficiency related benchmarks viz a viz Un-accounted for Gas (UFG), Human Resource Benchmark Cost, Provision for Doubtful Debts and some other expenses/ charges. These disallowances/ adjustments affect the bottom-line of the Company.

In OGRA's Determination on Final Revenue Requirements dated October 01, 2024 for FY 2022-23, SSGC was allowed a Return of Rs. 23,496 million. Against the allowed return, OGRA made disallowances on account of UFG for Rs.27,679 million, Rs. 254 million on account of Provision made against expected credit loss for the year in compliance of IFRS 9, Financial Instruments. However, SSGC successfully controlled HR Cost which remained under benchmark and accordingly Rs. 836 million was allowed in bottom-line for saving in HR Cost. In addition, OGRA allowed SSGC prior periods claim of Rs. 1,852 million on account of provision against expected credit losses, KMI Differentials and T&D Cost. Finance cost for the year is Rs. 8,619 million.

Despite significant efforts to reduce UFG and turnaround the Company, high UFG in Balochistan region outweighed all efforts. For the period under review, Balochistan UFG in volume terms was 25.99 BCF and in percentage is 59.7% (FY 2021-22: 25.08 BCF and 53.2%).

This issue needs policy decision at the Federal Government level to keep gas supplies to Balochistan a commercially viable decision. Due to rigorous efforts to curb UFG, despite increased UFG in Balochistan, the overall Company-wide UFG is maintained in volumetric terms at 51.15 BCF and in percentage at 16.6% (FY 2021-22: 59.99 BCF and 17.8%).

It is important to underscore that the Return on Assets is based upon Historical Cost in PKR value of assets whereas the UFG penalty is based on the Weighted Average Cost of Gas (WACOG) which is mainly based on USD. Sharp depreciation of PKR versus USD in recent times has been the key factor of negative bottom-line. The WACOG in FY 2022-23 was Rs. 978.38 per MMCF compared to Rs. 641.11 per MMCF last year which is a significant 53% increase in WACOG, resulting in incremental UFG disallowance of Rs. 9,542 million.

The core reasons affecting the financial position of the Company are elaborated in following paras:

Acceptance of UFG Allowance on RLNG Business

SSGC has been pursuing vigorously OGRA through the Ministry of Energy (Petroleum Division), as well as through Islamabad High Court to allow Actual UFG on RLNG business in Distribution Network. As a result of IHC restraining Order, OGRA has allowed Actual UFG on RLNG Distribution business. However, still high UFG disallowance is mainly due to the fact that OGRA is not accepting RLNG Volume Handling benefit allowed to SSGC vide a Summary approved by the Economic Coordination Committee (ECC) dated May 11, 2018. With vigorous follow-up of SSGC Management & Board of Directors, OGRA has engaged a Consultant to determine the extent of UFG on RLNG and its impact on each Sui Company, namely SSGC and SNGPL. The final outcome of consultant study is still awaited. Had this benefit for the year been allowed to SSGC, the net UFG disallowance for the year would have been reduced by around Rs. 21,573 million.

Provision Against Impaired Debts

OGRA allows provision against impaired debts as operating expense related to disconnected customers only (25% in first year and remaining in next year). However, on adoption of IFRS-9, provision is being made on Expected Credit loss basis i. e. forward looking approach which also requires provisioning against Live Customers, resultantly, bottom-line of the Company was significantly affected. OGRA disallowed provisioning amounting to Rs. 254 million as compared to Rs. 1,741 million in last year. In addition, OGRA allowed SSGC prior period claim of Rs. 922 million on account of Provision against expected credit losses.

Financial Cost

SSGC was forced to incur financial charges of Rs. 8,619 million mainly on long-term and short-term borrowings obtained for capital expenditures and working capital shortfall due to delay in Tariff Notifications.
However, out of the above, an amount of Rs. 5,469 million was allowed by OGRA as per past practice to compensate the impact of delay in Tariff Notifications and specific borrowing obtained to fulfill working capital requirements on non-payment by KE of RLNG running gas bills.

Qualifications in the External Auditors' Report

The External Auditors, M/s. BDO Ebrahim & CO., Chartered Accountants had expressed qualified opinion in their audit report for the financial year ended 30 June 2023 for amount due from KE and PSML and late payment surcharge (LPS) receivable from SNGPL and WAPDA.

Receivables from KE and PSML

During FY 2022-23, defaulted receivable situation of K-Electric (KE) and Pakistan Steel Mills Limited (PSML) remained almost the same as in previous years. The Management is vigorously pursuing recovery suit filed against KE and PSML. At the same time, the Management is in constant liaison with the concerned ministry to expedite the recovery of outstanding dues from KE. A Task Force was constituted by the then Prime Minister to resolve issues/disputes related to K-Electric. A multi-party Mediation Agreement was entered in order to resolve KE's receivables and payables issues between all the stakeholders. The said Mediation Agreement has been signed / executed and accordingly all the parties have submitted their respective claims to the Mediator, however, commencement of Mediation proceedings is still pending. It is expected that as soon as the matter is permanently resolved by the Government of Pakistan, the overall financial position of the Company will improve. The claim of the Company including LPS against KE and PSML, as of June 30, 2023 is Rs. 176,412 million and Rs. 89,405 million respectively.

LPS Receivable from SNGPL and WAPDA

The Company is facing the situation of accumulated receivable from SNGPL and WAPDA due to overall circular debt situation. However, based on the agreed terms and conditions, the Company is accruing LPS against overdue amount. The company is apprising this position of Circular Debt to the concerned Government Authorities on daily basis and expect that this issue would be resolved as and when circular debt is addressed at national level.

Emphasis of Matter

In addition to the above, the External Auditors, M/s. BDO Ebrahim & Co., Chartered Accountants had drawn attention on certain issues in their audit report for financial year ended June 30, 2023. Comments on these matters are as under:

- Material litigations and claims involving different courts, the outcome of which is uncertain.
- Sustainability of Company's future operations is dependent upon Goverment of Pakistan's support letter which has confirmed to extend necessary financial support to maintain going concern status.
- SSGC has discontinued recognition of LPS expenses payable to the Government controlled E&P companies (OGDCL, PPL & GHPL) effective from 01 July 2012 till the time SSGC receives LPS income from PSML and KE.
- Settlement of matters with SNGPL prior to June 2020 is dependent on OGRA's appointed Consultant Report.

ACKNOWLEDGEMENTS

The Directors wish to express their appreciation for the continued support and patronage received from the shareholders and its valued customers. At the same time, we wish to acknowledge the dedication of all the employees who soldiered on, despite numerous challenges being confronted by the Company. We also place on record, our acknowledgment for the continued guidance and support received from the Government of Pakistan, Ministry of Energy and Oil and Gas Regulatory Authority. The Board would especially like to thank all the outgoing Directors for the role they had played in the policy making and their focused approach in addressing diverse issues.

On behalf of the Board,

Dr. Shamshad Akhtar
Chairperson, Board of Directors

Muhammad Amin Rajput
Managing Director

November 05, 2024

OPERATIONAL OVERVIEW

SSGC is guided by its core values of Integrity, excellence, team work, transparency, creativity and responsibility to stakeholders. In alignment with the its mission, SSGC endeavors to provide natural gas facilities to a continuously increasing customer base. Divisional and department-wise details of projects and achievements during FY 2022-23 are as under:

TECHNICAL SERVICES DIVISION
PLANNING AND DEVELOPMENT (P&D) DEPARTMENT

Following gas pipeline projects were commisioned during FY 2022-23:

1. Supply of 13 MMCFD gas at the doorstep of Bin Qasim Industrial Park (BQIP), Sindh

In accordance with the directives of Ministry of Energy (Petroleum Division), SSGC planned a project of 13 MMSCFD gas for BQIP Special Economic Zone (SEZ), as per requirement conveyed by National Industrial Parks Development and Management Company (NIPDMC) through laying / construction of gas infrastructure for the primary objective of establishing new industries. The 12" dia. x 3.5 kms pipeline for BQIP Project was successfully commissioned on March 17, 2023.

2. Supply of 10 MMCFD Gas / RLNG at the doorstep of Bostan Special Economic Zone, Balochistan

The project was taken up in compliance with directives of Ministry of Energy (Petroleum Division), for the development of infrastructure for boosting industrialization under China Pakistan Economic Corridor (CPEC). Construction of 16" dia. x 8.784 Kms supply main distribution pipeline for supplying 10 MMSCFD gas (RLNG) to Bostan SEZ and TBS was consequently planned. The said project was successfully commissioned on March 10, 2023.

3. Supply of 13.5 MMCFD gas at the doorstep of Dhabeji Special Economic Zone, Sindh

Provision of gas is one of the prerequisites for operationalization of the economic zones. Sindh Economic Zones Management Company (SEZMC) identified gas requirement of 13.5 MMSCFD for Dhabeji SEZ. In order to supply this volume of gas, SSGC planned a project involving laying down a 12" dia. x 9 kms distribution pipeline from a new Sales Meter Station in Pakland to the proposed Town Border Station. Summarily, the 9 kms pipeline segment was successfully commissioned on June 23, 2023.

4. 30" dia. x 32 Kms Gas Transmission Pipeline from MVA Baran to RS-4 (Phase-1 of 30" dia. x 116 Kms Transmission Pipeline Project)

SSGC management approved the execution of Phase-1 (30" dia. x 32 kms Transmission Pipeline from MVA Baran to RS-4) of the overall 30" dia. x 116 kms Transmission Pipeline Project. The purpose of executing 32 kms segment was to utilize the 30" dia. line pipe already available with SSGC. Further, the pipeline capacity of transmission network by adding 30" x 32 Kms segment has been increased by 68 MMSCFD with an estimated capitalization amount if PKR 2,499 million. Phase-I of the project was successfully completed and commissioned in June 2023.

5. OGDCL Project Construction of NIM EAST-01 Wellhead, Assembly, Pipeline laying 6" dia.x 12.5 kms and tie-in at Tay GGS District Tando Allahyar, Sindh

SSGC participated in OGDCL Tender for pipeline construction project with an aim of increasing non-operating income through utilization of in-house resources parallel to ongoing internal projects. The Company successfully won the bid, being the lowest commercially compliant bidder. Consequently, the Project was successfully completed and commissioned.

P&D – SOUTH DEPARTMENT

In order to overcome UFG issue and low gas pressure problems in various areas of Karachi Region, gas distribution network schemes spanning 1,602 kms were planned during the financial year 2022-23. The break-up is as under:

- 1,450 kms length of rehabilitation schemes.
- 19 kms length of segregation schemes.
- 63 kms length of reinforcement schemes.

The total cost of the above planned schemes was Rs. 1.08 billion.

FUTURE PLAN

In order to overcome UFG issues and low gas pressure problems in various areas of Karachi Region, P&D - South Department actively worked for the planning of 29 gas distribution network schemes during FY 2023-24. The break-up of the schemes is as under:

- 843 kms length of rehabilitation schemes.
- 2 kms length of segregation schemes.
- 8 kms length of reinforcement schemes.

The total cost of the above mentioned planned schemes equals to Rs. 4.8 billion.

PROJECTS AND CONSTRUCTION (P&C)

SSGC's Projects and Construction (P&C) Department was formed with a vision to develop and rehabilitate pipeline infrastructure, construction of ancillary facilities and providing services for transmission and distribution of gas in the Company's franchise areas, with a high level of professional project management expertise. Following are the projects completed during FY 2022-23 by the P&C Department.

COMMISIONED PROJECTS

High Pressure Transmission Pipeline Projects

- 12" dia.x 32 kms Pipeline Project from MVA-Baran to RS-4.
- 12" dia. Quetta Pipeline Rehabilitation Project.
- Rectification of 12" dia. and 24" dia. QPL damaged / ruptured during rains at the site of Bibi Nani and Kundlani Bridge.
- Rectification of 12" dia. Zarghun gas pipeline damaged / ruptured during rains.
- IRBP Gas Pipelines Corridor: Protective work for 42" dia RLNG and 03 other gas pipelines at Lath Nala and Hariyo Nala Crossings.
- Cleaning of Ultrasonic Metering Skid at CTS Sawan.
- Separate Metering Arrangement for the northern part of the Karachi city at Karachi Terminal (KT).

Low Pressure Distribution Pipeline Projects (Sindh and Balochistan)

- 12" dia. x 3.5 kms Bin Qasim Industrial Park Pipeline Project.
- 12" dia. X 05 kms reinforcement of Supply Main in Karachi's old city area.
- Rehabilitation of Gas Distribution Network at DHA Phase II, Karachi.
- Rehabilitation of Gas Network at Sector-5/G and 5/J, Saeedabad, Baldia Town, Karachi.
- Rehabilitation of Gas Network of Cant. Bazar, Shah Faisal Colony, Karachi.
- Execution for rehabilitation of Gas Network at Sector-C, Bhittai Colony, Karachi.
- Supply of gas 2", 4" and 6" dia. x 170 kms network to Villages around 5 kms radius Gas Field (Phase-II) in District Badin, Dadu and Sanghar.
- 8" dia. x 41 kms reinforcement from Golarchi to Badin.
- 12" dia. x 17.3 kms major extension case at Nawa Killi Quetta.
- 16" dia. x 8.75 kms, major extension 16" dia Supply Line (RLNG) at Bostan Special Economic Zone, Quetta.
- 16" dia. x 6.4 kms reinforcement for Mastung-Kalat.
- 8" dia. x 3.8 kms, reinforcement scheme for Goharabad and Zehri Town Quetta.
- 16" dia. x 13 kms reinforcement scheme at Quetta, Mid City 16" dia. Loop Line.
- 16" dia. x 22 kms supply of gas to Village Inayatullh Karez Distt. Killa Abdullah.

Civil works section of the P&C Department also carried out the construction of the 1st floor of Measurement Transmission building at Karachi Terminal, demolishing and re-construction of existing CFC at Regional Office Sukkur, construction of the first floor of medical centre building in Regional Office Hyderabad, construction of store / workshop at Regional Office, Hyderabad and establishment of excellence center in a shop site in Shershah, Karachi.

TECHNICAL SERVICES DIVISION - FUTURE PLAN

1. 08" dia. x 102 kms Jhal Magsi Pipeline Project

In order to overcome the demand-supply deficit of the country and to inject approximately 15 MMSCFD natural gas in SSGC's gas transmission system, Jhal Magsi Pipeline project was planned in the year 2008-09 but could not be executed due to law and order situation. Given the current scenario of natural gas supply in the country, this project has become significantly important and is planned to be completed in the year 2023-24.

2. 30" dia. x 116 kms Transmission Pipeline from Kotri to Karachi

16" dia. pipeline from Sui to Karachi was laid in the year 1955. This line has crossed its design life of more than 40 years and needed to be replaced. Hence to accommodate increasing volumes of ILBP system, remaining phases of the subject pipeline with the carrying capacity of upto 247 MMSCFD have been planned.

3. Transmission Pipeline for Supply of Gas to Karachi West Region

To meet the growing natural gas demand of Karachi's West Region and to separate high-pressure industrial consumers with low-pressure domestic consumers, a 24" dia. x 31 kms pipeline project from SMS ACPL to SMS Surjani has been planned. The capacity of this pipeline is approximately 270 MMSCFD.

4. Installation of New Compressor at Nawabshah

In order to enhance the stand-by capacity of HQ-2 Compressor Station and to have a healthy and reliable back-up arrangement, installation of one new compressor of 200 MMSCFD, in parallel with existing units, has been planned. This unit is scheduled to be commissioned by June 2025.

5. Revamping of existing 02 units of Compressor at Sibi

Sibi Compressor Station plays a vital role in delivering natural gas to Quetta City, especially during winter season. The existing capacity of Sibi Compressor station is 120 MMSCFD whereas the peak demand of Quetta region has touched the 200 MMSCFD mark. In order to have sufficient compression capacity with stand-by arrangement, revamping of two (02) existing units from 60 MMSCFD to 120 MMSCFD each will be carried out.

TRANSMISSION

A number of transmission related projects were commisioned during FY 2022-23. They are listed below:

- Lowering of 12” dia. Mehar Pipeline carried out at Mazarani Nala exposed due to heavy flooding.
- Up-gradation of SMS Gharhi Khuda Bux carried out to meet gas load requirement.
- 12” dia. Rehman Pipeline protection work carried out at KMP-25 and KMP-40 Rain Nala undertaken through casting of CC Structure.
- Rehabilitation of HQ-3 domestic gas piping network.
- LHF Plant operational integrity reviewed and repairs of re-boilers, Return pump, circulating pump, Stabilizer gate valve, sump pump, MCC panel and Thermal insulation with sheet cladding on re-boiler were carried out at HQ-3.
- Leak survey with rectification of leakages at 261 MVAs and 128 Nos. SMSs on transmission network was carried out.
- Sleeving jobs on 12” dia QPL at KMP-342 and on 12” dia. Zarghoun Pipeline in Quetta section were carried out.
- For RLNG Transportation, Solar T60 engine at Berth B of HQ-2 compression station has been replaced with a new engine after completing 30K running hours.
- For uninterrupted supply of power, Guascor Gas Generator C 1MW FGLD 560 in-house scheduled maintenance was carried out after 15K hours at HQ-2.
- 11.5 kms pipeline coating refurbishment was carried out to replace the old damaged and deteriorated coatings of 4”, 6”, 8” and 12” dia. pipelines. For uninterrupted supply of power, Guascor Gas Generator C 1MW FGLD 560 in house scheduled maintenance was carried out after 15K hours at HQ-2.

MEASUREMENT - TRANSMISSION

Measurement-Transmission Department is principally responsible to quantify the volume and quality of natural gas that is taken in the vastly spread transmission network of SSGC from various PODs and delivered at Sales Metering Stations (SMSs) for gas distribution. The Department plays a paramount role to ensure that gas volume is accurately measured and adheres to the gas quality standards to ensure that the integrity of the pipeline system and the measuring stations are maintained while ensuring that measurement errors remains to the minimum.

Being a front-line Department of the Transmission network, Measurement-Transmission ensured that a comprehensive monthly Joint Meter Check (JMC) of each POD and Custody Transfer Stations (CTS) is carried out for the verification of accuracy of custody transfer measurement systems and recording of volume and energy received. This is essentially important since the outcomes of the JMC forms the basis for the processing of the gas purchase invoices by SSGC. During FY 2022-23, a total of 812 joint meter checks of PODs including the raw metering were successfully carried out.

The Department also manages and maintains numerous metering stations to support the accurate measurement of gas volumes. These include a total of 127 SMSs and 25 Check Metering Stations in the franchise areas of Sindh and Balochistan. These metering stations are installed with various flow measurement equipment's, gas chromatographs and analyzers. Apart from the multiple online gas chromatographs that it operates and maintains across the system, the Department also manages the gas quality analysis lab stationed in Karachi Terminal.

The Quality Analysis lab performs precise analysis of gases, with a particular focus on the quality determination of natural gas and Synthetic Natural Gas (LPG-Air Mix) through state-of-the-art gas chromatograph equipments. During FY 2022-23, more than 1,200 natural gas samples were taken from various delivery points across the Transmission system and SNG samples from LPG-Air Mix Plants were analyzed at the lab to determine its composition / quality of the gas. The effective functioning of the GC systems and the analysis lab is very critical to the accurate billing, since billing to SSGC customers is carried out in energy terms.

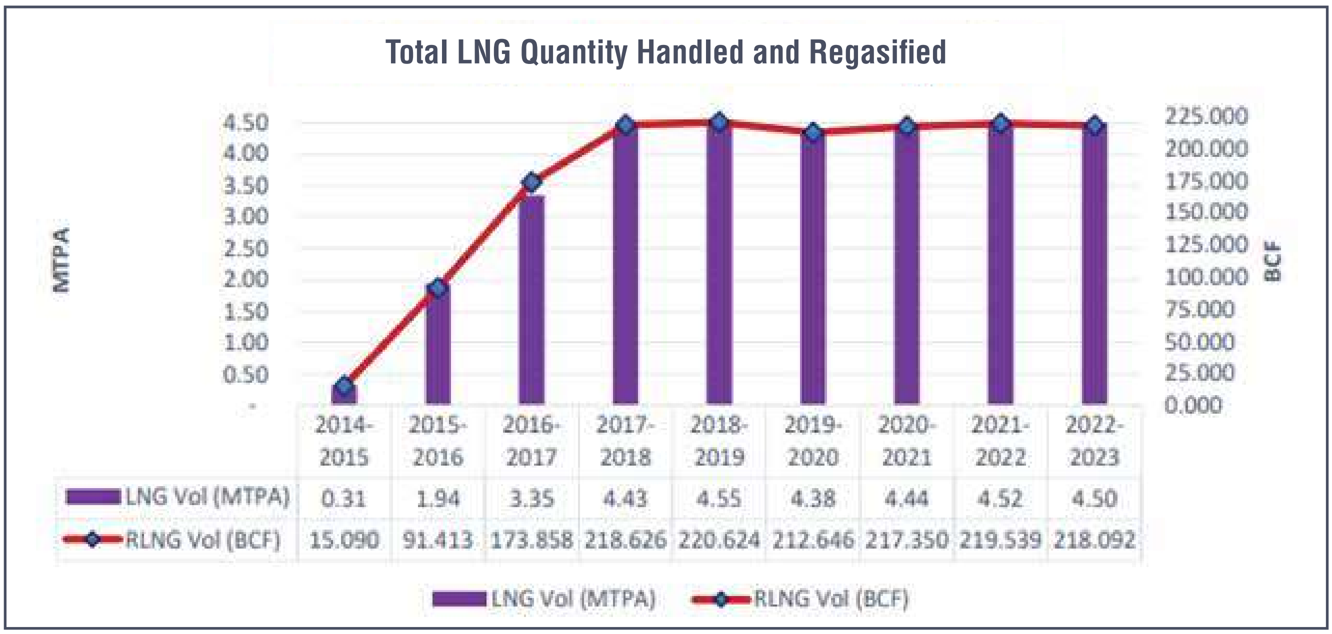
FUTURE PLAN

As a future course of action, Measurement-Transmission plans to restructure the Gas Chromatography lab and take necessary measures to achieve the accreditation of the lab to ISO-17025 Laboratory Management System Standard to demonstrate increased credibility and confidence of the laboratory's work among the stakeholders.

LIQUEFIED NATURAL GAS (LNG)

LNG Department is primarily responsible to ensure sustained terminal operations for RLNG supply to the end customer under the LNG Operations and Services Agreement (LSA) through maintaining effective and efficient EETPL LNG import terminal operations. Like in the previous years, LNG Department encountered multiple challenges to ensure the uninterrupted supply of RLNG to the end customer, but the advancement of dredging activity due to unavailability of dredger during the agreed dates and the looming threat of Biparjoy cyclone were challenging events to deal with. These unforeseen circumstances necessitated a critical and timely decision-making with regards to multiple rescheduling (advancement / deferment) of cargoes in order to ensure smooth regasification operations. LNG Department successfully treaded through the unforeseen situations with minimum disruption to the LNG supply chain operations and provided uninterrupted RLNG services to SNGPL. Our approach to managing LNG terminal operations through past year reflects the sustained regasification operations by effective inventory management and safe handling of cargoes which has been the corner stone of the success of LNG Department since its establishment. In accordance with the operational records, a total of 534 LNG vessels were successfully offloaded at the terminal without any reported safety incidents till June 2023 having approximate quantity of 32.42 million metric tons, translating to 15.87 BCF.

The following graph presents the commodity supplies since the start of LNG operations in 2014-15 till FY 2022-23.



LNG Department has undertaken the proactive identification of risks (Contract and Terminal Operations) and the formulation of corresponding mitigation strategies to deter reactive responses and facilitate prudent decision-making when it came to:

- Rescheduling of cargoes.
- Revision in re-gas rates caused by lower off take of RLNG by SNGPL, or by technical issues at terminal, or by delay in berthing of LNG vessel or by any other unanticipated circumstance as to avert the untoward situation while protected the interests of SSGC as well. As a result, no single event of lay time demurrage caused by SSGC was witnessed during the year. Moreover, the retainage audit for the year 7 of the contract was concluded in this fiscal year. LNG Department finalized Annual Delivery Program (ADP) for the successive year in 2023 by taking on board all the relevant stakeholders as per LSA and in accordance with the demand of our customer, SNGPL. Apart from the above, LNG Department generated revenue of approximately USD 5.77 Million (0.025 $US per MMBTU) in terms of LSA margin during FY 2022-23.

FUTURE PLAN

LNG Department will ensure to fulfil the contractual obligations throughout the upcoming fiscal year to achieve terminal operations efficacy and ensure that every aspect of the contract is duly monitored in order to avoid any dispute or demurrages and further to ensure compliance with company policies and procedures.

METER MANUFACTURING PLANT (MMP)

As Pakistan's leading gas utility Company, SSGC takes pride in owning and operating the only domestic gas meter manufacturing facility in Pakistan. Our Meter Manufacturing Plant (MMP) represents cutting-edge technology and innovation, producing high-quality G-1.6 and G-4 gas meters in accordance with international standards, specifically EN 1359. These meters are critical for ensuring accuracy, safety, and reliability for millions of customers both in Pakistan and abroad.

Technology Transfer and Localization Success

In pursuit of import substitution and promoting local industry, SSGC has successfully negotiated a Technology Transfer and License Agreement, enabling the production of SSGC-branded "Company Meters." This landmark agreement has allowed the localization of G-4 gas meters, increasing the indigenized content from 53% to 97%. Similarly, the localization of G-1.6 meters has already achieved a remarkable 98% indigenization. This shift not only supports Pakistan's local economy but also reduces reliance on foreign imports, saving valuable foreign exchange for the country.

Creating Export Potential

One of the most notable outcomes of this localization drive is the significant cost reduction in manufacturing G-4 gas meters, which has opened up new avenues for export. SSGC is actively exploring export opportunities to international markets, positioning itself as a key player in the global gas meter industry.

Sustainability and Environmental Stewardship

In addition to technological and production advancements, SSGC remains committed to sustainability. The Company has introduced a pioneering aluminum recycling initiative that focuses on reprocessing aluminum from retired gas meters. This environmentally conscious process involves dismantling, melting, and converting aluminum from old meters into ingots, which are then used to produce new die-casting parts for gas meters. With a goal to recycle 2.0 million kilograms of aluminum alloy, this initiative is not only a significant step towards reducing waste but also provides substantial financial savings for the Company.

FUTURE PLAN

As SSGC continues to invest in its state-of-the-art Meter Manufacturing Plant, the Company is poised to further strengthen its leadership in the gas utility industry. Through a combination of cutting-edge technology, sustainability initiatives, and a focus on local industry, SSGC is demonstrating its commitment to excellence, innovation, and environmental responsibility. With expanded production capacity, enhanced export potential, and a focus on quality, SSGC's Meter Manufacturing Plant is not just a facility. It is a symbol of progress in Pakistan's energy sector.

CUSTOMER RELATIONS DEPARTMENT (CRD)

SSGC's Customer Relations Department remained at the forefront of providing dedicated customer service to the Company's 3.2 million customers in its franchise areas of Sindh and Balochistan. Here are some of the key CRD achievements during FY 2022-23:

- CFC representatives dealt with approximately 1,124,425 customers for installments, billing queries, duplicate bills, reconnections and unlocking activities and resolution of other queries.
- Call Center (1199) was outsourced and handed over to M/s. Pak Telecom Mobile (Ltd) with effect from April 12, 2022. The details for the period from July 2022 to June 2023 is as under:

Description	Calls Received	Calls Received				
IVR Calls	402,736					
Landed Calls	609,858					
Total Calls	**1,012,594**	Within 10 Seconds	Within 20 Seconds	Within 30 to 40 Seconds	Within 60 Seconds	After 60 Seconds
Answered Calls	594,917	454,170	107,311	30,757	2,466	213
Abandoned Calls	14,941					

- CRD's Risk Register were updated on monthly basis.
- Physical re-checking of Leak Survey / theft disconnected and Rubber pipe removal cases were conducted on daily basis.
- Presently CRD's Theft Control Section employees are utilized for theft complaints received from PMDU, Wafaqi Mohtasib, 1199, written complaints received from area residents or consumers and through email or forwarded from Billing and CGTO Departments. In FY 2022-23, CRD's Gas Theft Control Section disconnected 9,290 registered customers with usage / measured volume of 392 MMCF and 294 un-registered customers with usage / measured volume of 12 MMCF. Total number of disconnections made in FY 2022-23 were 9,584 customers, equivalent to total volume of 404 MMCF. The Theft Control teams are also utilized for surveillance and monitoring of disconnected consumers.
- Under the UCG Framework (Un-registered Consumer of Gas), CRD installed Check / Bulk meters at 624 flats sites and two colonies / societies with 423 units and raised theft claims amounting to Rs 97,099,280. Theft Claims were realized to the tune of Rs. 43,663,370 and a volume of 206.64 MMCF was calculated. CRD also installed individual meters at 2,974 flats / customers in 267 flat sites and raised theft claims amounting to Rs 20,165,407. Theft claims were realized from 2,547 flats against customers amounting to Rs 15,010,820, with volume of 56.02 MMCF.
- In the past, overhead leak surveys were not carried out by any department. CRD and HSE & QA teams rectified overhead leakage complaints and replaced 2,423 commercial meters during FY 2022-23.

CRD - Activities During FY 2022-23 and Plan for 2023-24

Activities	FY 2022-23		FY 2023-24
	Target	Achieved	Target
Domestic - Meter Replacement (Aging Base)	56,404	38,895	According to Office Note regarding Re-Organization Area Complaints and Domestic Meter Replacement Activity pertains to SBU (Distribution Department)
Domestic - Meter Replacement (PUG)	90,000	98,398	
Domestic - Meter Replacement (Complaint Base)	-	34,525	
Commercial Meter Replacement (Aging Base)	5,130	1,382	3,374
Commercial Meter Replacement (Complaint Base)	-	1,726	-
Commercial Leak Rectification	19,630	10,661	7,411
Attend Customer Complaints (As per Actual)	-	122,795	-
Commercial Pressure Survey - Routine	19,630	18,829	14,821
Commercial Pressure Survey - Vigilance	19,630	17,386	14,821
Leak Rectification (Nos.) Complaints (As per Actual)	-	60,027	-
Rehabilitation / Leak Rectification on Flat buildings (in nos).	150	155	120
Internal House Line Checking of 2% domestic customers (Karachi)	40,000	45,124	-
Meter Shifting from Inside to Outside Premises (Nos.)	3,052	2,366	1,223

RECOVERY OF DUES

The basic task of Recovery Section is to take necessary steps for recoveries of maximum possible amount due against gas bills. In FY 2022-23, the target given to Recovery team was to take action against 305,820 defaulters which included Domestic, Government, Bulk and Commercial customers. Recovery Team successfully targeted 244,342 defaulters through rigorous companywide recovery campaign including disconnection and others tools and techniques. Details are as under:

a) **Issuance of Notices / Reminders**

874,315 notices / reminders were issued to defaulting customers in order to remind them of their moral / legal responsibility against a target of 800,000.

b) **Persuasion of High Value Defaulters**

High value defaulters of government / bulk / domestic users were personally contacted by the Recovery Section in order to convince them to make payments.

c) **Disconnection / Persuation of Defaulters**

244,342 defaulting domestic and commercial customers were targeted who owed Rs. 7,244 million to the Company against which an amount Rs. 1,769 million was recovered and Rs. 2,390 million was engaged.

Recovery of Dues during FY 2022-23						
Customer Class	Unit / Region	# of Actions	Action Amount (Rs.in Million)	# of Reconnections	Reconnection Amount (Rs.in Million)	Engaged Amount (Rs.in Million)
Domestic	Unit-A Karachi	98,121	1,910	48,564	561	453
	Unit-B Upper Sindh	123,689	2,908	74,014	676	1,358
	Unit-Q Balochistan	18,324	1,633	9,074	302	382
Total Domestic		240,134	6,451	131,652	1,539	2,193
Commercial	Unit-A Karachi	2,550	493	1,043	144	100
	Unit-B Upper Sindh	1,197	163	580	49	47
	Unit-Q Balochistan	461	137	273	37	50
Total Commercial		4,208	793	1,896	230	197
Total Domestic and Commercial		244,342	7,244	133,548	1,769	2,390

LPG-AIR MIX (SYNTHETIC NATURAL GAS) PLANTS

Some of the major achievements on SNG front are as follows:

1. Recovery of Rs. 11.43 million from OGDCL

SSGC is uplifting LPG for its LPG-Air mix plants from KPD field of OGDCL since November 2018 under the LPG policy 2016. The Company pursued OGDCL for setting up and finalization of contract agreement, and as a result of its efforts, the contract was finalized in February 2022. Soon after inking the contract agreement, SSGC initiated the process of reconciliation of the payments, in equivalence to the LPG uplifted, with OGDCL. As a result of successful efforts from the LPG-Air mix plant Department, SSGC was able to recover its Rs. 11.43 million from OGDCL in February 2023.

2. LPG-Air mix Plant, Bela

LPG-Air mix plant Department has also put in immense efforts for getting LPG-Air mix plant in Bela, Balochistan online for the supply of gas to more than 3,000 prospective consumers. Subsequently, Bela SNG plant was commissioned on June 24, 2023.

3. Initiative for Solar System Installation at LPG-Air mix plant Awaran

LPG-Air mix plant Department has installed a 20 Kilo Watt rated Solar Photovoltaic System at SNG plant in Awaran, which is now the primary source of electricity for residence-cum office block since there is no grid electricity in the area. This has resulted in reduction of fuel cost for generator operations. The gas generator has approximately consumed 18 metric tons of LPG in FY 2022-23 for 2,900 running hours which is approximately equivalent to Rs. 3.3 million. This cost will be saved in the upcoming years.

4. Supply of LPG to air mix plants in Balochistan and Sindh and SNG supply to the consumers

SSGC has uplifted and transported 7,179 metric tons of LPG worth Rs. 1.32 billion in FY 2022-23 to all of its LPG-Air mix plants situated in far-flung areas of Balochistan and Sindh, for successfully supplying uninterrupted gas to the consumers with almost zero down-time out of normal gas supply hours.

5. SNG – An Alternative to gas for new housing societies

LPG-Air Mix Department had conducted preliminary feasibility analysis and had also developed an initial proposed business framework with regards to the provision of SNG to new housing societies for fulfilling their domestic gas requirements.

6. Increase in SSGC's RoA by Rs. 31,274 million per annum

LPG-Air Mix Department had capitalized an amount of Rs. 179,426 million in FY 2022-23 adding an additional annual Return on Asset (RoA) of around Rs. 31.2 million at the rate of 17.43%.

SSGC LPG LIMITED (SLL)

SLL achieved historic milestones in the financial year 2022-23, recording the highest volumes in LPG sales and market share with an unprecedented turnover. Profits, volumes and market shares in both LPG and the terminal business experienced significant growth. LPG sales volume increased to 98,700 MT and the market share rose to 7.7%. Terminal volume also increased to 164,204 MT, including 91,519 MT of the Company's own imports. The overall LPG market demand increased by 8% to 1,384,514 MT from 1,276,949 MT last year, according to the report by Hydrocarbon Development Institute of Pakistan.

SLL, relying mainly on imports, diversified its supply sources, engaged with new suppliers and achieved market leadership in sea imports. The Company reported a net profit after tax of Rs. 770 million, with a basic and diluted earnings-per-share of Rs. 7.70.

WAY FORWARD

Looking ahead, SLL aims to further increase market share in both terminal business and LPG volumes by addressing the country's energy demands and providing competitive LPG prices. Collaboration with Ministry of Energy (Petroleum Division) and other SOEs is underway to enhance the supply chain, achieve economies of scale and reduce LPG costs for end consumers. As part of the future expansion strategy, SLL will be converted into a public limited company from a private limited company. The Company expresses optimism about sharing more positive developments in the future.

HUMAN RESOURCE

In pursuant to Company's unwavering commitment to employee development through robust training and capacity-building initiatives, during the year, the Company implemented a comprehensive training framework designed to bridge skill gaps across the organization. The SSGC Learning & Development Center (LDC) underwent a significant revamp, bringing all technical labs back into operation and upgrading the computer facilities to support enhanced learning.

The Company's diverse training streams, which include leadership, managerial, and technical programs, have been instrumental in fostering a culture of continuous learning and imparted 23,000 man-days of training. Notably, the Company transformed 270 unskilled workers into certified skilled professionals through targeted in-house training and accredited trade certifications. These efforts have successfully met Company's skilled resource requirements without increasing headcount and have significantly enhanced the quality of workmanship in Construction, Rehabilitation, Repair & maintenance of Distribution Gas Pipelines, essential for curbing unaccounted-for gas (UFG).

Effective human resource planning has been a cornerstone of achievements this year. The Company is focused on bridging succession gaps through strategic career progression and the recruitment of both internal and external talent on senior management / business critical positions. Around 155 executives were promoted based on their consistent performance and 250 executives were recruited to meet operational requirement of the Company. In subordinate cadre, 130 skilled workers were taken on-board through improved recruitment framework ensuring that only certified technical individuals may join the SSGC workforce, reinforcing the commitment to quality, excellence and professionalism. Additionally, the Company introduced a revamped apprenticeship program, ensuring a continuous and sustainable pipeline of skilled junior workforce tailored to Company's business needs.

The Company is dedicated to cultivating a positive and collaborative relationship with the Collective Bargaining Agent (CBA) to create a conducive working environment and promote industrial harmony within the organization. Through the concerted efforts of both Management and the CBA, the Company successfully negotiated Charter FY2022-24 while maintaining industrial peace across the franchise area. The main focus was to uplift the compensation of general especially lower-grade workers in response to the challenging economic landscape, while curtailing non-beneficial privileges / benefits that were contributing towards the long term liabilities of the Company.

SSGC, being an equal opportunity employer, firmly believes in diversity and does not discriminate based on age, race, caste, creed, color, gender, religion, ethnicity, political affiliation, or disability. SSGC diverse workforce encompasses individuals from various backgrounds, and actively encourages females to seize the available career opportunities. Competitive compensation package to new employees are offered solely based on their qualification, experience and skillset for the job keeping in view of internal equity. The salary increments to existing employees are purely based on an employee's performance and career progression.

The Gender Pay Gap further endorses SSGC's commitment towards non-discrimination, diversity and inclusiveness:

Cadre	Mean Gender Pay Gap	Median Gender Pay Gap
Executive	8.09 %	21 %
Subordinate	19.17 %	27 %

* Due to low to non- engagement of females in blue collar / field work.

SSGC rigorously defended the regularization case in court, emphasizing the importance of meeting all legal obligations and managing the workforce in a way that mitigates financial and legal risks to the company. As a result of these efforts, cases involving around 2,600 individuals were effectively handled, with their applications first remanded to the High Court by the Supreme Court and subsequently dismissed by the High Court in favor of the Company.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Board gives prime importance on conducting its business in accordance with the best practices of Corporate Governance. The Directors spent quality time at Board and Committee meetings and in discussions with executives to ensure the presence of a strong and effective governance system.

CASUAL VACANCY ON THE BOARD

1. Mr. Sajid Mehmood Qazi replaced Mr. Hassan Mehmood Yousufzai on December 15, 2022.
2. Ms. Saira Najeeb Ahmed replaced Dr. Imran Ullah Khan on February 15, 2023.
3. Mr. Faisal Bengali resigned on January 02, 2023.

COMPOSITION OF THE BOARD

The status of each Director on the Board, whether non-executive, executive or independent has been disclosed at the relevant portion of the Annual Report.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

SSGC, being a listed Company, adheres to the highest standards of Corporate Governance to ensure value, efficiency, and transparency in its business operations. As a public sector enterprise, the Company operates under a robust framework that includes the Public Sector Companies (Corporate Governance) Rules, 2013, the State-Owned Enterprises (Governance and Operations) Act, 2023, and the Code of Corporate Governance. The governance of the Company rests with its Board of Directors, while the management is responsible for day-to-day operations, policy implementation, and ensuring compliance with disclosure requirements as mandated by the Companies Act, Rules, Regulations, and relevant governance frameworks.

The specific statements in compliance with the requirements of the applicable Corporate Governance standards are as follows:

- The financial statements prepared by the management present a fair and accurate reflection of the Company's financial position, performance, cash flows, and changes in equity.
- Proper books of account have been duly maintained.
- Appropriate accounting policies have been consistently applied, and accounting estimates are made based on reasonable and prudent judgment. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparing the financial statements, with any deviations adequately disclosed.
- The Board of Directors has complied with the relevant Corporate Governance principles and has identified any rules that were not complied with, the period of non-compliance, and the reasons for such non-compliance.
- A sound system of internal controls has been established, which is regularly reviewed and improved.
- There are no significant doubts concerning the Company's ability to continue as a going concern, as explained in note # 1.3 to the financial statements.
- The appointment of the Chairperson, Board members, and their terms of appointment, along with the remuneration policy, have been made in the best interests of the Company and in line with best practices.
- Disclosure regarding the remuneration of the Chief Executive, Directors, and executives can be found on page # 164 of the Annual Report 2023.
- There has been no material deviation from the best practices of Corporate Governance as stipulated in the listing regulations.
- Information regarding outstanding taxes and levies is provided in the notes to the financial statements.

- Details of the value of investments by the funds based on the respective audited financial statements as of June 30, 2023, are provided in the table below.

Categories	2023 (Rs. in Million)	2022 (Rs. in Million)
Pension Fund - Executives	1,395,963	1,311,138
Gratuity Fund - Executives	6,542,492	5,741,502
Pension Fund Non - Executives	136,599	323,656
Gratuity Fund Non - Executives	5,258,977	3,744,902
Provident Fund - Executives	5,147,925	4,760,512
Provident Fund Non - Executives	5,270,857	4,599,027
Benevolent Fund - Executives	288,479	263,444

The number of Board and Committee meetings held during the year, along with the attendance of each Director, has been disclosed in the relevant section of the Annual Report. Leave of absence was granted to Directors who were unable to attend meetings.

The pattern and categories of shareholding as on June 30, 2023 has been given is presented on page 301 of the Annual Report.

AUDITORS

The present auditors M/s. BDO Ebrahim & Co., Chartered Accountants retire and being eligible, have offered themselves for re-appointment.

DIVIDENDS

Due to losses and negative equity of the Company, no cash dividend has been recommended by the Board.


SSGC
Sui Southern Gas Company Limited

STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013 AND LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

SCHEDULE I

- **Name of Company: Sui Southern Gas Company Limited**
- **Name of the line ministry: Ministry of Energy (Petroleum Division)**
- **For the year ended: June 30, 2023**

i. This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance as well as Listed Companies (Code of Corporate Governance) Regulations, 2019.

ii. The Company has complied with the provisions of the Rules in the following manner:

<table>
<tr><th rowspan="2">Sr. #</th><th rowspan="2">Provision of the Rules</th><th rowspan="2">Rule #.</th><th>Yes</th><th>No</th></tr>
<tr><th colspan="2">Tick the Relavant Box</th></tr>
<tr><td>1.</td><td>The Independent Directors meet the criteria of independence, as defined under the Rules.</td><td>2(d)</td><td>✓</td><td></td></tr>
<tr><td>2.</td><td>The Board has at least one-third of its total members as independent directors. As at June 30, 2023 the Board includes the following except two casual vacancies:
<table>
<tr><th>Category</th><th>Names</th><th>Date of Appointment</th></tr>
<tr><td>Independent Director(s)</td><td>1. Dr. Shamshad Akhtar
2. Mr. Muhammad Raziuddin Monem
3. Dr. Sohail Razi Khan
4. Mr. Zuhair Siddiqui
5. Mr. Ayaz Dawood</td><td>23-Apr-19
23-Apr-19
28-Oct-19
28-Oct-19
28-Oct-19</td></tr>
<tr><td>Non-Executive Director(s)</td><td>6. Ms. Saira Najeeb Ahmed
7. Mr. Abdul Aziz Uqaili
8. Mr. Manzoor Ali Shaikh
9. Mr. Abrar Ahmed Mirza</td><td>15-Feb-23
09-May-22
07-Jan-19
12-Jun-23</td></tr>
<tr><td>Executive Director(s)</td><td>10. Mr. Imran Maniar*</td><td>04-Feb-21</td></tr>
</table>
*The number of elected directors on the Board is twelve (12) whereas the Managing Director is a "deemed director" under section 188(3) of the Companies Act, 2017</td><td>3(2)</td><td>✓</td><td></td></tr>
<tr><td>3.</td><td>The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.</td><td>3(5)</td><td>✓</td><td></td></tr>
</table>

4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	N/A	
5.	Any casual vacancy arising in the Board in the manner specified in sub-section (1) of section 161 of the Act shall be filled in by the directors in accordance with sub-section (2) of section 161 of the Act.	3A(2)		✓
6.	The Chairperson of the Board is working separately from the Chief Executive of the Company.	4(1)	✓	
7.	The Chairperson has been elected by the Board of Directors except where Chairperson of the Board has been appointed by the Government.	4(4)	✓	
8.	The Board has evaluated the candidates for the position of the Chief Executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	✓	
9.	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the Company's website. www.ssgc.com.pk. (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓	
10.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
11.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interest(s), and the procedure for disclosing such interest.	5(5)(b)(ii)	✓	
12.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b)(vi)	✓	
13.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)	✓	
14.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c)(iii)	✓	
15.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	✓	
16.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates, on which they were approved or amended, has been maintained.	5(7)	✓	
17.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and have submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A	

18.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓	
19.	(a) The Board has met at least four times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✓ ✓ ✓	
20.	The performance evaluation of members of the Board including the Chairperson and the Chief Executive shall be undertaken annually by the Government for which the Government shall enter into performance contract with each member of the Board at the time of his / her appointment.	8(1)		✓
21.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓	
22.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	
23.	(a) The Board has approved the profit and loss account for, and statement of financial position as at the end of, the first, second and third quarter of the year as well as the financial year end. (b) In case of listed Public Sector Company, the Board has prepared half-yearly accounts and undertaken limited scope review by the auditors. (c) The Board has placed the annual financial statements on the Company's website.	10	(a) — (b) ✓ (c) ✓	(a) ✓
24.	All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules.	11	✓	
25.	(a) The Board has formed the requisite committees, as specified in the Rules. (b) The committees were provided with written term of reference defining their duties, authority and composition. (c) The minutes of the meetings of the committees were circulated to all the Board members. (d) The committees were chaired by the following non-executive directors:	12	✓ ✓ ✓ ✓	

Committee	Number of Members	Name of Chair
Board Audit Committee	3	Mr. Ayaz Dawood
Board Risk Management, Litigation and HSE & QA Committee	4	Mr. Muhammad Raziuddin Monem
Board Human Resources and Nomination Committee	4	Dr. Shamshad Akhtar
Board Finance and Procurement Committee	3	Ms. Saira Najeeb Ahmed
Board Special Committee on UFG	5	Dr. Shamshad Akhtar

<table>
<tr><td>26.</td><td>The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.</td><td>13</td><td>✓</td><td></td></tr>
<tr><td>27.</td><td>The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.</td><td>14</td><td>✓</td><td></td></tr>
<tr><td>28.</td><td>The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.</td><td>16</td><td>✓</td><td></td></tr>
<tr><td>29.</td><td>The Directors' Report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.</td><td>17</td><td>✓</td><td></td></tr>
<tr><td>30.</td><td>The Directors, CEO and Executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.</td><td>18</td><td>✓</td><td></td></tr>
<tr><td>31.</td><td>(a) A formal and transparent procedure for fixing the remuneration packages of individual Directors has been set in place and no Director is involved in deciding his own remuneration.
(b) The annual report of the Company contains criteria and details of remuneration of each Director.</td><td>19</td><td>✓
✓</td><td></td></tr>
<tr><td>32.</td><td>The financial statements of the Company were duly endorsed by the Chief Executive and Chief Financial Officer before consideration and approval of the Audit Committee and the Board.</td><td>20</td><td>✓</td><td></td></tr>
<tr><td>33.</td><td>The Board has formed an Audit Committee, with defined and written terms of reference, and having the following members:
<table>
<tr><th>Name of Member</th><th>Category</th><th>Professional Background</th></tr>
<tr><td>Mr. Ayaz Dawood</td><td>Independent Director</td><td>MBA</td></tr>
<tr><td>Ms. Saira Najeeb Ahmed</td><td>Non-Executive Director</td><td>MSc.</td></tr>
<tr><td>Dr. Sohail Razi Khan</td><td>Independent Director</td><td>PhD</td></tr>
</table>
The Chief Executive and Chairperson of the Board are not members of the Audit Committee.</td><td>21(1)
and
21(2)</td><td>✓</td><td></td></tr>
<tr><td>34.</td><td>(a) The Chief Financial Officer, the Chief Internal Auditor, and a representative of the external auditors attended all meetings of the Audit Committee at which issues relating to accounts and audit were discussed.
(b) The Audit Committee met the External Auditors, at least once a year, without the presence of the Chief Financial Officer, the Chief Internal Auditor and other executives.
(c) The Audit Committee met the Chief Internal Auditor and other members of the internal audit function, at least once a year, without the presence of Chief Financial Officer and the External Auditors.</td><td>21(3)</td><td>✓
✓
✓</td><td></td></tr>
<tr><td>35.</td><td>(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the Audit Committee.
(b) The Chief Internal Auditor has requisite qualification and experience prescribed in the Rules.
(c) The internal audit reports have been provided to the external auditors for their review.</td><td>22</td><td>✓
✓
✓</td><td></td></tr>
<tr><td>36.</td><td>The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.</td><td>23(4)</td><td>✓</td><td></td></tr>
<tr><td>37.</td><td>The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.</td><td>23(5)</td><td>✓</td><td></td></tr>
</table>

EXPLANATION FOR NON-COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

SCHEDULE II

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the Company to seek compliance by the end of next accounting year:

Sr. #	Rule / Sub-Rule / Regulations	Rule / Sub-Rule	Reason for Non-Compliance	Future Course of Action
01.	8(1)	The performance evaluation of members of the Board including the Chairperson and the Chief Executive shall be undertaken annually by the Government for which the Government shall enter into performance contract with each member of the Board at the time of his/her appointment.	The annual performance evaluation of the Board is not undertaken by the Government of Pakistan.	-
02.	10(a)	The Board has approved the profit and loss account for, and statement of financial position as at the end of, the first, second and third quarter of the year as well as the financial year end.	The reason for non-finalization of quarterly, half-yearly and delay in finalization of Annual accounts was appropriately communicated to SECP and PSX.	Noted for Compliance
03.	3A(2)	Any casual vacancy arising in the Board in the manner specified in sub-section (1) of section 161 of the Act shall be filled in by the Directors in accordance with sub-section (2) of section 161 of the Act.	Line Ministry was duly informed about the Casual vacancy.	Noted for Compliance

Additional Disclosures as required under Listed Companies (Code of Corporate Governance) Regulations, 2019:

a. The total number of Directors are 12 including Chief Executive Officer being a deemed director as per the following except two casual vacancies:

   (i) **Male:** 8 members

   (ii) **Female:** 2 members

b. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and regulations.

c. The Company is complying with the Code of Corporate Governance regarding Director Training Program, except for certain Directors who have not completed the Directors' Training Program due to their pre-occupation and other office responsibilities. The arrangements are underway to complete the same.

d. The meetings of the Board Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

e. The meetings of the Board were presided over by the Chairperson and, in his / her absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulation of minutes of meeting of Board.

f. The Board has formed committees comprising members given below:

Board Audit Committee	Board Risk Management, Litigation and HSE&QA Committee	Board Human Resource and Nomination Committee	Board Finance and Procurement Committee	Board Special Committee on UFG
Mr. Ayaz Dawood	Mr. Muhammad Raziuddin Monem	Dr. Shamshad Akhtar	Ms. Saira Najeeb Ahmed	Dr. Shamshad Akhtar
Ms. Saira Najeeb Ahmed	Mr. Abdul Aziz Uqaili	Mr. Muhammad Raziuddin Monem	Mr. Zuhair Siddiqui	Mr. Abdul Aziz Uqaili
Dr. Sohail Razi Khan	Mr. Manzoor Ali Shaikh	Dr. Sohail Razi Khan	Mr. Ayaz Dawood	Dr. Sohail Razi Khan
	Mr. Zuhair Siddiqui	Mr. Manzoor Ali Shaikh		Mr. Zuhair Siddiqui

g. The frequency of meetings of the committee were as per following:

Committee's Name	Frequency of Meetings (Yearly)
Board Audit Committee	09
Board Risk Management, Litigation and HSE & QA Committee	02
Board Human Resource and Nomination Committee	13
Board Finance and Procurement Committee	09
Board Special Committee on UFG	04

h. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

i. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

j. We confirm that all requirements of Regulation 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.

SCHEDULE III

REVIEW REPORT TO THE MEMBERS ON THE STATEMENTS OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 AND PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013 (both herein referred to as 'Codes') prepared by the Board of Directors of Sui Southern Gas Company Limited for the year ended June 30, 2023 to comply with the requirements of Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) and Rule 24 of the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) respectively.

The responsibility for compliance with the Codes is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Codes. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Codes.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's Corporate Governance procedures and risks.

The Codes require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Codes as applicable to the Company for the year ended June 30, 2023.

Further, we highlight below instances of non-compliance with the requirement of the Codes as reflected in the note / paragraph reference where these are stated in the Statement of Compliance.

Sr.#	Rule / Description Regulation
1.	8(1) The annual performance evaluation of the Board is not undertaken by the Government of Pakistan.
2.	10(1) The quarterly and half-yearly financial statements were not approved within the stipulated time period.
3.	3A(2) The casual vacancy arising in the Board is not being filled in a manner specified in sub-section (2) of section 161 of the Act.

Place: Karachi

Dated: November 07, 2024

BDO Ebrahim & Co

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UDIN: CR202310166KhbMzL03Z


FINANCIAL
STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUI SOUTHERN GAS COMPANY LIMITED
REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the annexed unconsolidated financial statements of **Sui Southern Gas Company Limited** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows, the unconsolidated statement of changes in equity for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows, the unconsolidated statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss, its other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Qualified Opinion

1. As disclosed in notes 15.1 and 15.2 to the unconsolidated financial statements, trade debts include receivables of Rs. 26,289 million and Rs. 22,272 million from K-Electric Limited (KE) and Pakistan Steel Mills Corporation (Private) Limited (PSML), respectively. Significant portion of such receivables include overdue amounts, which have been considered good by management and classified as current assets in the unconsolidated financial statements. Further, KE and PSML have disputed Late Payment Surcharge (LPS) on their respective balances due to which management has decided to recognise LPS on receipt basis from the aforesaid entities effective from July 01, 2012.

   Due to the adverse operational and financial conditions of PSML, disputes by KE and PSML with the Company on LPS, and large accumulation of their respective overdue amounts, we were unable to determine the extent to which the total amounts due from KE and PSML were likely to be recovered including the timeframe over which such recovery will be made;

2. As disclosed in note 18 to the unconsolidated financial statements, interest accrued includes interest receivable of Rs. 12,093 million and Rs. 5,858 million from Sui Northern Gas Pipeline Limited (SNGPL) and Water and Power Development Authority (WAPDA), respectively. These have been accounted for in line with Company's policy of charging LPS on overdue amounts, but have not been acknowledged by the counter-party. Due to disputes of the Company with WAPDA and SNGPL, and large accumulation of their respective overdue amounts of interest, we were unable to determine the extent to which the interest accrued amounts due from SNGPL and WAPDA are likely to be recovered including the timeframe over which such recovery will be made.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the unconsolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following:

1. note 1.3 to the unconsolidated financial statements which states that in view of the financial position of the Company, the Government of Pakistan (Finance Division) has confirmed to extend necessary financial support to the Company for the foreseeable future to maintain its going concern status. Hence, the sustainability of the future operations of the Company is dependent on the said support;

2. note 36.1 to the unconsolidated financial statements which describe that the Company has not recognized the accrued markup up to June 30, 2023 amounting to Rs. 176,291 million relating to Government Controlled E&P Companies based on Government advise and a legal opinion;

3. note 37.1 to the unconsolidated financial statements which inter alia describe that the Company is subject to various material litigations and claims pending adjudication in different courts. The outcome of these cases is uncertain and beyond management's control; and

4. note 19.2, 35.2 and 37.2 to the unconsolidated financial statements which describe certain long outstanding matters prior to June 2020 pending settlement with SNGPL whose resolution is dependent on the OGRA's appointed consultant report.

   Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No	Key Audit Matters	How the matter was addressed in our audit
1.	**REVENUE** The Company's total revenue amounts to Rs. 449,501 million, which is predominantly generated from sales of gas, representing a significant element of the unconsolidated financial statements as disclosed in notes 38 and 39. Revenue includes sales of indigenous and RLNG gas to the customers under an agreement based on single performance obligation satisfied over time, whereas progress of the performance obligation is measured using the output method, by an amount representing volume of natural gas delivered as metered monthly in arrears, that may include estimates for provisional billing and passing-unregistered-gas, at the various rates prescribed by the OGRA and Tariff adjustments which are calculated as per OGRA Ordinance, 2002 and Final Revenue Requirement determined by the OGRA. The risk of material misstatement was considered significant due to high inherent and control risk on completeness, existence and accuracy of revenue. In view of the significance of revenue and high assessed risk of material misstatement, revenue is considered as key audit matter.	We performed a range of audit procedures in relation to revenue including the following: • Obtained understanding of the process for recognition of revenue and considered the appropriateness of the Company's revenue recognition accounting policies as per applicable financial reporting framework; • Tested the design and operating effectiveness of key controls in relation to the recognition of revenue; • Performed test of details on revenue recognized during the year, on a sample basis, inspected meter reading documents, sales agreement, gas bills and rates from Oil and Gas Regulatory Authority (OGRA) notification; • Obtained and examined the Final Revenue Requirement (FRR) determined by the OGRA and checked that the tariff adjustment is as per the revenue requirement; and • Assessed the adequacy of the disclosures made in respect of revenue in accordance with applicable financial reporting standards.
2.	**EMPLOYEE BENEFITS OBLIGATION** As disclosed in note 27 & 35 to the unconsolidated financial statements, the Company operates various defined benefit plans. The Company's obligation in respect of these plans as at June 30, 2023 aggregated to Rs. 13,441 million. Valuation of these plans require significant level of judgment and technical expertise to select appropriate valuation assumptions. Changes in the key assumptions	Our audit procedures relating to employee benefits obligation, amongst others, included the following: • Assessed competence and objectivity of actuaries engaged by the Company to value obligations under the plans and reviewed the actuarial valuation report to understand the basis and methodology used in such valuation; • Tested data provided by the Company to actuaries for the purpose of valuation;

S. No	Key Audit Matters	How the matter was addressed in our audit
	(discount rates, salary increases and retirement age etc.) may have a material impact on the calculation of these obligations, under the plans. We identified this area as a key audit matter because of significant estimation, uncertainty of management judgment relating to valuation assumptions that are inherently complex and require specialist actuarial input.	• We engaged independent expert to evaluate the reasonableness of actuarial assumptions used in valuation of staff retirement benefit liability; and • Reviewed the adequacy of the related disclosures in the unconsolidated financial statements in accordance with applicable financial reporting framework.
3.	**CAPITAL EXPENDITURE** As disclosed in note 5 to the unconsolidated financial statements, the Company has incurred significant amount of capital expenditure including transfer to operating assets during the year amounting to Rs. 29,217 million. We focused on capital expenditure incurred during the year as this represents a significant transaction for the year and involves certain judgemental areas, such as management's estimates about the useful life of assets and capitalization of elements of eligible components of cost as per the applicable financial reporting standards. Therefore, we have identified this as a key audit matter.	Our key audit procedures in this area included, amongst others, included the following: • We obtained understanding of the Company's process with respect to capital expenditure and related controls relevant to such process; • We performed substantive audit procedures through inspection of related documents supporting various components of the capitalized costs; • We also considered whether the items of cost capitalized meet the recognition criteria of an asset in accordance with the applicable financial reporting standards; • We reviewed management's estimates about the useful life of assets so capitalized and consequent depreciation rates used by the Company; and • We assessed the adequacy of unconsolidated financial statements disclosures in accordance with the applicable financial reporting framework work .

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion, except for the effects of the matter described in basis for qualified opinion section of our report.:

a) a proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows and the unconsolidated statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: November 07, 2024

UDIN: AR202310166Okw8bG6sz

BDO Ebrahim

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2023

	Note	2023	2022
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**187,414,345**	175,263,737
Intangible assets	6	**195,756**	226,209
Right of use assets	7	**73,637**	85,051
Deferred taxation	8	**8,366,320**	2,823,415
Long term investments	9	**1,235,412**	1,401,745
Long term loans and advances	11	**691,249**	1,425,381
Long term deposits		**20,128**	18,632
Total non-current assets		**197,996,847**	181,244,170
Current assets			
Stores, spares and loose tools	12	**3,664,088**	3,645,946
Stock-in-trade	13	**3,444,930**	2,304,295
Current portion of net investment in finance lease	10	**-**	73,321
Customers' installation work-in-progress	14	**266,312**	244,305
Trade debts	15	**118,245,036**	102,209,200
Loans and advances	16	**1,164,562**	564,780
Advances, deposits, and short term prepayments	17	**592,648**	975,841
Interest accrued	18	**18,595,308**	16,692,130
Other receivables	19	**707,415,925**	471,013,752
Taxation - net	20	**13,844,382**	16,079,192
Cash and bank balances	21	**384,019**	763,015
Total current assets		**867,617,210**	614,565,777
TOTAL ASSETS		**1,065,614,057**	795,809,947

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2023

	Note	2023	2022
		(Rupees in '000)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	22	**8,809,163**	8,809,163
Reserves	23	**4,907,401**	4,907,401
Surplus on re-measurement of FVTOCI securities		**115,177**	115,836
Surplus on revaluation of property, plant and equipment	24	**59,835,137**	54,107,435
Accumulated loss		**(76,354,791)**	(72,418,688)
		(2,687,913)	(4,478,853)
LIABILITIES			
Non-current liabilities			
Long term financing	25	**27,335,388**	17,015,705
Long term deposits	26	**27,779,873**	24,506,273
Employee benefits	27	**7,472,303**	7,724,066
Payable against transfer of pipeline	28	**607,696**	684,981
Deferred credit	29	**5,199,216**	4,304,590
Contract liabilities	30	**9,766,898**	9,517,256
Lease liability	31	**13,287**	19,029
Long term advances	32	**3,337,572**	3,971,110
Total non-current liabilities		**81,512,233**	67,743,010
Current liabilities			
Current portion of payable against transfer of pipeline	28	**77,285**	70,664
Current portion of deferred credit	29	**510,445**	443,575
Current portion of contract liabilities	30	**296,964**	262,881
Current portion lease liability	31	**53,028**	55,475
Current portion of long term financing	33	**4,853,924**	6,664,669
Short term borrowings	34	**34,095,705**	23,878,298
Trade and other payables	35	**927,114,910**	682,927,371
Interest accrued	36	**19,502,136**	17,957,484
Unclaimed dividend		**285,340**	285,373
Total current liabilities		**986,789,737**	732,545,790
Total liabilities		**1,068,301,970**	800,288,800
Contingencies and commitments	37		
TOTAL EQUITY AND LIABILITIES		**1,065,614,057**	795,809,947

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.

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

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended June 30, 2023

	Note	2023	2022
		(Rupees in '000)	
Revenue from contracts with customers - Gas sales	38	**240,737,757**	299,628,511
Tariff adjustments	39	**208,763,422**	75,930,537
Net sales		**449,501,179**	375,559,048
Cost of sales	40	**(423,300,717)**	(367,840,505)
Gross profit		**26,200,462**	7,718,543
Administrative and selling expenses	41	**(6,074,498)**	(5,084,613)
Other operating expenses	42	**(34,748,998)**	(20,337,874)
Allowance for expected credit loss	15.3	**(1,907,945)**	(2,121,563)
		(42,731,441)	(27,544,050)
		(16,530,979)	(19,825,507)
Other income	43	**23,558,842**	17,280,257
Profit / (loss) before interest and taxation		**7,027,863**	(2,545,250)
Finance cost	44	**(8,618,746)**	(5,190,235)
Loss before taxation		**(1,590,883)**	(7,735,485)
Taxation	45	**(10,250)**	(3,708,630)
Loss for the year		**(1,601,133)**	(11,444,115)
		(Rupees)	
Loss per share - basic and diluted	47	**(1.82)**	(12.99)

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.

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

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2023

	2023	2022
	(Rupees in '000)	
Loss for the year	**(1,601,133)**	(11,444,115)
Other comprehensive income		
Items that will not be reclassified subsequently to unconsolidated statement of profit or loss:		
Remeasurement loss on post retirement benefit obligation - net	**(2,334,970)**	(566,368)
Unrealised loss on re-measurement of FVTOCI investments	**(659)**	(56,936)
Surplus on revaluation of property, plant and equipment	**5,727,702**	29,760,121
Other comprehensive income for the year	**3,392,073**	29,136,817
Total comprehensive income for the year	**1,790,940**	17,692,702

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended June 30, 2023

	Note	2023	2022
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(1,590,883)**	(7,735,485)
Adjustments for non-cash and other items	48	**19,447,677**	12,844,145
Working capital changes	49	**(14,397,832)**	19,483,425
Financial charges paid		**(8,698,088)**	(4,882,487)
Employee benefits paid		**(208,847)**	(176,842)
Payment for retirement benefits		**(2,093,193)**	(1,157,912)
Long term deposits received - net		**3,273,600**	1,634,536
Deposits paid - net		**(1,496)**	101
Loans and advances to employee - net		**134,350**	215,516
Interest income received		**163,692**	140,834
Income taxes paid		**(2,364,625)**	(2,178,354)
Net cash flows (used in) / generated from operating activities		**(6,335,645)**	18,187,477
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(12,701,307)**	(12,406,610)
Proceeds from sale of property, plant and equipment		**150,755**	135,452
Payment for payable against transfer of pipeline		**(135,733)**	(135,733)
Investment in subsidiary		**(20,000)**	-
Dividend received		**25,049**	23,086
Net cash used in investing activities		**(12,681,236)**	(12,383,805)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		**14,989,444**	21,131,970
Repayments of loans		**(6,466,667)**	(26,750,000)
Repayment of consumer finance		**(13,840)**	(17,807)
Repayment of lease liability		**(88,426)**	(106,167)
Dividend paid		**(33)**	(53)
Net cash generated / (used in) from financing activities		**8,420,478**	(5,742,057)
Net (decrease) / increase in cash and cash equivalents		**(10,596,403)**	61,615
Cash and cash equivalents at beginning of the year		**(23,115,283)**	(23,176,898)
Cash and cash equivalents at the end of the year	49.1	**(33,711,686)**	(23,115,283)

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2023

	Issued, subscribed and paid-up capital (Note 22)	Capital reserves (Note 23)	Revenue reserves (Note 23)	Surplus on re-measurement of FVTOCI investments	Surplus on revaluation of property, plant and equipment (Note 24)	Accumulated loss	Total
	(Rupees in '000)						
Balance as at June 30, 2021	8,809,163	234,868	4,672,533	172,772	24,347,314	(60,408,205)	(22,171,555)
Total comprehensive income for the year ended June 30, 2022							
Loss for the year	-	-	-	-	-	(11,444,115)	(11,444,115)
Other comprehensive income for the year	-	-	-	(56,936)	29,760,121	(566,368)	29,136,817
Total comprehensive income for the year	-	-	-	(56,936)	29,760,121	(12,010,483)	17,692,702
Balance as at June 30, 2022	8,809,163	234,868	4,672,533	115,836	54,107,435	(72,418,688)	(4,478,853)
Total comprehensive income for the year ended June 30, 2023							
Loss for the year	**-**	**-**	**-**	**-**		**(1,601,133)**	**(1,601,133)**
Other comprehensive income for the year	**-**	**-**	**-**	**(659)**	**5,727,702**	**(2,334,970)**	**3,392,073**
Total comprehensive income for the year	**-**	**-**	**-**	**(659)**	**5,727,702**	**(3,936,103)**	**1,790,940**
Balance as at June 30, 2023	**8,809,163**	**234,868**	**4,672,533**	**115,177**	**59,835,137**	**(76,354,791)**	**(2,687,913)**

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

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 contracts 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 and 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 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 Weighted Average Cost of Capital (‘WACC’) from the year 2019 in place of the fixed rate of return of the average operating assets excluding financial, other non-operating expenses and non-operating income from the reference figure.

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

1.3 Status of the Company's Operations and Financial Performance

During the year, the Company incurred a loss after tax of Rs. 1,601 million (2022: Rs. 11,444 million). As of the reporting date, the Company has accumulated losses of Rs. 76,355 million (2022: Rs. 72,419 million) which resulted in a negative equity of Rs. 2,688 million (2022: Rs. 4,479 million). Further, as of that date, the current liabilities exceeded its current assets by Rs. 119,173 million (2022: Rs. 117,980 million). These factors may cast significant 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.

- Government of Pakistan (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 GoP (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 financial statements are prepared on a going concern basis.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Act, 2017.
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except otherwise disclosed in notes to the unconsolidated financial statements.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

2.4 Significant accounting judgements, assumptions and estimates

The preparation of these unconsolidated financial statements, in conformity with accounting and reporting standards, as applicable in Pakistan, requires the Company to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including reasonable expectation of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. Revision to accounting estimates are recognised prospectively, commencing from the period of revision.

The Company has made the following accounting estimates and judgments which are significant to these unconsolidated financial statements.

2.4.1 Property, plant and equipment and intangible assets

The Company also carries out an annual assessment of useful lives and residual value of property, plant and equipment, and intangible assets. Any change in the useful life and residual value in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangible assets. Further, the Company also reviews the recoverable amount of the assets for possible impairment on an annual basis.

2.4.2 Stock in trade and stores, spares and loose tools

Stock in trade

The Company regularly reviews the net realisable value of stock in trade to assess any diminution in the carrying values. Net realisable value is determined with reference to estimated selling price in ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Stores, spares and loose tools

The Company reviews stores, spares and loose tools for possible impairment on an annual basis. Any change in the estimate might affect the carrying amounts of the respective items of stores, spares and loose tools with the corresponding provision.

2.4.3 Provision for impairment of financial assets

Financial assets due from public sector consumers

Determining the recoverability of these financial assets, the Company uses objective evidence for the uncollectability of the due balances according to the original terms.

Judgements made by the Company in estimating the recoverability of the balances based on the paying ability of the respective consumers and based on this estimate, the debts that are doubtful, required provision or are considered to be written off.

Other financial assets

Significant estimates are involved in the assessment of the correlation between historical observed default rates and the projection of cashflows, forecast economic conditions and the related expected credit loss. The amount of expected credit loss is sensitive to change in circumstances and forecast economic conditions.

2.4.4 Staff retirement and other service benefit obligations

Certain actuarial assumptions have been adopted as disclosed in note 46 to these unconsolidated financial statements for valuation of these obligations. Any changes in assumptions will impact the carrying amount of these obligations.

2.4.5 Income tax

The Company takes into account the appllicable income tax law and the decisions / judgements taken by the appellate authorities. Accordingly, the current and deferred tax recognised based on these applicable laws, decisions / judgements.

2.4.6 Recognition of Tariff Adjustments

Income from tariff adjustments has been recognized according to Final Revenue Requirement (FRR) issued by OGRA for the financial year ended June 30, 2023.

2.4.7 Purchases of gas

Company records purchases of gas at the rates notified by Oil and Gas Regulatory Authority. Effect of adjustments, if any, arising from revision in purchase price is reflected as and when the prices are approved by OGRA.

2.4.8 Provisions and contingencies

The Company uses significant estimates and judgements in accounting for the contingencies and provisions relating to legal and taxation matters which are contested at various forums based on applicable laws and decisions / judgements.

3 APPLICATION OF NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

The Company has adopted all the new standards and amendments to the following accounting and reporting standards as applicable in Pakistan which became effective during the year:

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the unconsolidated financial statements other than certain additional disclosures.

		Effective date (annual periods beginning on or after)
IFRS 3	Business Combination - amendments updating a reference to the Conceptual Framework	January 01, 2022
IAS 16	Property, Plant and Equipment - amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 01, 2022

		Effective date (annual periods beginning on or after)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - The amendments specify the costs should include the cost of fulfilling a contract when assessing whether a contract is onerous.	January 01, 2022

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

		Effective date (annual periods beginning on or after)
IFRS 7	Financial Instruments: Disclosures - Amendments relating to Supplier finance arrangements	January 01, 2024
IFRS 16	Leases - amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
IAS 1	Presentation of Financial Statements - Amendments to disclose material accounting policy information instead of its significant accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures	January 01, 2023
IAS 1	Presentation of Financial Statements - Under the amendment, the classification of certain liabilities as current or non-current may change (e.g. convertible debt). In addition, companies may need to provide new disclosures for liabilities subject to covenants	January 01, 2024
IAS 7	Statement of Cash flows - Amendments relating to supplier finance arrangements	January 01, 2024
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates, the standard defines the concept of a change in accounting estimates to help entities to distinguish between accounting policies and accounting estimates	January 01, 2023

		Effective date (annual periods beginning on or after)
IAS 12	Income Taxes - Amendments relating to Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
IAS 12	Income Taxes - Amendments relating to Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

3.3 Exemptions from applicability of certain standards and interpretations to standards

3.3.1 On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme ('Scheme') for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises where GoP holds significant investments (non-SOEs). The scheme is applicable to permanent and contractual employees who were in the employment of these entities on the date of launch of the Scheme, subject to completion of five years vesting period by contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares respective entities. To administer this scheme, GoP shall transfer 12% of its investment in such SOEs and non-SOEs to Trust Fund to be created for the purpose by each of such entities. The eligible employees would be allocated units by each Trust Fund in proportion to their respective length of service, and on retirement or termination such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units as would be determined based market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatization Commission of Pakistan (PCP) for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP.

The Scheme, developed in compliance with the stated GoP policy of empowerment of employees of State Owned Enterprises need to be accounted for by the covered entities, including the Company, under the provisions of amended International Financial Reporting Standard 2 – Share-based Payment (IFRS 2). However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, the Securities & Exchange Commission of Pakistan on receiving representations from some of entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan has granted exemption to such entities from the application of IFRS 2 to the Scheme.

Had the exemption not been granted there would have been no impact on the net profit of the Company as the annual return of the Company is determined under the regulatory revenue requirement, which would have covered any additional cost if incurred by the Company in respect of the aforesaid Scheme.

3.3.2 The Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 67 (I) / 2023 dated January 20, 2023 in partial modification of its previous S.R.O. 1177 (1) / 2021, dated September 13, 2021 has exempted the Company from application of IFRS 9 with respect to recognition requirements of Expected Credit Losses on financial assets due from GoP or ultimately due from the GoP (including receivables in context of circular debt) till December 31, 2024, provided that the Company shall follow relevant requirements of IAS 39 'Financial instruments: Recognition and Measurement' in respect of such financial assets during exemption period.

Accordingly, there is no ECL recorded on the financial assets due from the GoP in these unconsolidated financial statements.

3.3.3 IFRS 14: "Regulatory Deferral Accounts" is intended to encourage rate-regulated entities to adopt IFRS while bridging the gap with similar entities that already apply IFRS, but which do not recognize regulatory deferral accounts. This would be achieved by requiring separate presentation of the regulatory deferral account balances (and movements in these balances) in the unconsolidated statement of financial position, unconsolidated statement of profit or loss and unconsolidated statement of comprehensive income. Further, IFRS 14 also requires to disclose multiple earnings per share.

As per S.R.O. 1480 (I)/2019, the Company is required to implement IFRS 14 from July 01, 2019, however, the Company has obtained exemption from the Securities and Exchange Commission of Pakistan (SECP) who vide its letter SMD/PRDD/2(237) 2021/92 dated November 04, 2021 has acceded to the application of the Company regarding exemption from implementation of IFRS14 to the Company for a period of 3 years i.e. up to financial year ended June 30, 2022. The same has been extended for one more year i.e upto financial year ended June 30, 2023 by the SECP through its letter SMD/PRDD/Comp/(4)/2021/108 dated December 8, 2023, subject to the condition that “adequate disclosure” shall be provided in the respective financial statements that clearly explain the impact if IFRS 14 had been adopted by the Company.

The Company has evaluated the impact under IFRS-14, which are mentioned below:

	2023	2022
	(Rupees in '000)	
Effect on unconsolidated statement of profit or loss		
Increase in:		
Tariff adjustments	**(208,018,267)**	(77,149,020)
Net movement in regulatory deferral account balances	**208,018,267**	77,149,020
Loss for the year before net movement in regulatory deferral account would have been	**(208,059,263)**	(88,014,517)
Effect on earning / (loss) per share - (Rs.)		
basic and diluted	**(236.19)**	(99.91)
basic and diluted including net movement in regulatory deferral account	**(1.82)**	(12.99)
Effect on unconsolidated statement of financial position		
Decrease in:		
Other receivable	**(498,763,608)**	(295,488,261)
Trade and other payable	**23,826,990**	28,923,211
Regulatory deferral account	**(474,936,618)**	(266,565,050)
Decrease in:		
Deferred tax	**(8,366,320)**	(3,413,234)
Trade and other payable - WPPF	**59,740**	59,740
Increase in:		
Taxation net	**2,541,151**	975,425

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

4.1 Revenue recognition

The Company recognises revenue in accordance with IFRS 15 'Revenue From Contract With Customers':

Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the performance obligations for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue comprises the fair value of the consideration received or receivable from contracts with customer in the ordinary course of the Company's activities. The Company recognizes revenue when the amount can be reliably measured and it is highly probable that a significant reversal in the amount of income recognised will not occur and specific criteria has been met for each of the Company's activities as described below:

- Revenue from gas sales is recognized on the basis of gas supplied to consumers at the rates notified by Oil and Gas Regulatory Authority (OGRA). Accruals are made to account for the estimated gas supplied between the date of last meter reading and the year end. The revenue for the Company is recognized on point in time basis as the management has determined that there is a single performance obligation i.e. supply of gas.

- Meter rentals are recognized on a monthly basis, at specified rates by the OGRA for various categories of customers. All the revenue for the Company in this category, is recognized at point in time basis as the Company has determined that there is a single performance obligation i.e. availability of meters to the customers.

- Revenue from sale of meters, Liquefied Petroleum Gas (LPG) and gas condensate is recognised on delivery to the customers.

- Deferred credit from Government is amortized and related income is recognised in the unconsolidated statement of profit or loss over the useful lives of related assets.

- The Company's contractual liability represents contributions received from the customer for the gas connection and laying infrastructure which includes the cost of supplying and laying of transmission lines and main lines.

  The revenue recognised of the entire arrangements is on over the time basis. The recognition is based on the useful of the infrastructure.

- Income from new service connections is amortized over the useful lives of related assets.

- Dividend income on equity investments is recognised when right to receive the payment is established.

- Late payment surcharge (LPS) on gas sales arrears is calculated from the date the billed amount is overdue and recognized when it is probable that economic benefits will flow to the entity. The revenue is recognized on over the time basis, unless otherwise stated.

- Revenue from gas transportation in respect of RLNG is recognized at point in time basis, when the committed contracted capacity is made available for the shipper in respect of interruptible gas transportation agreements. The rate at which the revenue is determined is notified by the Oil and Gas Regulatory Authority (OGRA).

4.2 Tariff adjustment - indigenous gas

Under the provisions of license for transmission and distribution of natural gas granted to the Company by OGRA, the Company is required to earn an annual return of not less than the rate of return calculated using Weighted Average Cost of Capital (WACC) on the value of its average fixed assets in operation (net of deferred credit), before corporate income taxes, interest and other charges on debt and after excluding interest, dividends and other non operating income and before incorporating the effect of efficiency benchmarks prescribed by OGRA. Any deficit or surplus on account of this is recoverable from or payable to the Government of Pakistan as Tariff adjustments.

4.3 Tariff adjustment - RLNG

As per the policy guideline issued by the Economic Coordination Committee of the Cabinet (ECC) on pricing of RLNG, the Company is allowed to earn an annual return as a percentage of the value of its average fixed assets in RLNG operation, to be determined by OGRA. Any deficit or surplus on account of this is recoverable from or payable to the RLNG customers through adjustment in future RLNG prices. The surplus or the shortfall, if any, are included in “trade and other payables” or “other receivables” respectively with the corresponding charge or credit respectively, recognised in the unconsolidated statement of profit or loss.

4.4 Financial Instruments

A financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.4.1 Financial assets

Classification and measurement of financial assets

Financial assets are classified into appropriate categories at amortized cost, fair value through other comprehensive income or at fair value through profit or loss. The management determines the classification of financial assets into appropriate categories based on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

At amortized cost

Financial assets are measured at amortized cost when:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income when:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding for debt instruments.

For financial assets classified as equity instruments, the Company may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI. Such classification is determined on an instrument-by-instrument basis.

Other financial assets

All financial assets which do not fall into the first two categories must be stated at fair value through profit or loss.

Initial recognition and subsequent measurement

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortized cost are initially recognised at fair value and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in the statement of comprehensive income.

Financial assets carried at fair value through other comprehensive income are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income.

Financial assets carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of comprehensive income. Realized and unrealized gains and losses arising from changes in the fair values of the financial assets held at fair value through profit or loss are included in the statement of comprehensive income in the period in which they arise.

4.4.2 Financial liabilities

IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised.

4.4.3 Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

4.4.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

4.4.5 Derivative financial instruments

Derivative financial instruments if any are recognised initially at cost which is the fair value of the instrument. Subsequent to initial recognition, the derivative financial instruments are stated at fair value. Changes in fair value of derivative financial instruments are recognised in the unconsolidated statement of profit or loss, along with any changes in the carrying value of the hedged liability. Derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

4.4.6 Off-setting

Financial assets and liabilities are offset and the net amount is reported in the unconsolidated statement of financial positions only when there is a legally enforceable right to set-off the recognised amount and the Company intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.4.7 Impairment of financial assets

The Company recognises a loss allowance for Expected Credit Losses (ECL) on trade debts except for receivable balances as mentioned in note 3.3.2 due from GoP or ultimately due from the GoP (including receivables in context of circular debt). The amount of ECL is adjusted at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company recognises lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(I) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(II) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default (“PD”) of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(III) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation, or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(IV) Measurement and recognition of ECL

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on other financial assets measured at amortized cost other than those mentioned in note 3.3.2.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

4.5 Investment in subsidiary

Investment in subsidiary is initially recognised at cost. At subesequent reporting dates, the recoverable amount is estimated to determine the extent of impairment loss, if any, and the carrying amount of investments are adjusted accordingly. Impairment losses are recognised as an expense in these unconsolidated financial statements.

When the impairment losses subsequently reverse, the carrying amount of the investments are increased to the revised recoverable amount but limited to the extent of the initial investments. Reversal of impairment loss is recognised in these unconsolidated statement of profit or loss.

4.6 Property, plant and equipment

Operating assets

Initial recognition

The cost of an item of operating assets is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Measurement

The cost of the operating assets includes:

(a) its purchase price including import duties, non refundable purchase taxes after deducting trade discounts and rebates; and

(b) any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Company.

Recognition of the cost in the carrying amount of an item of operating assets ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the Company.

Subsequent measurement

Operating assets except freehold land, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any.

Freehold land and leasehold land are stated at revalued amount and surplus arising on revaluation of freehold land and leasehold land is recognised as surplus on revaluation of property plant and equipment.

Subsequent expenditure (including normal repairs and maintenance)

Expenditure incurred to replace a component of an item of operating assets is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the items can be measured reliably. All other expenditures (including normal repairs and maintenance) are recognised in unconsolidated statement of profit or loss as an expense when it is incurred.

Depreciation

Depreciation is charged to the uncolsidated statement of profit or loss using straight line basis over its useful life at the rate given in note 5.1 of these unconsolidated financial statements. Depreciation on additions is charged from the month when assets are available for use upto the date of disposal.

Assets' residual values and their useful lives are reviewed and adjusted at each reporting date if significant and appropriate.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and are recognised in these unconsolidated statement profit or loss.

Surplus on revaluation of property, plant and equipment

Any revaluation increase arising on the revaluation of leasehold land and freehold land is recognised in other comprehensive income and presented as a separate component of equity as “Revaluation surplus on property, plant and equipment”, except to the extent that it reverses a revaluation decrease for the same asset.

Previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of leasehold land and freehold land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset.

The revaluation reserve is not available for distribution to the Company’s shareholders.

Capital work in progress

Capital work in progress is stated at cost less accumulated impairment loss, if any. The cost consists of expenditure incurred and advances made in the course of their construction and installation. Transfers are made to the relevant asset category as and when assets are available for intended use.

4.7 Intangible assets

An intangible asset is recognised as an asset, if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Intangible assets are measured initially at cost and subsequently stated at cost less accumulated amortization and impairment losses, if any.

Intangible asset with a finite useful life is amortized on a straight line basis at the rates as mentioned in note 6 to these unconsolidated financial statements. Amortization begins when the asset is available for use and ceases when the asset is derecognised. Amortization charge is recognised in unconsolidated statement of profit or loss.

4.8 Leases - Right of use assets

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

Right of use assets

The right of use assets (ROUA) is initially measured at cost which is the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying or to restore the underlying asset or the site on which it is located, less any lease incentive received. Subsequently, ROUA is measured at cost less accumulated depreciation and impairment losses, if any. The ROUA is depreciated using the straight line basis over the lease term or useful life of the ROUA whichever is earlier at rates mentioned in note 7.

Lease Liability

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

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

The Company has not elected to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets.

4.9 Borrowing costs

The borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying assets in which case such costs are capitalised as part of the cost of their assets, net-off interest income as the Company investments on their borrowings.

All other borrowing costs are charged off in the unconsolidated statement of profit or loss in the period in which they are incurred.

The Company determines a weighted average capitalization rate in case of general borrowings attributable to qualifying asset.

4.10 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to identify circumstances indicating occurrence of impairment. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. An impairment loss is recognised, as an expense in the unconsolidated statement of profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. The reversal of impairment loss is recognised as an income immediately, unless the relevant asset is carried at a revalued amount, in which the reversal of the impairment loss is treated as a revaluation increase.

4.11 Net investment in finance lease

Contractual arrangements, the fulfilment of which is dependent upon the use of a specific asset and whereby the right to use the underlying asset is conveyed to the customer, are classified as finance lease. Net investment in finance lease is recognised at an amount equal to the present value of the lease payments receivable, including any guaranteed residual value determined at the inception of lease. Discount rate used in the calculation of the present value of minimum lease payments is the interest rate implicit in the lease. Any recoveries from customers in respect of the service cost and contingent rent are excluded from the minimum lease payments and are recorded as recoveries of transmission and distribution cost from the lessee and gas transportation income respectively. Interest income from net investment in finance lease is recognised on a pattern reflecting a constant periodic return on the Company's net investment in finance lease.

4.12 Stores, spares and loose tools

Stores, spares and loose tools are valued at weighted average cost except in-transit, which are valued at cost comprising invoice value plus other charges paid there on till the reporting date.

A provision is made for slow moving and obsolete stores, spares and loose tools.

4.13 Stock-in-trade

Gas in pipelines

Stock of gas in transmission pipelines is valued at the lower of cost and net realizable value. Cost is determined on weighted average method. Net realisable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make the sale.

Meter manufacturing

Stock of meter manufacturing is valued at the lower of cost and net realizable value. The cost is determined as follows;

- Component material	At moving average cost comprising purchase price, transportation cost and other overheads.
- Work in process and finished goods	At moving average cost comprising direct cost of material, labour and other production and related overheads.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimate cost necessary to make sales.

4.14 Trade debts and other receivables

Trade debts and other receivables are recognised initially at fair value and subsequently measured at amortized cost less loss allowance, if any. The Company measures the loss allowance for trade and other recievables at an amount equal to lifetime expected credit losses (ECL), other than receivables from public sector companies which is based on incurred loss model and impairment is determining when there is an objective evidence that balances get impaired.

4.15 Trade and other payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.16 Borrowings

From financial institutions

Borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortized cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for atleast 12 months after reporting date.

From Government Authorities

Long term loans received from the Government of Sindh with interest rate lower than prevailing market interest rates for a similar instrument are initially measured at fair value. The fair value is estimated at the present value of all future cash payments discounted using the prevailing market rate of interest for a similar instrument with a similar credit rating. Difference between fair value and proceeds received is treated as government grant and is amortized over the useful life of related asset constructed.

4.17 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.18 Contingencies

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

Contingent assets

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

4.19 Taxation

Current

The current tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted on the statement of financial position date, and any adjustment or tax payable in respect of prior years. The tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly to equity. In this case the tax is also recognized in other comprehensive income or directly to equity, respectively.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realized.

4.20 Staff retirement benefits

The Company operates the following retirement schemes for its employees:

Defined benefit scheme

- Approved funded pension and gratuity schemes for all employees.

  Liability under these schemes is recognised in the period in which the benefit is earned based on the actuarial valuations that is carried out annually under the projected unit credit method.

  Actuarial gains and losses arising from the actuarial valuation are recognised immediately and presented in unconsolidated statement of comprehensive income.

  Past service cost is recognised in unconsolidated statement of profit or loss at the earlier of when the amendment, curtailment or settlement occurs.

- Unfunded free medical and gas supply facility schemes for its executive employees.

  Liability under these schemes is recognised in the period in which the benefit is earned based on the actuarial valuations that is carried out annually under the projected unit credit method. However, the free gas supply facility has been discontinued for employees retiring after December 31, 2000.

Defined contribution scheme

- Approved contributory provident funds for all employees (defined contribution scheme).

  The Company operates a recognised provident fund for all its employees. Equal contributions are made, both by the Company and the employees, to the fund at the rate of 7.5% of basic salary in the case of executive employees and 8.33% of basic salary and adhoc relief cost of living allowance in the case of non executive employees and the same is charged to these unconsolidated statement of profit or loss.

  A non-contributory benevolent fund, under which only the employees contribute to the fund.

Compensated absences

- The Company provides for compensated leave absences. Provision is recorded on the basis of actuary's recommendation. The actuarial valuation is carried out using the Project Unit Credit Method. Under this method, the cost of providing compensated leave absences is charged to the statement of comprehensive income so as to spread the cost over the service lives of the employees in accordance with the advice of qualified actuary.

4.21 Foreign currency translation

Transactions in foreign currencies are translated into Pakistan rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani rupees at the rates of exchange ruling at the reporting date. Exchange gains and losses are taken to the unconsolidated statement of profit or loss.

4.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is an identifiable component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company’s other components. An operating segment’s operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment. The following are the segments identifies and is consistent with the international financial reporting standards.

- **Gas transmission and distribution**

  Gas transmission and distribution segment is engaged in transmission and distribution of natural gas and construction contracts for laying of pipelines in Sindh and Balochistan.

- **Meter manufacturing**

  Meter manufacturing segment is engaged in manufacture and sale of gas meters.

4.23 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits in banks, short term running finance and short term liquid investments that are readily convertible to known amounts of cash.

4.24 Earnings per share

Earnings per share is calculated by dividing the profit / (loss) after tax for the year by the weighted average number of shares outstanding during the year.

4.25 Dividend and reserves appropriation

Dividend is recognised as a liability in the unconsolidated statement of financial position in the period in which it is declared. Movement in reserves is recognised in the year in which it is approved.

4.26 Share Capital

Ordinary shares are classified as equity and recognised at their face value. Discount on issue of shares is separately reported in unconsolidated statement of changes in equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees in '000)	
Operating assets	5.1	**174,831,452**	160,332,379
Capital work in progress	5.2	**12,582,893**	14,931,358
		187,414,345	175,263,737

5.1 Operating assets

Description	Freehold land	Leasehold land	Buildings on freehold	Buildings on leasehold land	Roads, pavements and related infrastructures	Gas transmission pipeline	Gas distribution system	Compressors
	(Rupees in '000')							
Net carrying value basis year ended June 30, 2023								
Opening net book value (NBV)	39.143.790	15.653.468	-	855.461	349.080	41.024.185	52.850.047	7.414.963
Revaluation	4.308.970	1.418.732	-	-	-	-	-	-
Additions / transfer from CWIP (at cost)	-	6.904	-	168.398	-	2.746.801	11.971.547	346.755
Disposals (NBV)	-	-	-	-	-	-	(653.031)	-
Transfers (NBV)	-	-	-	-	-	-	-	-
Depreciation charge	-	-	-	(131.568)	(1.052)	(1.230.942)	(4.139.127)	(828.490)
Closing net book value	**43,452,760**	**17,079,104**	**-**	**892,291**	**348,028**	**42,540,044**	**60,029,436**	**6,933,228**
Gross carrying value basis year ended June 30, 2023								
Cost	43.452.760	17.079.104	324.492	3.011.590	797,026	64,937,341	115,740,383	14,173,195
Accumulated depreciation	-	-	(324.492)	(2.119.299)	(448.998)	(22.397.297)	(55.710.947)	(7.239.967)
Net book value	**43,452,760**	**17,079,104**	**-**	**892,291**	**348,028**	**42,540,044**	**60,029,436**	**6,933,228**
Net carrying value basis year ended June 30, 2022								
Opening net book value (NBV)	12.339.027	12.698.111	-	956.753	350.209	41.828.280	46.052.352	7.035.242
Revaluation	26.804.763	2.955.358	-	-	-	-	-	-
Additions / transfer from CWIP (at cost)	-	-	-	30.415	-	458.817	6.735.699	1.574.765
Disposals (NBV)	-	-	-	-	-	-	(93.899)	-
Transfers (NBV)	-	(1)	-	4	-	4.078	(4.212)	-
Change in estimate of useful life	-	-	-	-	-	-	6.048.548	-
Depreciation charge	-	-	-	(131,711)	(1,129)	(1,266,990)	(5,888,441)	(1,195,044)
Closing net book value	**39,143,790**	**15,653,468**	**-**	**855,461**	**349,080**	**41,024,185**	**52,850,047**	**7,414,963**
Gross carrying value basis year ended June 30, 2022								
Cost	39.143.790	15.653.468	324.492	2.843.192	797.026	62.190.540	104.421.867	13.826.440
Accumulated depreciation	-	-	(324.492)	(1.987.731)	(447.946)	(21.166.355)	(51.571.820)	(6.411.477)
Net book value	**39,143,790**	**15,653,468**	**-**	**855,461**	**349,080**	**41,024,185**	**52,850,047**	**7,414,963**
Depreciation rate	**0%**	**0%**	**5%**	**5%**	**5%**	**2.5%**	**5%**	**6% to 12.5%**

Telecommunication	Plant and machinery	Tools and equipment	Motor vehicles	Furniture and fixture	Office equipment	Computer and ancillary equipments	Supervisory control and data acquisition system	Construction equipment	Total
				(Rupees in '000')					
126.222	1.174.258	42.719	890.055	34.671	90.248	308.126	107.969	267.117	160.332.379
-	-	-	-	-	-	-	-	-	5.727.702
56.822	460.014	36.439	484.706	31.005	43.514	130.380	31.915	-	16.515.200
(554)	(2.355)	-	(33.811)	-	(4)	(167)	(120)	-	(690.042)
-	260.124	-	-	-	-	-	-	(260.124)	-
(43.773)	(257.178)	(28.423)	(148.184)	(17.165)	(37.265)	(144.703)	(38.924)	(6.993)	(7.053.787)
138,717	**1,634,863**	**50,735**	**1,192,766**	**48,511**	**96,493**	**293,636**	**100,840**	**-**	**174,831,452**
1.134.873	5.168.158	577.245	3.716.618	573.047	696.909	1.623.183	1.259.931	2.896.366	277.162.221
(996.156)	(3.533.295)	(526.510)	(2.523.852)	(524.536)	(600.416)	(1.329.547)	(1.159.091)	(2.896.366)	(102.330.769)
138,717	**1,634,863**	**50,735**	**1,192,766**	**48,511**	**96,493**	**293,636**	**100,840**	**-**	**174,831,452**
		-							
172.574	1.258.431	13.730	918.631	25.724	77.956	200.723	188.135	333.150	124.449.028
-	-	-	-	-	-	-	-	-	29.760.121
1.449	194.582	47.889	158,710	19.202	52.658	156.357	-	-	9.430.543
(155)	(1.192)	-	(40,757)	1	1	-	-	(531)	(136.532)
(1)	14.118	972	74	55	(1.041)	79	-	(14.125)	-
-	-	-	-	-	-	-	-	-	6.048.548
(47,645)	(291,681)	(19,872)	(146,603)	(10,311)	(39,326)	(49,033)	(80,166)	(51,377)	(9,219,329)
126,222	**1,174,258**	**42,719**	**890,055**	**34,671**	**90,248**	**308,126**	**107,969**	**267,117**	**160,332,379**
1.078.605	4.450.375	540.806	3.265.723	542.042	653.399	1.492.970	1.228.136	3.156.490	255.609.361
(952.383)	(3.276.117)	(498.087)	(2.375.668)	(507.371)	(563.151)	(1.184.844)	(1.120.167)	(2.889.373)	(95.276.981)
126,222	**1,174,258**	**42,719**	**890,055**	**34,671**	**90,248**	**308,126**	**107,969**	**267,117**	**160,332,379**
				-					
15% to 50%	**10%**	**33%**	**20%**	**20%**	**20%**	**15% to**	**15%**	**20%**	

	Note	2023	2022
		(Rupees in '000)	

5.1.1 Depreciation charge for the year are allocated as follows:

	Note	2023	2022
Transmission and distribution costs	40.2	**6,669,738**	2,816,262
Administrative expenses	41.1	**235,319**	205,096
Selling expenses	41.2	**6,123**	6,123
		6,911,180	3,027,481
Meter manufacturing division	43.1	**36,216**	23,705
LPG air mix	43.2	**84,585**	83,342
Capitalised on projects		**21,806**	36,253
		7,053,787	3,170,781

5.1.2 Disposal of property, plant and equipment

Details of disposal of operating assets are as follows:

	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on sale / written off	Mode of disposal	Particulars of buyers
			(Rupees in '000)				
Items having book value exceeding Rs. five hundred thousand							
Gas Distribution Pipeline	1,004	352	652	-	(652)	Gas meters retired	-
Motor Vehicle							
Car Toyota Corolla 1300Cc	1,694	1,186	508	1,715	1,207	Auction	Mr. Mohan Singh
Car Toyota Corolla 1300Cc	1,759	1,231	528	1,585	1,057	Auction	Mr. Muhammad Jalal
Honda Civic 1.8, VTI	2,758	1,964	794	207	(587)	Service Rule	Mr. Muhammad Wasim
Car Toyota Corolla 1300CC	1,930	1,351	579	579	-	Service Rule	Mr. Adnan Saghir
Suzuki Cultus 1000 CC, AGS	2,144	475	1,669	1,682	13	Service Rule	Mr. Abdul Rasheed
Pick-Up Double Cabin 4 X 4	2,671	2,136	535	1,610	1,076	Auction	Mr. Azizullah Khan
Pick-Up Double Cabin 4 X 4	2,648	2,118	530	1,000	470	Auction	Mr. Mehtab Khattak
Pick-Up Double Cabin 4 X 4	2,648	2,118	530	1,100	570	Auction	Mr. Mehtab Khattak
Pick-Up Double Cabin 4 X 4	2,648	2,118	530	1,330	800	Auction	Mrs. Fatima w/o Kashif
Van 15 Seaters Diesel	4,063	3,251	812	3,615	2,802	Auction	Mr. Muhammad Atiq
Pick-Up Double Cabin 4 X 4	4,591	3,673	918	1,625	707	Auction	Mr. Aqeel Ahmed
Pick-Up Double Cabin 4 X 4	4,178	2,737	1,441	4,158	2,717	Insurance Claim	NICL
	33,732	24,358	9,374	20,206	10,832		

	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on sale
Total items having book value exceeding Rs. five hundred thousand	34,736	24,710	10,026	20,206	10,180
Items having book value upto Rs. five hundred thousand	2,723,281	2,043,265	680,016	130,549	(549,467)
Total - 2023	2,758,017	2,067,975	690,042	150,755	(539,287)
Total - 2022	1,033,191	896,659	136,532	135,452	(1,080)

5.1.3 Particulars of Land and Building

	District	Area of Land Sq. Yards
LPG Air Mix Plant	Awaran	19,360
LPG Plant at Gwadar, Allotment of Government Land in Mauza Karwat	Gwadar	19,360
LPG Plant at Gwadar.	Gwadar	19,360
Regional Office Hyderabad	Hyderabad	38,893
Billing Office Hyderabad	Hyderabad	1,079
Plot ensured for Community Centre for offices at Hyderabad.	Hyderabad	2,398
HQ-3 Hyderabad - Compressor Station	Hyderabad	40,667
Head Office Building	Karachi	24,200
Karachi Terminal Station (K.T)	Karachi	225,447
Distribution Office Karachi West	Karachi	9,680
Site Office Karachi	Karachi	19,360
Zonal Billing Office & CFC Nazimabad	Karachi	2,221
Medical Centre M.A Jinnah Road	Karachi	115
Khadeji Base Camp	Karachi	125,841
Land for Construction of Distribution Central Offices	Karachi	355
Land for Construction of Distribution Central Offices	Karachi	572
Site proposed for CFC and Distribution office DHA	Karachi	600
Dope Yard for Distribution East	Karachi	653
LPG Air Mix Plant	Kot Ghulam Muhammad	19,360
Regional Office Larkana	Larkana	16,214
Site proposed for Distribution offices in Mastung	Mastung	1,320
Zonal Office	Naushero Feroz	3,572
Regional Office Nawab Shah	Nawab Shah	6,111
HQ-2 Nawab Shah - Compressor Station	Nawab Shah	46,667
LPG Air Mix Plant	Noshki	19,360
Land proposed for SSGC building in Pishin	Pishin	2,556
Regional Office Quetta	Quetta	4,840
Stores, Dope yard for Quetta Region.	Quetta	2,420
HQ Quetta	Quetta	108,460
Land proposed for Zonal Office at Sanghar	Sanghar	4,414
Mini Stadium , CFC & Distribution Office.	Shahdadkot	32,307
Sinjhoro Office	Sinjhoro	600
LPG Air Mix Plant	Sohrab	19,360
Regional Office Sukkur / Pipe Yard Sukkur	Sukkur	115
HQ-1 Sukkur	Sukkur	43,333

5.1.4 As at June 30, 2023, property, plant and equipment having gross carrying amount of Rs. 664,101 million (2022: Rs. 858,504 million) are fully depreciated.

5.2 Capital work in progress

	Note	2023 (Rupees in '000)	2022
Projects:			
Gas distribution system		**4,849,255**	6,910,090
Gas transmission system		**151,277**	478,624
Cost of buildings under construction and others		**559,187**	218,825
		5,559,719	7,607,539
Stores and spares held for capital projects	5.2.2	**7,216,646**	7,358,306
LPG air mix plant		**259,080**	418,065
		7,475,726	7,776,371
Impairment of capital work in progress		**(452,552)**	(452,552)
		12,582,893	14,931,358

5.2.1 Borrowing costs capitalised during the year in the gas transmission and distribution system and related capital work in progress amounted to Rs. 1,710 million (2022: Rs. 600 million). Borrowing costs related to general borrowings were capitalised at the rate of 21.35% (2022: 11.29%).

5.2.2 Additions to capital expenditures incurred during the year amounting to Rs. 12,701 million (2022: Rs. 12,407 million).

	2023	2022
	(Rupees in '000)	

5.2.2 Stores and spares held for capital projects

	2023	2022
Gas distribution and transmission	**7,760,289**	7,710,181
Provision for impaired stores and spares	**(543,643)**	(351,875)
	7,216,646	7,358,306

6 INTANGIBLE ASSETS

	2023	2022
Computer software	**195,756**	226,209

Net carrying value basis

	2023	2022
Opening net book value	**226,209**	110,920
Additions (at cost)	**78,876**	175,957
Amortization charge	**(109,329)**	(60,668)
Closing net book value	**195,756**	226,209

Gross carrying value basis

	2023	2022
Cost	**986,169**	907,293
Accumulated amortization	**(790,413)**	(681,084)
Net book value	**195,756**	226,209
Amortization rate (% per annum)	**33.33**	33.33

7 RIGHT OF USE ASSETS

	2023	2022
Cost	**166,732**	243,052
Accumulated depreciation	**(93,095)**	(158,001)
Net book value	**73,637**	85,051
Cost		
Balance as at July 01,	**243,052**	346,255
Additions during the year	**67,061**	43,358
Derecognition during the year	**(143,381)**	(146,561)
Balance as at June 30,	**166,732**	243,052
Accumulated depreciation		
Balance as at July 01,	**158,001**	197,621
Depreciation charge for the year	**78,475**	105,246
Derecognition during the year	**(143,381)**	(144,866)
Balance as at June 30,	**93,095**	158,001
Depreciation rate (% per annum)	**33 to 40**	33 to 40

8 DEFERRED TAX

	Note	2023 Balance as at July 01, 2022	Charge/(reversal) to profit or loss	Reversal to OCI	Balance as at June 30, 2023
		(Rupees in '000)			
Taxable temporary differences					
Accelerated tax depreciation		14,307,379	4,764,582	-	19,071,961
Net investment in finance lease		21,263	(21,263)	-	-
Deductible temporary differences					
Provision against employee benefits		(2,182,395)	937,833	(953,720)	(2,198,282)
Provision against impaired debts & other receivables		(7,590,460)	(553,304)	-	(8,143,764)
Provision against slow-moving store and spares		(139,578)	(2,389)	-	(141,967)
Liability not paid within three years		(28,767,826)	(4,314,883)	-	(33,082,709)
Carry forward of tax losses		(5,029,641)	1,481,653	-	(3,547,988)
Minimum income tax		(7,872,208)	(4,412,675)	-	(12,284,883)
Others		(822,333)	(904,351)	-	(1,726,684)
		(52,404,441)	(7,768,116)	(953,720)	(61,126,277)
Sub total		(38,075,799)	(3,024,798)	(953,720)	(42,054,317)
Deferred tax asset not recognized	8.1	35,252,384	(1,564,387)	-	33,687,997
Total		(2,823,415)	(4,589,185)	(953,720)	(8,366,320)

		2022 Balance as at July 01, 2021	Charge/(reversal) to profit or loss	Reversal to OCI	Balance as at June 30, 2022
		(Rupees in '000)			
Taxable temporary differences					
Accelerated tax depreciation		11,891,881	2,415,498	-	14,307,379
Net investment in finance lease		38,029	(16,766)	-	21,263
					-
Deductible temporary differences					-
Provision against employee benefits		(1,601,975)	(349,087)	(231,333)	(2,182,395)
Provision against impaired debts & other receivables		(6,975,366)	(615,094)	-	(7,590,460)
Provision against slow-moving store and spares		(128,300)	(11,278)	-	(139,578)
Liability not paid within three years		(20,014,692)	(8,753,134)	-	(28,767,826)
Carry forward of tax losses		(4,766,924)	(262,717)	-	(5,029,641)
Minimum income tax		(5,161,109)	(2,711,099)	-	(7,872,208)
Others		(1,088,269)	265,936	-	(822,333)
		(39,736,635)	(12,436,473)	(231,333)	(52,404,441)
Sub total		(27,806,725)	(10,037,741)	(231,333)	(38,075,799)
Deferred tax asset not recognized	8.1	25,214,643	10,037,741	-	35,252,384
Total		(2,592,082)	-	(231,333)	(2,823,415)

8.1 As at June 30, 2023, the Company has aggregate deferred tax asset on deductible temporary differences amounting to Rs. 61,126 million (2022: Rs. 52,404 million) out of which deferred tax asset amounting to Rs. 27,438 million (2022: Rs. 17,152 million) has been recognised and remaining balance of Rs 33,688 million (2022: Rs. 35,252) is unrecognised. As at year end, the Company's minimum tax credit amounted to Rs. 12,285 million (2022: Rs. 7,872 million) having expiry period ranging between 2023 and 2027.

	Percentage of holding	Note	2023	2022
			(Rupees in '000)	
9 LONG TERM INVESTMENTS				
At cost				
Investment in subsidiary		9.1	**1,083,708**	1,249,382
At fair value through other comprehensive income				
Associates and other investments		9.2	**151,704**	152,363
			1,235,412	1,401,745
9.1 Investment in subsidiary				
Subsidiary - related parties				
SSGC LPG (Private) Limited 100,000,000 (2022: 100,000,000) ordinary shares of Rs. 10 each (wholly owned subsidiary)	100%		**1,000,000**	1,000,000
Unwinding effect of interest free loan		9.1.1	**63,708**	249,382
SSGC Alternate Energy (Private) Limited 2,000,000 (2022: Nil) ordinary shares of Rs. 10 each	100%			
(wholly owned subsidiary)		9.1.2	**20,000**	-
			1,083,708	1,249,382

9.1.1 As per the requirements of IFRS 9 'Financial instruments' for interest free loan arrangements between related parties, the above amount has been measured at present value using discounted future cash flow techniques and the difference between the carrying amount of the loan and present value of the loan has been treated as investment in related party.

On July 1, 2022, the Company has signed a restructuring agreement relating to above mentioned loan, with its Subsidiary Company, where by the terms of the previous agreement has been amended. Consequently, the said loan has become repayable on demand.

9.1.2 This represents investment in SSGC Alternate Energy (Private) Limited, which was incorporated on September 8, 2022 under the Companies Act, 2017 as a private limited Company. The principle activity of the SSGC AE will be to provide production, storage, sale, supply, and distribution of conventional and alternate energy. SSGC AE is a wholly owned subsidiary of the Company.

9.2 Associates and other investments

	Note	2023	2022
		(Rupees in '000)	
Associates			
Sui Northern Gas Pipelines Limited (SNGPL) 2,414,174 (2022: 2,414,174) ordinary shares of Rs. 10 each	9.2.1	**95,046**	82,589
Other investments			
Pakistan Refinery Limited 3,150,000 (2022: 3,150,000) ordinary shares of Rs. 10 each		**42,714**	56,354
United Bank Limited 118,628 (2022: 118,628) ordinary shares of Rs. 10 each		**13,944**	13,420
		151,704	152,363

9.2.1 Investments in SNGPL with a shareholding of 0.38% (2022: 0.38%) represent investment in 'associated companies' in terms of provisions of Companies Act 2017. However, the Company has not accounted for this as associates under IAS 28 "Investment in Associates and Joint Ventures", as management has concluded that the Company does not have significant influence in the company.

10 NET INVESTMENT IN FINANCE LEASE

	2023	2022
	(Rupees in '000)	
Gross investment in finance lease	-	78,632
Less: unearned finance income	-	(5,311)
Present value of investment in finance lease	-	73,321

10.1 The Company entered into agreements with Oil and Gas Development Company Limited (OGDCL), and Sui Northern Gas Pipelines Limited to use the Company's transmission pipelines for distribution of gas. The terms of the agreements entered into are for a substantial portion of the useful economic lives of the related assets. The agreement with OGDCL and SNGPL- Hassan (X-1) Block 22 expired on June 30, 2013 and June 30, 2017 respectively and management is negotiating for renewal of agreement with OGDCL. The interest rates used to discount future minimum lease payments under the leases are based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in finance leases.

	Note	2023	2022
		(Rupees in '000)	

11 LONG TERM LOANS AND ADVANCES

	Note	2023	2022
Secured			
Due from executives	11.1 & 11.2	**59**	81
Less: Current maturity	16	**(22)**	(35)
		37	46
Due from other employees	11.1 & 11.2	**181,390**	176,184
Less: current maturity	16	**(40,178)**	(32,848)
		141,212	143,336
		141,249	143,382
Unsecured			
Loan to related party	11.3	**625,000**	700,000
Deferred markup on loan to related party	9.1.1 & 11.3	**-**	822,186
Less: current maturity		**(75,000)**	(240,187)
		691,249	1,425,381

11.1 Reconciliation of the carrying amount of loans are as follows;

	2023		2022	
	Executives	Other employees	Executives	Other employees
	(Rupees in '000)			
Balance as at July 01,	**81**	**176,184**	116	216,109
Disbursements during the year	**-**	**58,751**	-	51,340
Repayments during the year	**(22)**	**(53,545)**	(35)	(91,265)
Balance as at June 30,	**59**	**181,390**	81	176,184

11.2 These loans represent house building and vehicle loans to the employees under the terms of employment and are recoverable in monthly instalments over a period of 6 to 10 years. These loans are secured against the retirement benefit balances of respective employees and deposit of title deeds. Loans to non-executive employees are free from mark-up. The Company has not discounted these loans at market interest rate as effect of such discounting is not material to these unconsolidated financial statements.

11.3 On June 30, 2021, the Company entered into an agreement with SSGC LPG (Private) Limited a related party for restructuring of loan arrangement whereby the outstanding balance of accrued interest on loan to related party amounting Rs. 1,149 million and late payment of bills on sale of LPG amounting Rs. 36 million in total Rs. 1,185 million was freezed and treated as interest free loan. Repayments of this loan is being made in 20 quarterly equal installments commencing from October 4, 2021.

On July 1, 2022, the Company has signed a restructuring agreement relating to above mentioned loan, with its Subsidiary Company, where by the terms of the previous agreement has been amended. Consequently, the said loan has become repayable on demand.

11.4 Maximum aggregate outstanding balance from related parties at the end of any month is disclosed in note 53.1 of these unconsolidated financial statements.

12 STORES, SPARES AND LOOSE TOOLS

	Note	2023	2022
		(Rupees in '000)	
Stores		**486,796**	496,507
Spares		**3,193,139**	3,231,000
Stores and spares in transit		**443,457**	363,218
Loose tools		**2,461**	1,286
		4,125,853	4,092,011
Provision for slow moving and obsolete store	12.1	**(461,765)**	(446,065)
	12.2	**3,664,088**	3,645,946

12.1 The movement in provision for slow moving and obsolete stores are as follows;

	2023	2022
Balance as at July 01,	**446,065**	406,855
Provision made during the year	**15,700**	39,210
Balance as at June 30,	**461,765**	446,065

12.2 Stores, spares and loose tools are held for the following operations:

	2023	2022
Transmission	**2,921,661**	3,015,445
Distribution	**742,427**	630,501
	3,664,088	3,645,946

12.3 During the year, the Company has written off an obsolete material amounting to Rs. 112.127 million (2022: Nil).

13 STOCK-IN-TRADE

	2023	2022
	(Rupees in '000)	
Gas transmission and distribution		
Gas in pipelines	**1,945,446**	1,285,915
Synthetic Natural Gas	**22,464**	43,242
Gas condensate	**5,811**	6,069
	1,973,721	1,335,226
Gas meters		
Components	**1,196,625**	828,289
Work-in-process	**18,505**	19,203
Finished meters	**283,857**	156,816
	1,498,987	1,004,308
Provision against slow moving and obsolete stock	**(27,778)**	(35,239)
	3,444,930	2,304,295

The movement in provision for slow moving and obsolete stock are as follows;

	2023	2022
Balance as at July 1,	**35,239**	35,561
Reversal made during the year	**(7,461)**	(322)
Balance as at June 30,	**27,778**	35,239

14 CUSTOMERS' INSTALLATION WORK IN PROGRESS

This represents cost of work carried out by the Company on behalf of the customers at their premises. Upon completion of work, the cost thereof is transferred to transmission and distribution cost and recoveries from such customers are shown as deduction there from as reflected in note 40.2 of the financial statements.

15 TRADE DEBTS

	Note	2023	2022
		(Rupees in '000)	
Considered good			
Secured		**28,501,759**	30,377,495
Unsecured		**89,743,277**	71,831,705
	15.1 & 15.2	**118,245,036**	102,209,200
Considered doubtful		**25,495,071**	23,587,126
		143,740,107	125,796,326
Allowance for expected credit loss	15.3	**(25,495,071)**	(23,587,126)
		118,245,036	102,209,200

15.1 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. 26,289 million (2022: Rs. 26,289 million) as at June 30, 2023 receivables from KE against sale of indigenous gas excluding GIDC. The aggregate legal claim of the Company from KE amounts to Rs. 176,412 million (2022: Rs. 151,293 million). This amount has been arrived at as per the practice of the Company to charge LPS to customers who do not make timely payments. However, the balance of Rs. 26,289 (2022: Rs. 26,289 million) remains overdue as at June 30, 2023.

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 initially 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.

15.2 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. 22,272 million (2022: Rs. 22,648 million) as at June 30, 2023 recoverable from PSML. The aggregate legal claim of the Company from PSML amounts to Rs. 89,405 million (2022: Rs. 82,214 million). This amount has been arrived at as per the practice of the Company to charge LPS to customers who do not make timely payments. However, the balance of Rs. 22,181 (2022: Rs. 22,648 million) remains overdue as at June 30, 2023.

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.

Currently, PSML's financial position is adverse, and has no capacity to repay its obligations on its own. The management believes that in case the financial asset is not realised from PSML, the entire amount will be claimed from OGRA in the determination of revenue requirements of the Company.

	2023	2022
	(Rupees in '000)	
15.3 The movement in allowance for expected credit loss is as follows;		
Balance as at July 1,	**23,587,126**	21,465,563
Provision made during the year	**1,907,945**	2,121,563
Balance as at June 30,	**25,495,071**	23,587,126

	Note	2023	2022
		(Rupees in '000)	

16 LOANS AND ADVANCES

	Note	2023	2022
Secured			
Advances to:			
Executives	16.1	**109,799**	124,774
Other employees		**168,847**	166,936
		278,646	291,710
Current portion of long term loans and advances			
Executives	11	**22**	35
Accrued markup - related party loan	11	**75,000**	240,187
Other employees	11	**40,178**	32,848
		115,200	273,070
Loans and advances to related party		**770,716**	-
		1,164,562	564,780

16.1 These represent interest free establishment advance and festival advance to the employees according to the terms of employment. These are repayable in ten equal instalments and are secured against the retirement benefit balances of the related employees.

	Note	2023	2022
		(Rupees in '000)	

17 ADVANCES, DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2023	2022
Considered good			
Advances for goods and services		**369,922**	687,455
Trade deposits		**11,371**	10,871
Prepayments		**211,355**	277,515
		592,648	975,841

18 INTEREST ACCRUED

	Note	2023	2022
Late payment of bills / invoices from			
Water and Power development Authority (WAPDA)		**5,857,934**	5,100,675
Sui Northern Gas Pipelines Limited (SNGPL)		**12,093,081**	10,957,214
Jamshoro Joint Venture Limited (JJVL)		**239,689**	239,689
		18,190,704	16,297,578
Sales tax refund	23.6	**487,739**	487,739
Loan to related party		**29,265**	19,213
		18,707,708	16,804,530
Provision against loss allowance		**(112,400)**	(112,400)
		18,595,308	16,692,130

		Note	2023	2022
			(Rupees in '000)	
19	**OTHER RECEIVABLES**			
	Tariff adjustment - indigenous gas receivable from GoP	19.1	**498,763,608**	295,488,261
	Staff pension fund		**-**	198,562
	Receivable for sale of gas condensate		**46,470**	108,817
	Receivable from SNGPL	19.2	**118,058,521**	114,913,406
	Receivable from JJVL	19.3	**2,501,824**	2,501,824
	Receivable from SSGC LPG (Private) - Limited - a related party		**7,600**	8,563
	Receivable from Pakistan LNG Limited		**1,010,173**	-
	Gas infrastructure development cess receivable	35.6	**6,834,735**	6,876,666
	Receivable from GPO against gas bill collection	19.4	**2,315,215**	2,315,215
	Sales tax refundable	19.5	**80,113,037**	50,773,703
	Sindh sales tax		**2,451**	2,451
	Asset contribution	19.6	**337,646**	337,266
	Miscellaneous		**11,519**	75,892
			710,002,799	473,600,626
	Provision against loss allowance		**(2,586,874)**	(2,586,874)
			707,415,925	471,013,752

19.1 Tariff adjustment - indigenous gas receivable from GoP

	Note	2023	2022
Balance as at July 01		**295,488,261**	207,762,067
Recognized during the year	39.1	**201,684,882**	86,507,711
Subsidy for LPG air mix operations		**1,590,465**	1,223,309
Reversal of accrued interest on tariff adjustments		**-**	(4,826)
Balance as at June 30	19.1.1	**498,763,608**	295,488,261

19.1.1 This includes Rs. 390 million (2022: Rs. 390 million) recoverable from the Government of Pakistan (GoP) on account of remission of gas receivables from people of Ziarat under instructions of GoP. Although, management is confident that this amount is fully recoverable, full provision has been recorded against the same in these unconsolidated financial statements.

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

	Note	2023	2022
		(Rupees in '000)	
Differential tariff		**4,284,080**	4,284,080
Uniform cost of gas		**15,818,845**	15,818,845
Lease rentals		**1,611,868**	1,228,430
Contingent rent		**10,338**	10,315
Capacity and utilisation charges of RLNG		**54,076,191**	55,656,646
LSA margins of RLNG		**2,991,015**	3,071,808
RLNG transportation income		**39,266,184**	34,843,282
	19.2.1	**118,058,521**	114,913,406

19.2.1 Uptill June 30, 2023, the Company has invoiced an amount of Rs. 200,286 million, including Sindh Sales Tax of Rs. 23,184 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. 118,059 million stands disputed as of the reporting date. OGRA appointed a consultant for technical, commercial and managerial audit to ascertain the accuracy of Unaccounted-for Gas (UFG) of gas companies, encompassing both indigenous gas and imported RLNG, and other matters. Subsequent to the year-end, the draft report has been submitted to OGRA by the appointed consultant. The management believes that the report is in the preliminary draft stage and is subject to extensive deliberations between the aggrieved parties. Upon finalization of same, adjustments resulting from it will be recognised in the financial records of both SUI companies, thereby facilitating the resolution of the underlying disputed balances.

19.3 This amount comprises of receivable in respect of royalty income, sale of liquid petroleum gas, sale of natural gas liquids, federal excise duty, sindh sales tax on franchise services, fuel charges receivable against processing charges from Jamshoro Joint Venture Limited (JJVL) and receivable from JJVL at the rate of 57% value of LPG / NGL extraction as per new agreement signed between the Company and JJVL pursuant to Honorable Supreme Court of Pakistan (SCP) order dated December 04, 2018 amounting to Rs. 150 million (2022: Rs. 150 million), Rs. 178 million (2022: Rs. 178 million), Rs. 1,070 million (2022: Rs. 1,070 million), Rs. 646 million (2022: Rs. 646 million), Rs. 32 million (2022: 32 million), Rs.6.6 million (2022:Rs.6.6 million) , Rs. 419 million (2022: Rs.419 million) respectively. However, litigation in this respect is fully described in detail in note 37.1.2 of these unconsolidated financial statements.

19.4 This represents receivable balance from Pakistan Post against gas bills collected from January 2022 to March 2022 and deposited in Government Treasury.

19.5 This represents sales tax refunds arise due to 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 (STARR) system. Due to several snags in the functioning of STARR, valid input sales tax claims of the Company are deferred. Realising the problems of STARR, in August 2010, dispensation from processing of sales tax refunds through the STARR system was allowed by FBR through a letter and substantial refunds were released after issuance of this letter under corporate guarantee (subject to post refund audit). However, such dispensation was also withdrawn by FBR in May 2012. After withdrawal of said dispensation, the deferred refunds are issued to the Company on the basis of manual verification of documents (third party vendor sales tax returns) by tax authorities. Management is making vigorous efforts for realisation of these refunds.

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

19.7 This includes a balance of Rs. 4.7 million (include accrued mark-up of Rs. 0.281 million) receivable from SSGC Alternate Energy (Private) Limited, a related party. This receivable balance carries markup at the rate of 18.78% and is repayable on demand.

		Note	2023	2022
			(Rupees in '000)	
20	**TAXATION - NET**			
	Advance tax		**38,393,754**	36,029,130
	Provision for tax		**(24,549,372)**	(19,949,938)
			13,844,382	16,079,192
21	**CASH AND BANK BALANCES**			
	Cash in hand	21.1	**9,252**	7,574
	Cash at banks			
	deposit accounts	21.2	**47,905**	19,782
	current accounts		**326,862**	735,659
			374,767	755,441
			384,019	763,015

21.1 This includes foreign currency cash in hand amounting to Rs. 4.380 million (2022: Rs. 3.076 million).

21.2 These carry markup / interest range from 18% to 22.5% (2022: 4.50% to 10.67%) per annum.

22 SHARE CAPITAL

22.1 Authorized Share Capital

2023	2022		2023	2022
(Numbers of shares)			(Rupees in '000)	
1,000,000,000	1,000,000,000	Ordinary shares of Rs. 10 each	**10,000,000**	10,000,000

22.2 Issued Subscribed and Paid up capital

2023	2022		2023	2022
(Numbers of shares)			(Rupees in '000)	
219,566,554	219,566,554	Ordinary shares of Rs. 10 each Issued as fully paid in cash	**2,195,666**	2,195,666
661,349,755	661,349,755	Ordinary shares of Rs. 10 each Issued as fully paid bonus shares	**6,613,497**	6,613,497
880,916,309	880,916,309		**8,809,163**	8,809,163

22.2.1 The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the shareholders. All shares rank equally with regard to the Company's residual assets. Currently Government of Pakistan (GoP) holds 53.18% (2022: 53.18%) paid up capital of the Company.

22.2.2 Ordinary shares of the Company held by associated undertaking by virtue of common directorship are as following:

	Note	2023	2022
		(Number of Shares)	
B.R.R Guardian Modaraba		**223,500**	223,500
National Insurance Company limited		**745,500**	745,500
		969,000	969,000

23 RESERVES

	Note	2023	2022
Capital reserves			
Share capital restructuring reserve	23.1	**146,868**	146,868
Fixed assets replacement reserve	23.2	**88,000**	88,000
		234,868	234,868
Revenue reserves			
Dividend equalisation reserve		**36,000**	36,000
Special reserve I	23.3	**333,141**	333,141
Special reserve II	23.4	**1,800,000**	1,800,000
General reserve	23.5	**2,015,653**	2,015,653
Reserve for interest on sales tax refund	23.6	**487,739**	487,739
		4,672,533	4,672,533
		4,907,401	4,907,401

23.1 Share capital restructuring reserve

This represents the reduction of share capital of former Sui Gas Transmission Company Limited (SGTC) due to merger of Sui Gas Transmission Company Limited and Southern Gas Company Limited (SGC) in March 1989.

23.2 Fixed assets replacement reserve

This represents profit allocated in 1986 by former Southern Gas Company Limited for replacement of gas distribution lines in rural areas of Sindh. Subsequently all the rehabilitation activities were carried out from the Company's working capital.

23.3 Special reserve I

This represents accumulated balance arising on a price increase of Rs. 4.10 per MCF granted to the Company by the GOP in January 1987 retrospectively from July 1, 1985 to enable the Company to meet the requirements of Asian Development Bank regarding debt / equity ratio and other financial covenants specified in loan agreements with them.

23.4 Special reserve II

This represents special undistributable reserve created as per the decision of the board of directors to meet the future requirements of the Company.

23.5 General reserve

This represents the reserve created by the Company to transfer certain amount from / to unappropriated profit from / to general reserve for the payment of dividends.

23.6 Reserve for interest on sales tax refund

This represents the reserve for the interest accrued on the sales tax refundable under Section 67 of the Sales Tax Act, 1990, which is not available for distribution to shareholders till the time it is received.

24 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Company has carried out the revaluation of its freehold land and leasehold land respectively. The latest revaluation is carried out on June 30, 2023 by an independent valuer i.e. M/s. M J Surveyors (Private) Limited which resulted in a surplus of Rs. 5,728 million. The revaluation was carried out based on the market value assessment being the fair value of the freehold and leasehold land.

Had there been no revaluation, the carrying value of the revalued asset would have been as follows;

	2023	2022
	(Rupees in '000)	
Freehold land	**472,860**	472,860
Leasehold land	**223,867**	216,963
	696,727	689,823

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.

Moreover, the Company has also revalued its buildings / civil works, roads, pavements and related infrastructure, compressors, plant and machinery, construction equipment, motor vehicles and gas transmission and distribution pipelines, office equipment, furniture, telecommunication and tools by the same valuer as at June 30, 2023, who determines the market value of these assets as Rs. 353,494 million. However, the Company has decided not to take the impact of that in these unconsolidated financial statements as cost model has been adopted for aforesaid assets.

24.1 Details of the Company's freehold and leasehold land and information about fair value hierarchy, as at June 30, 2023 are as follows.

	2023			
	Level 1	Level 2	Level 3	Total
	--------------------------Rupees in '000--------------------------			
Freehold land	-	**43,452,760**	-	**43,452,760**
Leasehold land	-	**17,079,104**	-	**17,079,104**

	2022			
	Level 1	Level 2	Level 3	Total
	--------------------------Rupees in '000--------------------------			
Freehold land	-	39,143,790	-	39,143,790
Leasehold land	-	15,653,468	-	15,653,468

24.1.1 There were no transfers between levels of fair value hierarchy during the year.

24.1.2 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with Section 241 of the Companies Act, 2017.

24.2 Forced sale values of freehold land and leasehold land is Rs. 36,934 million and Rs. 14,517 million respectively.

25 LONG TERM FINANCING

	Note	2023	2022
		(Rupees in '000)	
Secured			
Loans from banking companies	25.1	**26,601,966**	16,286,678
Unsecured			
Customer finance	25.2	**119,050**	122,145
Government of Sindh loans	25.3	**614,372**	606,882
		733,422	729,027
		27,335,388	17,015,705

25.1 Loans from banking companies

	Installment payable	Repayment period	Mark-up rate p.a. (above 3 months and 6 months KIBOR)	Note	2023	2022
					(Rupees in '000)	
Faysal Bank Limited - Led Consortium	semi- annually	2022-2026	0.10%	25.1.1 & 25.1.5	**16,333,333**	21,000,000
United Bank Limited - Led Consortium	semi- annually	2018-2022	0.50%	25.1.2 & 25.1.5	**-**	1,500,000
United Bank Limited - Led Consortium	quarterly	2025-2028	0.20%	25.1.3 & 25.1.5	**15,000,000**	-
Habib Bank Limited	quarterly	2018-2022	0.50%	25.1.4 & 25.1.5	**-**	300,000
Unamortised transaction cost					**(64,700)**	(46,655)
					31,268,633	22,753,345
Less: Current portion shown under current liabilities				33	**(4,666,667)**	(6,466,667)
					26,601,966	16,286,678

25.1.1 This represents 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 GoP guarantee. During the year, repayment of Rs.4,667 million has been made.

25.1.2 This represents finance facility amounting to Rs. 15,000 million was sanctioned in December 2015 by a syndicate of banks. During the year, the entire outstanding balance amounting to Rs. 1,500 million is repaid and settled.

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

25.1.4 This represents finance facility amounting to Rs. 3,000 million was sanctioned in December 2015. During the year, the entire outstanding balance amounting to Rs. 300 million is repaid and settled.

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

	Note	2023	2022
		(Rupees in '000)	
25.2 Customer finance			
Customer finance	25.2.1	**119,640**	133,480
Less: Current portion shown under current liabilities	33	**(590)**	(11,335)
		119,050	122,145

25.2.1 This represents contributions received from certain industrial customers for the laying of distribution mains for supply of gas to their premises. These balances carry mark-up at 3 year average ask side KIBOR less 2% per annum for laying of distribution lines. Principal and interest are adjustable in 48 equal installments through credits in the monthly gas bills of the consumers.

25.3 Government of Sindh loans

	Installment payable	Principal repayment period	Mark up rate p.a.		2023	2022
					(Rupees in '000)	
Government of Sindh loan - III	yearly	2012 - 2021	4%	25.3.1	**80,000**	80,000
Government of Sindh loan - IV	yearly	2014 - 2023	4%	25.3.1	**500,000**	500,000
Government of Sindh loan - V	yearly	2015 - 2024	4%	25.3.1	**360,000**	360,000
Less impact of discounting of Government of Sindh Loan				25.3.2	**(138,961)**	(146,451)
					801,039	793,549
Less: Current portion shown under current liabilities					**(186,667)**	(186,667)
					614,372	606,882

25.3.1 The Company has obtained unsecured development loans from Government of Sindh for supply of gas to various districts and areas of Sindh.

25.3.2 This represents the benefit of lower interest rate on Government of Sindh Loan III, IV and V, and is calculated as difference between the proceeds received in respect of Government of Sindh Loan III, IV and V and its initial fair value. The amount of Government of Sindh loan after conversion amounts to Rs 940 million, is subsequently measured at its initial fair value of Rs. 170 million based on net of waiver as disclosed in note 25.3.3. These are calculated at 3 month KIBOR prevailing at respective year ends in which the loans were disbursed. This benefit is treated as Government grant and would be amortised in unconsolidated statement of profit or loss on the basis of pattern of recognition, as expenses (the cost the grant intends to compensate).

25.3.3 The Company has revised the Government of Sindh (GoS) loan arrangements, adjusting the outstanding loan as at June 30, 2017, amounting to Rs. 3,940 million with the approved grant from GoS amounting to Rs. 3,000 million. Further, the Company has filed claim against GoS, regarding the waiver of the financial charges recorded and paid in prior years amounting to Rs. 541 million against Rs. 3,000 million loan which later converted into grant. Currently, the Company is charging finance cost and amortising deferred credit on outstanding loan net of waiver claim as mentioned.

	Note	2023	2022
		(Rupees in '000)	
26 LONG TERM DEPOSITS			
Security deposits from:			
Gas customers	26.1	**27,677,270**	24,403,923
Gas contractors	26.2	**102,603**	102,350
		27,779,873	24,506,273

26.1 These represent deposits from industrial, commercial and domestic customers. These deposits are based on annual average gas sales computed for their respective three-month deposit period.

Mark-up is payable on deposits of industrial and commercial customers at the rate of 5% per annum, while no mark-up is paid on deposits from domestic customers. Deposits from domestic customers are not carried at amortized cost as the outflow of contractual cash flows is not probable due to uncertainty relating to the timing of cash outflows.

The Company may at its option, use these deposits for its own purpose from time to time and shall, on disconnection of gas supply to the customer, return the security deposits as per the terms and conditions of the contract.

26.2 These represent security deposits received from contractors. These deposits are free of mark-up and are refundable upon completion or cancellation of the contract.

	Note	2023	2022
		(Rupees in '000)	
27 EMPLOYEE BENEFITS			
Provision for post retirement medical and free gas supply facilities - executives		**6,596,600**	6,818,810
Provision for compensated absences - executives	27.1	**875,703**	905,256
		7,472,303	7,724,066

27.1 Provision for compensated absences - executives

		2023	2022
Balance as at July 1		**905,256**	975,958
Reversal made during the year		**(29,553)**	(70,702)
Balance as at June 30		**875,703**	905,256

28 PAYABLE AGAINST TRANSFER OF PIPELINE

	Note	2023	2022
Payable to EETL	28.1	**684,981**	755,645
Less: current portion of payable		**(77,285)**	(70,664)
		607,696	684,981

28.1 The Company entered into an agreement with Engro Elengy Terminal Limited (EETL) previously Engro Elengy Terminal (Private) Limited (EETL) under which the pipeline has been transferred to the Company from EETL and corresponding liability has been recognised using discounted cash flows using three months kibor rate at the time of inception.

	Note	2023	2022
		(Rupees in '000)	
29 DEFERRED CREDIT			
Government of Pakistan (GoP) contributions / grants			
Balance as at July 01,		**2,762,110**	2,968,896
Additions / adjustment during the year	32.1	**1,407,570**	95,527
Transferred to unconsolidated statement of profit or loss	29.1	**(329,034)**	(302,313)
Balance as at June 30,		**3,840,646**	2,762,110
Government of Sindh - Conversation of loan into grant			
Balance as at July 01,		**1,889,931**	1,952,841
Additions / adjustment during the year	32.1	**22,052**	62,280
Transferred to unconsolidated statement of profit or loss		**(127,064)**	(125,190)
Balance as at June 30,		**1,784,919**	1,889,931
Government of Sindh grants			
Balance as at July 01,		**96,124**	113,200
Transferred to unconsolidated statement of profit or loss	25.3.2	**(12,028)**	(17,076)
Balance as at June 30,		**84,096**	96,124
Less: Current portion of deferred credit		**(510,445)**	(443,575)
		5,199,216	4,304,590

29.1 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.

29.2 Return on assets (ROA) is not allowed by OGRA on pipelines constructed / built under the deferred credit arrangements.However, Unaccounted for Gas ("UFG") losses on such pipelines are considered in the determination of the Company's guaranteed return.

	Note	2023	2022
		(Rupees in '000)	
30 CONTRACT LIABILITIES			
Contribution from customers	30.1 & 30.2	**3,544,995**	2,975,653
Advance received from customers for laying of mains, etc.	30.2	**6,221,903**	6,541,603
		9,766,898	9,517,256
30.1 Contribution from Customers			
Balance as at July 01,		**3,238,534**	2,740,870
Addition during the year		**891,195**	748,154
Transferred to unconsolidated statement of profit or loss		**(287,770)**	(250,490)
		3,841,959	3,238,534
Less: Current portion		**(296,964)**	(262,881)
Balance as at June 30,		**3,544,995**	2,975,653

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

	2023	2022
31 LEASE LIABILITIES	(Rupees in '000)	
Balance as on July 01,	**74,504**	127,278
Additions during the year	**67,061**	41,426
Interest expense	**13,176**	11,967
	154,741	180,671
Payments made during the year	**(88,426)**	(106,167)
	66,315	74,504
Less: current maturity	**(53,028)**	(55,475)
Balance as at June 30,	**13,287**	19,029
The expected maturity analysis of lease payment is as follows:		
within one year	**53,028**	55,475
between 2 to 5 years	**13,287**	19,029
	66,315	74,504

32 LONG TERM ADVANCES

These represent amounts received from Government of Pakistan and Government of Sindh for gas supply to new towns and villages and laying of distribution lines, etc. These advances are transferred to deferred credit once the related projects are commissioned, which is amortised over the estimated useful lives of related assets.

	Note	2023	2022
		(Rupees in '000)	
Long term advances			
Balance as at July 01,		**3,971,110**	3,155,496
Additions during the year		**796,084**	973,420
Transferred to deferred credit	29	**(1,429,622)**	(157,806)
Balance as at June 30,		**3,337,572**	3,971,110

32.1 During the year, the Company has transferred Rs. 1,408 million (2022: Rs. 96 million) to Government of Pakistan (GoP) funded projects and Rs. 22 million (2022: Rs. 62 million) to Government of Sindh (GoS) funded projects.

33 CURRENT PORTION OF LONG TERM FINANCING

	Note	2023	2022
		(Rupees in '000)	
Loan from banking companies	25.1	**4,666,667**	6,466,667
Customer finance	25.2	**590**	11,335
Government of Sindh loans	25.3	**186,667**	186,667
		4,853,924	6,664,669

34 SHORT TERM BORROWINGS

These represent facilities for short term running finance / short term money market loan available from various banks amounting to Rs. 45,000 million (2022: Rs. 25,000 million) and carry mark-up ranging from 0.00% to 1.00% (2022: 0.00% 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.

34.1 As at June 30, 2023, the aggregate unavailed short term borrowing facilities amounting to Rs. 10,904 million (2022: Rs. 1,122 million).

35 TRADE AND OTHER PAYABLES

	Note	2023	2022
		(Rupees in '000)	
Creditors for:			
Indigenous gas	35.1	**769,786,888**	511,835,476
RLNG	35.2	**106,680,422**	120,734,221
		876,467,310	632,569,697
Tariff adjustment- RLNG payable to GoP	35.3	**23,826,990**	28,923,211
Service charges payable to EETL		**3,272,567**	2,604,792
Accrued liabilities / Bills payable		**8,437,763**	7,035,370
Provision for compensated absences - non executives	35.4	**365,657**	177,936
Payable to gratuity fund		**5,484,519**	2,545,198
Payable to provident fund		**10,204**	93,339
Staff pension fund		**107,986**	-
Deposits / retention money		**903,110**	757,997
Advance for sharing right of way	35.5	**18,088**	18,088
Withholding tax payable		**31,375**	22,687
Sales tax and Federal Excise Duty		**312,234**	444,625
Sindh sales tax		**25,948**	76,188
Gas Infrastructure Development Cess payable	35.6	**6,834,735**	6,876,666
Unclaimed term finance certificate redemption profit		**1,800**	1,800
Workers' Profit Participation Fund	35.7	**376,347**	315,979
Others	35.8	**638,277**	463,798
		927,114,910	682,927,371

35.1 This includes Rs. 588,195 million (2022: Rs. 424,267 million) payable to Oil and Gas Development Company Limited, Pakistan Petroleum Limited and Government Holdings (Private) Limited in respect of gas purchases along with interest of Rs. 15,832 million (2022: Rs. 15,832 million) which have been presented in note 36.1 of these unconsolidated financial statements.

In addition to above includes payable to SNGPL amounting to Rs. 7,839 million (June 30, 2022: Rs. 6,042 million) which stands outstanding as of the reporting date.

35.2 On December 12, 2017, the Ministry of Energy 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) 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 year, Company has recorded purchases of 16 BCF (2022: 37 BCF) from SNGPL amounting to Rs. 82,624 million (2022: Rs.118,289 million) based on OGRA's decision dated November 20, 2018.

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 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. 114,519 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 year-end, the draft report has been submitted to OGRA by the appointed consultant. The management believes that the report is in the preliminary draft stage and is subject to extensive deliberations between the aggrieved parties. Upon finalization of same, adjustments resulting from it will be recognised in the financial records of both the SUI companies, thereby facilitating the resolution of the underlying disputed balances.

	Note	2023	2022
		(Rupees in '000)	
35.3 Tariff adjustment - RLNG payable to GoP			
Balance as at July 01,		**28,923,211**	18,346,037
(Reversal) / Charge during the year	39.2	**(4,742,920)**	10,577,174
GOP subsidy on RLNG tariff		**(353,301)**	-
Balance as at June 30,		**23,826,990**	28,923,211
35.4 Provision for compensated absences - non-executives			
Balance as at July 01,		**177,936**	239,113
Charge / (Reversal) during the year		**187,721**	(61,177)
Balance as at June 30,		**365,657**	177,936

35.5 This amount was received by the Company from Pak Arab Refinery Limited (PARCO) in accordance with an agreement dated October 12, 1988. It represents consideration for 50% share of PARCO in the Indus right bank pipeline common right of way and is the full settlement of PARCO's total liability for its share, irrespective of the final amount of compensation payable to the land owners by the Company. The final liability of the Company has not been estimated, as the amount of compensation due to land owners has not been determined by the Authorities. Accordingly, the amount received from PARCO has been classified as an advance.

35.6 Gas Infrastructure Development Cess (GIDC) was levied with effect from December 15, 2011 and is chargeable from industrial gas customers at different rates as prescribed by the Federal Government through OGRA notification. GIDC is collected and deposited with the Ministry of Petroleum and Natural Resources (MP & NR) in a manner prescribed by the Federal Government.

On June 13, 2013, the Honorable Peshawar High Court (PHC) declared the levy, imposition and recovery of GIDC unconstitutional with the direction to refund GID "Cess" so far collected. The Honorable Supreme Court of Pakistan (SCP) examined the case and vide its findings dated August 22, 2014, concluded that GIDC is a fee and not a tax and on either count GIDC "Cess" could not have been introduced through a money bill under Article 73 of the Constitution and the same was, therefore, not validly levied in accordance with the Constitution. However, on September 25, 2014, the President of Pakistan had promulgated Gas Infrastructure Development Cess Ordinance 2014, (GIDC Ordinance) which is applicable to the whole of Pakistan and has to be complied by all parties.

On September 29, 2014, the Honorable Sindh High Court (SHC) gave a stay order to various parties against the promulgation of Presidential order on September 25, 2014.

On May 22, 2015, the GID Cess Act, 2015 (GIDC Act) was passed by Parliament applicable on all Customers. Following the imposition of the said Act, many customers filed a petition in SHC and obtained stay order against GIDC Act passed by the Parliament. The Company has obtained a legal opinion, which states that management has to comply with the stay order of SHC.

On October 26, 2016, a Single bench of SHC passed an order to refund / adjust the GID Cess collected in the future bills of the respective plaintiff. The said order was stayed by the SHC through order dated November 10, 2016.

The Company being a collecting agent had collected and deposited GID Cess to the MP & NR. The Company will refund to the Customers once it will be received from MP & NR.

On 13 August 2020, SCP has upheld the promulgation of the GIDC Act and instructed that all arrears of GIDC that have become due up to July 31, 2020, shall be recovered by the Companies responsible under the GIDC Act, 2015 from their end customers.

However, as a concession, the same is to be recovered in twenty four equal monthly instalments starting from August 01, 2020 without the component of late payment surcharge. The Company has initiated the billing of GIDC from August 01, 2020, the same is recovered from customers and submitted to MP & NR. Supreme Court of Pakistan (SCP) in its judgment dated November 03, 2020 dismissed all review petitions filed against its earlier judgment dated August 13, 2020, stating that the companies claiming any relief under GIDC Act 2015 may approach the right forum. Subsequent to Supreme Court Judgment dated August 13, 2020, more than 1700 customers have filed fresh cases before Sindh High Court, wherein, customers stated that they are not liable to pay GID Cess as the same has not been collected by them, SHC restrained the Company from collection of GID Cess installments and the matter is pending adjudication before SHC.

	Note	2023	2022
		(Rupees in '000)	
35.7 Workers' Profit Participation Fund			
Balance as at July 01,		**315,979**	234,255
Interest on WPPF		**60,368**	81,724
Balance as at June 30,		**376,347**	315,979

35.8 This includes Rs. 396 million (2022: Rs. 265 million) on account of amount payable to disconnected customers for gas supply deposits.

36 INTEREST ACCRUED

	Note	2023	2022
Long term financing - loans from banking companies		**1,039,407**	823,749
Long term deposits from customers		**762,451**	681,113
Short term borrowings		**1,768,584**	520,928
Late payment surcharge on processing charges		**99,283**	99,283
Late payment surcharge on gas supplies	36.1	**15,832,411**	15,832,411
		19,502,136	17,957,484

36.1 As disclosed in note 15.1 and 15.2, effective from July 1, 2012, the Company has been accounting for Late Payment Surcharge (LPS) from KE and PSML on receipt basis based on the opinions obtained from the firms of Chartered Accountants which is based on then applicable International Accounting Standards 18 “Revenue”. On adoption of IFRS-15: "Revenue from contract with customers" which supersedes IAS-18, the Company has obtained an updated opinion from the firm of Chartered Accountants to recognise LPS income from KE and PSML on a receipt basis. Similarly, 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 setting 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. Management'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 June 30, 2023 stands at Rs. 176,291 million (2022: Rs. 131,988 million).

37 CONTINGENCIES AND COMMITMENTS

37.1 Detailed below are contingencies primarily in the nature of tax and other legal disputed matters;

37.1.1 Jamshoro Power Company Limited (JPCL) lodged an aggregate claim amounting to Rs. 144,120 million (2022: 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 8 May 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 surchage

(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

As at June 30, 2023, the Company has made further increase in LPS receivable to Rs. 3,956 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. 3,010 million. Accordingly, no provisions has been made in the unconsolidated financial statements.

37.1.2 The Company had agreement with Jamshoro Joint Venture Limited (JJVL) regarding LPG / NGL business. Subsequently, the Company had incurred negative margins while doing business with Jamshoro Joint Venture Limited (JJVL) in financial year 2015-16 due to decline in oil prices and consequent decline in margins in LPG / NGL business, and decided to terminate the agreement. In this aspect, the Company sent termination notices to JJVL dated May 4, 2016, against which JJVL obtained a stay order from the Sindh High Court.

The net receivable balance from JJVL amounts to Rs. 2,502 million other than interest accrued.

The Honorable Supreme Court of Pakistan (SCP) through its decision dated June 13, 2018, upheld such termination by the Company and stated that the termination was validly done and the Company was well within its legal and contractual right to do so and appointed the firm of Chartered Accountants to determine the amount claimed by the Company and JJVL. Based on the Court Order, the Company shut down the supply of gas to the JJVL plant accordingly.

Subsequently, SCP through its order dated November 16, 2018, based on the report by the firm of Chartered Accountants, determined that Rs. 1,500 million is net admitted liability that had to be paid within 8 weeks by JJVL, which was accordingly received by the Company along-with the interest accrued thereon. However, with respect to the GIDC and other matters, SCP will settle the same and an appropriate order to be passed in this regard.

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

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

Subsequently, the firm of Chartered Accountants after consultation with both parties came up with a mechanism of revenue sharing of 57% to the Company and 43% to JJVL on ad-hoc basis. An agreement was signed among both parties and submitted the same to SCP for its approval, SCP vide its order dated December 29, 2018 had validated the agreement. SCP also directed the Company to resume the supply of gas to JJVL plant based on the new terms provided in the agreement. The agreement was valid for 1.5 years from the date of agreement and unless renewed by the parties through mutual written consent it shall stand terminated automatically.

Accordingly, in June 2020 the said agreement was expired and since then no gas has been supplied to JJVL plant. However, as per the agreement the firm of Chartered Accountants has to submit a final determination report to SCP in order to finalize the revenue sharing percentage between the Company and JJVL, which was submitted in December 2020. In this respect, the Company and JJVL have submitted their comments / objections on the report to SCP and the case is now pending with SCP for its decision.

Moreover, as per order dated January 09, 2009, in respect of royalty on freight charges matter, SCP directed JJVL to deposit Rs. 249 million as JJVL's admitted liability for freight charges for the period from 2005 to 2013. The Company has received such amount as directed by SCP on February 24, 2020, and the remaining disputed amount shall be determined / settled by SCP in due course.

Further, both the parties took up the disputed matters to Arbitration under the Pakistan Arbitration Act, 1940, where certain claims and counter claims have been filed. Both the parties have filed amended pleadings / claims & counter claims considering the revision in cut off dates which were earlier filed for period upto June 2016 have now been revised till June 2018 on account of principal amounts and August 2023 in respect of markups.

37.1.3 The Company has discontinued the gas supply to Habibullah Coastal Power Company Limited (HCPCL) after the expiry of 20 years Gas Sales Agreement. In order to secure the outstanding gas receivables amounting to Rs. 1,113 million, the Company has opted for encashment of HCPCL bank guarantees which are sufficient, as of the reporting date, to recover the same. In response, HCPCL filed a suit 1570 of 2019 and obtained stay from the Honorable High Court of Sindh (SHC) regarding encashment of bank guarantees by the Company. In view of the available bank guarantee, no provision has been made in these unconsolidated financial statements.

37.1.4 The Income Tax Appellate Tribunal (ITAT) had decided an Appeal in favor of Income Tax Department on the issue of capital gain made on disposal of LPG business in the financial year ended June 30, 2001 resulting in tax impact of Rs. 143 million. Management has filed an appeal before Honorable Sindh High Court (SHC). The management is of the view that sale of LPG business being in nature of slump transaction was not chargeable to tax under the provisions of Income Tax Ordinance, 2001.

Accordingly, no provision regarding the said claim has been made in these unconsolidated financial statements as the management, based on its legal advisor's opinion, are confident that the matter would be resolved in favor of the Company.

37.1.5 The income tax authorities have passed orders for the Tax Years 2007, 2008, 2009, 2013, 2014, 2015 & 2017 disallowing tax depreciation on fixed assets held under musharaka arrangement.

All the Orders were contested before Commissioner (Appeals) who decided the case in Company's favor.

The legal counsel is confident that the outcome of the case will be in favor of the Company. Therefore, no provision has been made in these unconsolidated financial statements as the Company.

37.1.6 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. However, the said orders had been challenged by the tax authorities before the Appellate Tribunal Inland Revenue except for the appellate order for FY-2019-20 which has been remanded back by the Commissioner Appeals, while case for FY 2020-21 is being defended before Appellate forum.

Since the said issue had already been decided in favor of SNGPL by Lahore Bench of Appellate Tribunal Inland Revenue and thus a legal precedent is in field which was also been upheld by Commissioner (Appeals) in Company’s case.

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 financial statements as the Company.

37.1.7 The Tax Authorities’ passed order for FY 2009-10 against the Company disallowing input sales tax credit on gas purchased but lost as Unaccounted for Gas (UFG), among other observations. The said order was contested to Appellate Tribunal Inland Revenue (ATIR) who decided the case in the Company's favor thus setting a legal principle.

The tax authorities had passed two different Orders for FY 2010-11 to 2014-15 & for FY 2015-16 to 2016-17 disallowing input sales tax on gas purchased but lost as UFG (in excess of OGRA Benchmark) however the Company contested the matter before Commissioner (Appeals) who decided the cases in Company’s favor.

The tax department has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the aforesaid orders of Commissioner (Appeals) for FY 2010-11 to 2016-17.

The tax authorities also issued a notice for FY 2017-18 confronting the same issue of disallowance of input tax claimed on excess UFG on which the company filed detailed reply, however, no adverse decision was drawn in light of binding precedent set by ATIR for FY 2009-10.

The Company is confident that based on the advice of the tax advisor, the legal merits and legal grounds as set by ATIR and upheld by Commissioner Appeals, no provision has been made in these unconsolidated financial statements as the Company.

37.1.8 The Additional Commissioner Inland Revenue (ACIR) passed an order against the Company by creating demand along with default surcharge and penalty for incorrect adjustment of withholding sales tax against input invoices for the period July 2017 – April 2018 . The principal tax demand of Rs. 1,235 million was recovered by the authority. However, the Company filed a reference with Honorable High Court of Sindh (SHC) for waiver of default surcharge and penalty, which is currently pending.

The Honorable High Court of Sindh (SHC) has also stayed the recovery of the additional tax and penalties.

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 financial statements as the Company.

37.1.9 The Deputy Commissioner Inland Revenue (DCIR) passed an order against the Company by creating a demand of Rs. 432 million. The demand is mainly in respect of adjustment of carry forward of minimum tax for financial years 2005-06 and 2007-08 claimed in the Income Tax Return for the financial year 2009-10.

The issue of minimum tax for 2007-08 was decided against the Company which is now pending adjudication before the Honorable Sindh High Court (SHC) while matter of minimum tax for 2005-06 was remanded back to DCIR for rectification.

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 financial statements as the Company.

37.1.10 The tax authorities had passed an order for FY 2014-15 to 2020-21 based on the fact that the Company had not recorded interest income on the outstanding balance receivable from KE and PSML. An appeal against the said orders was filed before Commissioner (Appeals) by the Company. The Commissioner appeal had decided the case against the Company for its said appeals. However, the Company has filed before the Appellate Tribunal Inland Revenue (ATIR), except for case for FY 2020-21 which is being decided before Appellate forum.

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 financial statements as the Company.

37.1.11 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 which is yet to be constituted.

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 financial statements as the Company.

37.1.12 The tax authorities had passed order for Tax Year 2015, disallowing interest expense on delayed payment to E&P Companies for gas purchases as well as taxing benefit of lower interest rate on loan from Government of Sindh, among other observations.

The matter was contested before Commissioner (Appeals) who decided the case in Company's favor. The tax department has filed an appeal before the Appellate Tribunal Inland Revenue against the aforesaid Order of Commissioner (Appeals), which is pending adjudication.

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 financial statements as the Company.

37.1.13 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 is yet to be constituted.

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 financial statements as the Company.

37.1.14 The Company is subject to various other claims totaling Rs. 15,219 million by income tax and sales tax authorities. The management is confident that ultimately these claims would not be payable.

37.1.15 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 financial statements.

37.2 As of June 30, 2023, the Company has an aggregate net disputed difference of Rs. 60,820 million with Sui Northern Gas Pipelines Limited (SNGPL), mainly due to capacity and utilization charges, RLNG transportation income and withheld RLNG invoices. In order to sort out these differences prior to June 2020, OGRA had appointed a consultant to address these disputes, whose preliminary report is under review and subject to extensive deliberations between aggrieved parties. For details refer note 19.2 and 35.2 of these unconsolidated financial statements.

		2023	2022
		(Rupees in '000)	
37.3	Claims against the Company not acknowledged as debt	**3,623,797**	2,607,737

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

		2023	2022
37.4	**Commitments**		
37.4.1	Guarantees issued on behalf of the Company	**8,938,470**	6,960,185
37.4.2	Commitments for capital and other expenditure	**7,565,788**	3,752,118

38 REVENUE FROM CONTRACTS WITH CUSTOMERS - GAS SALES

	Note	2023	2022
		(Rupees in '000)	
Indigenous gas		**195,229,682**	201,178,699
RLNG		**88,574,120**	150,727,385
		283,803,802	351,906,084
Less: Sales tax			
Indigenous gas		**(29,933,069)**	(30,330,850)
RLNG		**(13,132,976)**	(21,946,723)
		(43,066,045)	(52,277,573)
		240,737,757	299,628,511

39 TARIFF ADJUSTMENTS

	Note	2023	2022
Indigenous gas	39.1	**201,684,882**	86,507,711
RLNG	39.2	**7,078,540**	(10,577,174)
		208,763,422	75,930,537

39.1 Tariff adjustment - indigenous gas

	Note	2023	2022
Price increase adjustment		**203,275,347**	87,731,020
Subsidy for LPG air mix operations	43.2	**(1,590,465)**	(1,223,309)
		201,684,882	86,507,711

39.1.1 The revenue recognized above is receivable from Government of Pakistan (GOP) under the provisions of license for transmission and distribution of natural gas granted to the Company by OGRA.

OGRA vide its decision dated June 21, 2018 on the Estimated Revenue Requirement ('ERR') of the Company for the year 2019 and in its letter dated June 01, 2018 "Tariff Regime for Regulated Natural Gas Sector" decided in consultation with the Federal Government and other licensees in the natural gas sector to revise the tariff regime including the rate of return which is to be based on Weighted Average Cost of Capital ('WACC') from the year 2019 in place of the fixed rate of return of 17% of the average operating assets. Weighted Average Cost of Capital ('WACC') was computed at 23.45% for financial year ended June 2023 (June 2022: 16.60%). However, the same will automatically reset if the WACC changes by ±2% from the reference figure. As per the revised tariff regime, the Company will earn an annual return calculated based on the Weighted Average Cost of Capital ('WACC') on the value of its average fixed assets in operation (net of deferred credit), before corporate income taxes and subject to efficiency benchmarks prescribed by OGRA. All prudently incurred expenses in the operation of the licensed regulated activities excluding financial charges on loans and debt servicing charges, taxes and dividend shall be treated as operating expenses.

39.1.2 UFG in parlance of a gas distribution and transmission company means the difference between gas purchased in volume, gas billed in volume and gas used internally by the Company in volumes for its operations. UFG results from a number of factors which inter alia comprises of gas leakages both underground and over ground, measurement errors, meter tampering, meter getting slow with time and use, illegal connections and such other connections which bypass the meters installed. While it is almost impossible to estimate the amount of gas theft in UFG, it is estimated that the above facts constitutes a significant percentage of the total UFG.

The Company is taking a number of measures to control and reduce UFG. These are elaborated below:

- Vigilance for identification of theft cases, illegal networks and necessary remedial thereafter;
- Measurement errors identification and rectification, and
- Above ground and underground leakage identification and rectification.

The Company's actions are likely to be more effective with the co-operation of various stakeholders and law enforcement agencies.

OGRA has determined UFG at 16.60% without considering RLNG volume handled. Although, the Company had claimed UFG at 7.5% based on the RLNG volume handled and transmitted RLNG to SNGPL. The matter of RLNG volume handling benefit to the Company is under review at ECC level.

As per the UFG study report finalized by a firm of Chartered Accountant, revised UFG allowance formula is gas volume available for sale X [5% + (2.6% X percentage of achievement of KMI's)]. OGRA has determined Benchmark with KMI achievement at 7.40% [5% + (2.40% based on KMI achievement)] as against the claim of the Company at 7.46% [5% + (2.46% based on KMI achievement)].

	Note	2023	2022
		(Rupees in '000)	
39.2 Tariff adjustment - RLNG			
GOP subsidy on RLNG tariff		**2,335,620**	-
RLNG - OGRA	4.3	**4,742,920**	(10,577,174)
		7,078,540	(10,577,174)
40 COST OF SALES			
Cost of gas	40.1	**395,916,780**	352,353,928
Transmission and distribution costs	40.2	**27,383,937**	15,486,577
		423,300,717	367,840,505
40.1 Cost of gas			
Gas in pipelines as at July 1,		**1,285,918**	1,105,599
RLNG purchases	40.1.1	**82,623,752**	118,288,914
Indigenous gas purchases		**317,005,731**	235,063,516
		400,915,401	354,458,029
Gas consumed internally		**(3,053,175)**	(818,183)
Gas in pipelines as at June 30,		**(1,945,446)**	(1,285,918)
		(4,998,621)	(2,104,101)
		395,916,780	352,353,928

40.1.1 During the year 2015, the Company started swapping of natural gas in lieu of RLNG, which it received from Engro Elengy Terminal Limited (EETL) and Pakistan Gasport Consortium Limited (PGPCL) transferred to SNGPL. However, the gas transferred to SNGPL in lieu of RLNG is not in accordance with the gas received from EETL due to the difference of Gas Colorific Value (GCV) in the gas volume received and transmitted to SNGPL. From March 2015 till June 30, 2023, the Company received 2,457,641,625 Million Metric British Thermal Units (MMBTUs) from EETL and PGPCL and supplied 2,211,996,514 MMBTUs to SNGPL with a short supply of 245,645,111 MMBTU.

On December 12, 2017, the Ministry of Energy in pursuance of the decision of ECC vide case submitted on September 03, 2015, allocated 12 BCF RLNG volume to the Company. On September 10, 2018, 18 BCF and on February 7, 2019 another 11 BCF on June 14, 2019 another 8 BCF, on November 18, 2019 another 11 BCF, and on March 3, 2020 another 11 BCF (in total 71 BCF) of RLNG volume was allocated 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 year, the Company has recorded purchases of 16 BCF (2022: 37 BCF) from SNGPL amounting to Rs. 82,624 million (2022: Rs.118,289 million) based on OGRA's decision dated November 20, 2018.

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

ECC in its decision dated May 17, 2018 suspended the current treatment of weighted average cost of gas (WACOG) for the period of 3 months i.e. till August 2018. Further, ECC may consider the revision of WACOG based on the recommendations made by the committee for the purpose. Based on the decision, the Company did not raise the bill for the month of June 2018 to SNGPL on account of uniform cost of gas.

As of the reporting date, no further direction has been provided by ECC; however, it was mutually agreed and signed by the representatives of both the companies on May 2019 that both companies should pay the undisputed amount to narrow down the differences, though no settlement has been made till date.

	Note	2023	2022
		(Rupees in '000)	
40.2 Transmission and distribution costs			
Salaries, wages and benefits		**12,437,795**	8,636,151
Contribution / accruals in respect of staff retirement benefit schemes	40.2.1	**2,148,974**	1,447,706
Depreciation on operating assets	5.1.1	**6,669,738**	2,816,262
Depreciation - right of use	7	**52,970**	49,873
Repairs and maintenance		**2,258,789**	1,571,502
Stores, spares and supplies consumed		**958,061**	675,266
Gas consumed internally		**3,039,124**	804,727
Legal and professional charges		**179,944**	60,591
Software maintenance		**46,312**	58,924
Electricity		**177,764**	154,587
Security expenses		**1,156,144**	844,297
Insurance		**98,335**	28,381
Travelling		**77,021**	56,386
Material and labor used on consumers' installation		**23,045**	31,938
Postage and revenue stamps		**2,051**	2,212
Rent, rates and taxes		**79,563**	74,478
Others		**233,615**	314,185
		29,639,245	17,627,466
Recoveries / allocations to:			
Gas distribution system capital expenditure		**(1,787,093)**	(1,676,064)
Installation costs recovered from customers	14	**(59,642)**	(115,093)
		(1,846,735)	(1,791,157)
Recoveries of service cost from			
Sui Northern Gas Pipeline Limited - related party	40.2.2	**(401,254)**	(339,185)
Allocation to sale of gas condensate		**(7,319)**	(10,547)
		27,383,937	15,486,577

	2023	2022
	(Rupees in '000)	

40.2.1 Contributions to / accrual in respect of staff retirement benefit schemes

	2023	2022
Contributions to the provident fund	**312,151**	242,781
Charge in respect of pension funds:		
executives	**198,159**	228,405
non executives	**168,110**	170,762
	366,269	399,167
Charge in respect of gratuity funds:		
executives	**192,225**	168,266
non executives	**55,688**	199,620
	247,913	367,886
Accrual in respect of unfunded post retirement Medical facility:	**1,064,473**	569,751
Accrual in respect of compensated absences		
Executives	**(29,553)**	(70,702)
Other employees	**187,721**	(61,177)
	158,168	(131,879)
	2,148,974	1,447,706

40.2.2 This includes recovery in respect of obligation against pipeline transferred to the Company from Engro Elengy Terminal Limited amounting to Rs. 135.7 million (2022: Rs. 135.7 million).

41 ADMINISTRATIVE AND SELLING EXPENSES

	Note	2023	2022
		(Rupees in '000)	
Administrative expenses	41.1	**3,029,059**	2,640,456
Selling expenses	41.2	**3,045,439**	2,444,157
		6,074,498	5,084,613

	Note	2023	2022
		(Rupees in '000)	
41.1 Administrative expenses			
Salaries, wages and benefits		**1,762,469**	1,592,020
Contribution / accruals in respect of staff retirement benefit schemes	41.1.1	**195,707**	149,761
Depreciation on operating assets	5.1.1	**235,319**	205,096
Depreciation - right of use	7	**2,442**	2,128
Amortisation of intangible assets	6	**109,329**	60,668
Repairs and maintenance		**218,874**	190,167
Stores, spares and supplies consumed		**66,690**	42,209
Legal and professional		**104,573**	107,793
Software maintenance		**124,845**	103,832
Electricity		**6,153**	5,158
Security expenses		**23,602**	17,442
Insurance		**14,010**	13,122
Travelling		**25,514**	23,119
Postage and revenue stamps		**10,690**	8,867
Rent, rates and taxes		**19,284**	15,895
Others		**123,667**	118,106
		3,043,168	2,655,383
Allocation to meter manufacturing division	43.1	**(14,109)**	(14,927)
		3,029,059	2,640,456

41.1.1 Contribution to / accrual in respect of staff retirement benefit schemes

	2023	2022
Contribution to the provident fund	**52,326**	50,124
Charge in respect of pension funds:		
executives	**20,383**	21,345
non-executives	**9,606**	10,107
	29,989	31,452
Charge in respect of gratuity funds:		
executives	**44,721**	30,440
non-executives	**10,822**	9,925
	55,543	40,365
Accrual / (reversal) in respect of unfunded post retirement:		
gas facility	**13,496**	4,080
medical facility	**44,353**	23,740
	57,849	27,820
	195,707	149,761

	Note	2023	2022
		(Rupees in '000)	
41.2 Selling expenses			
Salaries, wages and benefits		**1,968,938**	1,524,315
Contribution / accruals in respect of staff retirement benefit schemes	41.2.1	**245,089**	215,692
Depreciation on operating assets	5.1.1	**6,123**	6,123
Depreciation - right of use	7	**23,063**	53,245
Repairs and maintenance		**2,138**	1,105
Stores, spares and supplies consumed		**18,967**	10,775
Electricity		**134,854**	80,265
Insurance		**989**	939
Travelling		**495**	541
Gas bill and collection charges		**577,751**	533,046
Postage and revenue stamps		**594**	438
Rent, rates and taxes		**25,472**	648
Others		**40,966**	17,025
		3,045,439	2,444,157

41.2.1 Contribution to / accrual in respect of staff retirement benefit schemes

	2023	2022
Contribution to the provident fund	**67,060**	48,069
Charge in respect of pension funds:		
executives	**6,893**	54,735
non-executives	**46,061**	39,481
	52,954	94,216
Charge in respect of gratuity funds:		
executives	**21,067**	25,542
non-executives	**104,008**	47,865
	125,075	73,407
	245,089	215,692

42 OTHER OPERATING EXPENSES

	Note	2023	2022
Auditors' remuneration			
Statutory audit		**5,184**	4,320
Fee for other audit related services		**1,095**	945
Out of pocket expenses		**648**	405
		6,927	5,670
Sports expenses		**2,859**	61,584
HCPC Arbitration Award		**-**	4,157,839
Corporate social responsibility		**7,395**	7,099
Provision against slow moving and obsolete stores and spares		**207,469**	89,416
Loss on disposal of property, plant and equipment		**540,373**	3,094
Obsolete material written off	12.3	**112,127**	-
Exchange loss		**33,871,848**	16,013,172
		34,748,998	20,337,874

43 OTHER INCOME	Note	2023	2022
		(Rupees in '000)	
Income from financial assets			
Income for receivable against asset contribution		**35,741**	34,012
Interest income on loan to related party		**107,292**	131,482
Late payment surcharge		**2,261,023**	2,009,242
Interest income on late payment of gas bills from - SNGPL		**1,135,867**	1,135,867
Liquidated damages recovered		**107,203**	84,374
Income from net investment in finance lease from SNGPL		**5,054**	15,927
Return on saving bank account		**66,452**	28,565
Interest income on late payment of gas bills from Water & Power Development Authority (WAPDA)		**757,259**	383,098
Dividend income		**25,049**	23,086
		4,500,940	3,845,653
Income from other than financial assets			
Sale of gas condensate - net		**9,325**	5,371
Meter manufacturing division (loss) / profit - net	43.1	**(122,221)**	4,820
Meter rentals		**1,616,283**	1,686,853
Fixed charges billed		**1,978,592**	-
RLNG transportation income		**13,001,000**	9,726,000
Recognition of income against deferred credit and contract liabilities		**716,158**	650,591
Income from LPG air mix distribution - net	43.2	**202,151**	120,343
Recoveries from customers		**113,093**	129,608
Income from sale of tender documents		**8,774**	6,092
Amortization of Government grant		**12,028**	17,076
Rental income from SSGC LPG (Private) Limited		**1,241**	1,137
Income against LNG service agreement		**1,458,221**	1,044,608
Miscellaneous		**63,257**	42,105
		23,558,842	17,280,257

43.1 Meter manufacturing division (loss) / profit - net

	Note	2023 (Rupees in '000)	2022 (Rupees in '000)
Gross Sale of gas meters:			
Company's consumption		**1,493,683**	1,708,171
Outside sales		**18,523**	13,051
		1,512,206	1,721,222
Sales tax		**(208,994)**	(268,317)
Net sales		**1,303,212**	1,452,905
Less: Cost of goods sold			
Raw material consumed		**(835,770)**	(968,629)
Stores and spares		**(13,813)**	(10,284)
Fuel, power and electricity		**(25,282)**	(17,564)
Salaries wages and other benefits	43.1.2	**(492,503)**	(406,995)
Insurance		**(925)**	(772)
Repairs and maintenance		**(11,750)**	(8,824)
Depreciation on operating fixed assets	5.1.1	**(36,216)**	(23,705)
Transportation		**(198)**	-
Other expenses		**(4,128)**	(1,783)
		(1,420,585)	(1,438,556)
Gross (loss) / profit		**(117,373)**	14,349
Administrative expenses	41.1	**(14,109)**	(14,927)
Operating loss		**(131,482)**	(578)
Other income		**9,261**	5,398
Net (loss) / profit		**(122,221)**	4,820

43.1.1 Gas meters used by the Company are included in operating assets at manufacturing cost.

43.1.2 The salaries, wages and other benefits includes;

	2023	2022
Salaries, wages and other benefits	**463,453**	379,126
Provident fund contribution	**9,085**	6,356
Pension fund	**10,824**	12,649
Gratuity	**9,141**	8,864
	492,503	406,995

	Note	2023	2022
		(Rupees in '000)	
43.2 Income from LPG air mix distribution - net			
Sales		**80,300**	70,391
Cross subsidy		**1,590,465**	1,223,309
Cost of sales		**(1,124,454)**	(918,263)
Gross profit		**546,311**	375,437
Distribution, selling and administrative expenses			
Salaries, wages and other benefits		**(88,436)**	(73,080)
Depreciation on operating fixed assets	5.1.1	**(84,585)**	(83,342)
Other operating expenses		**(214,460)**	(135,808)
		(387,481)	(292,230)
Amortisation of deferred credit		**27,543**	27,534
Other income		**15,778**	9,602
Net Profit		**202,151**	120,343

44 FINANCE COST

	Note	2023	2022
Mark-up on:			
loan from banking companies		**4,923,946**	2,870,066
short term borrowings		**4,519,452**	2,023,737
customer deposits		**642,990**	684,157
customer finance		**187**	673
loan from Government of Sindh		**23,448**	26,853
payable against transfer of pipeline		**65,068**	71,122
lease liability		**13,176**	11,729
interest on WPPF		**60,368**	81,722
Petroleum Development Levy		**-**	12,274
others		**79,838**	8,425
		10,328,473	5,790,758
Less: Finance cost capitalised during the year	5.2.1	**(1,709,727)**	(600,523)
		8,618,746	5,190,235

45 TAXATION

	Note	2023	2022
Current year		**4,599,435**	3,708,630
Deferred tax		**(4,589,185)**	-
	45.1	**10,250**	3,708,630

45.1 Relationship between unconsolidated accounting profit and tax expense for the year is as follows:

	2023	2022
	(Rupees in '000)	
Accounting loss for the year	**(1,590,883)**	(7,735,485)
Tax rate	**29%**	29%
Tax charge @ 29%	**(461,356)**	(2,243,291)
Impact of super tax	**1,021,830**	740,782
Effect of lower tax rate on dividend income	**3,757**	3,232
Minimum income tax u/s 153 (1) (b)	**6,493**	-
Others	**(560,474)**	5,207,907
	10,250	3,708,630

46 STAFF RETIREMENT BENEFITS

46.1 Funded post retirement pension and gratuity schemes

As mentioned in note 4.20 to these unconsolidated financial statements, the Company operates approved funded pension and gratuity schemes for all employees. Contributions are made to these schemes based on actuarial valuation. Latest actuarial valuations were carried out as at June 30, 2023 under the projected unit credit method for both non-executive and executive staff members.

Fair Value of Plan assets and present value of obligation

The fair value of plan assets and present value of defined benefit obligations of the pension and gratuity schemes at the valuation date were as follows:

Liability / (Asset) in unconsolidated statement of financial position

	2023			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Fair value of plan assets	**(1,398,669)**	**(6,602,251)**	**(144,152)**	**(5,063,051)**
Present value of defined benefit obligation	**1,640,000**	**8,260,995**	**10,335**	**8,888,826**
	241,331	**1,658,744**	**(133,817)**	**3,825,775**
Movement in fair value of plan assets				
Fair value as at July 01, 2022	**1,306,941**	**5,679,801**	**328,683**	**3,677,152**
Interest income on plan assets	**175,412**	**735,342**	**40,908**	**486,552**
Actual contribution by the employer	**44,511**	**766,706**	**-**	**1,281,977**
Actual benefits paid from the fund during the year	**(45,756)**	**(797,549)**	**(1,909)**	**(676,511)**
Amount transferred in/ (out)	**(81,207)**	**172,195**	**(206,000)**	**206,000**
Remeasurement	**(1,232)**	**45,756**	**(17,530)**	**87,881**
Fair value as at June 30, 2023	**1,398,669**	**6,602,251**	**144,152**	**5,063,051**

	2023			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Movement in present value of defined benefit obligation				
Obligation as at July 01, 2022	1,426,643	6,806,183	10,418	5,095,968
Service cost	41,655	358,465	-	219,927
Interest cost on defined benefit obligation	190,316	875,586	1,281	663,206
Actual benefit paid during the year	(81,207)	(797,549)	(1,909)	(676,511)
Remeasurement	62,593	1,018,310	545	3,586,236
Obligation as at June 30, 2023	1,640,000	8,260,995	10,335	8,888,826

Movement in liability / (asset) in unconsolidated statement of financial position

	2023			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Liability / (Asset) as at July 01, 2022	119,702	1,126,382	(318,265)	1,418,816
Expense recognised for the year	282,356	272,912	231,463	125,491
Remeasurement	(116,216)	1,026,156	(47,015)	3,563,445
Contribution to the fund	(44,511)	(766,706)	-	(1,281,977)
Liability / (Asset) as at June 30, 2023	241,331	1,658,744	(133,817)	3,825,775

Expense recognised in the unconsolidated statement of profit or loss during the current year in respect of the above schemes were as follows:

	2023			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Current service cost	41,655	358,465	-	219,927
Interest cost	190,316	875,586	1,281	663,206
Interest income	(175,412)	(735,342)	(40,908)	(486,552)
Amount transferred out / (in)	225,797	(225,797)	271,090	(271,090)
	282,356	272,912	231,463	125,491

Total remeasurement recognised in unconsolidated statement of comprehensive income

Remeasurement on obligation arising on				
Financial assumptions	2,094	766,210	(469)	(35,972)
Demographic assumptions	(17,118)	(69,295)	-	-
Experience adjustments	77,617	321,395	1,014	3,622,208
	62,593	1,018,310	545	3,586,236
Remeasurement on plan assets arising on				
Actual return on plan assets	(161,347)	(860,591)	(21,026)	(506,684)
Expected return on plan assets	175,412	735,342	40,908	486,552
Net return on plan assets over interest income	14,065	(125,249)	19,882	(20,132)
Difference in opening fair value of assets after audit	(12,833)	(46,946)	(2,352)	(67,749)
	1,232	(172,195)	17,530	(87,881)
Adjustment for previous amount transferrable	(180,041)	180,041	(65,090)	65,090
	(116,216)	1,026,156	(47,015)	3,563,445

Composition / fair value of plan assets used by the fund

	2023			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	----------(Rupees in '000)----------			
Quoted Shares	3.53%	0.77%	20.32%	1.42%
Debt instruments	94.00%	95.86%	72.17%	93.89%
Mutual funds	2.04%	1.33%	0.00%	4.31%
Others including cash & cash equivalents	0.43%	2.03%	7.51%	0.37%
Total	100%	100%	100%	100%
Quoted Shares	49,363	51,072	29,287	72,096
Debt instruments	1,314,779	6,328,967	104,032	4,753,633
Mutual funds	28,529	88,138	-	218,374
Others including cash & cash equivalents	5,998	134,074	10,833	18,948
Total	1,398,669	6,602,251	144,152	5,063,051

Detail of employees valued

Detail of employees valued related to above scheme are as follows for the year ended June 30, 2023

	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	----------(Rupees in '000)----------			
Total number of employees	1,988	1,988	-	4,391
Total monthly salaries	273,545	273,545	-	206,596
Total number of pensioner	161	-	16	-
Total monthly pension	3,443	-	114	-

Liability / (Asset) in unconsolidated statement of financial position

	2022			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	----------(Rupees in '000)----------			
Fair value of plan assets	(1,306,941)	(5,679,801)	(328,683)	(3,677,152)
Present value of defined benefit obligation	1,426,643	6,806,183	10,418	5,095,968
	119,702	1,126,382	(318,265)	1,418,816
Movement in fair value of plan assets				
Fair value as at July 01, 2021	1,137,931	5,352,923	254,205	3,412,945
Expected return on plan assets	144,348	548,019	25,420	348,461
Remeasurement	(68,136)	27,043	(19,529)	(36,954)
Benefits paid	(73,779)	(761,637)	(1,763)	(454,579)
Contribution to the fund	383,533	296,497	318,126	159,503
Amount transferred in / (out)	(216,956)	216,956	(247,776)	247,776
Fair value as at June 30, 2022	1,306,941	5,679,801	328,683	3,677,152
Movement in present value of defined benefit obligation				
Obligation as at July 01, 2021	1,409,118	6,622,845	15,354	5,621,826
Current service cost	45,545	357,210	-	262,966
Interest cost	140,912	662,285	1,535	562,183
Benefits paid	(73,779)	(761,637)	(1,763)	(454,579)
Remeasurement	(95,153)	(74,520)	(4,708)	(896,428)
Obligation as at June 30, 2022	1,426,643	6,806,183	10,418	5,095,968

Movement in liability / (asset) in unconsolidated statement of financial position

	2022			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
liability / (Asset) as at July 01, 2021	271,187	1,269,922	(238,851)	2,208,881
Expense recognised for the year	259,065	254,520	223,891	228,912
Remeasurement	(27,017)	(101,563)	14,821	(859,474)
Contribution to the fund	(383,533)	(296,497)	(318,126)	(159,503)
Liability / (Asset) as at June 30, 2022	119,702	1,126,382	(318,265)	1,418,816

Expense recognised in the unconsolidated statement of profit or loss during the current year in respect of the above schemes were as follows:

	2022			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Current service cost	45,545	357,210	-	262,966
Interest cost	140,912	662,285	1,535	562,183
Interest income	(144,348)	(548,019)	(25,420)	(348,461)
Amount transferred out / (in)	216,956	(216,956)	247,776	(247,776)
	259,065	254,520	223,891	228,912

	2022			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Total remeasurement recognised in unconsolidated statement of comprehensive income				
Remeasurement on obligation arising on				
Financial assumptions	(93,035)	392,872	(573)	(471,070)
Demographic assumptions	(1,136)	(3,921)	-	2,273
Experience adjustments	(982)	(463,471)	(4,135)	(427,631)
	(95,153)	(74,520)	(4,708)	(896,428)
Remeasurement on plan assets arising on				
Actual return on plan assets	(61,602)	(498,713)	(5,876)	(275,728)
Expected return on plan assets	144,348	548,019	25,420	348,461
Net return on plan assets over interest income	82,746	49,306	19,544	72,733
Difference in opening fair value of assets after audit	(14,610)	(76,349)	(15)	(35,779)
	68,136	(27,043)	19,529	36,954
	(27,017)	(101,563)	14,821	(859,474)

Composition / fair value of plan assets used by the fund

	2022			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Quoted Shares	3.95%	0.94%	9.31%	2.05%
Debt instruments	84.42%	92.16%	41.00%	89.93%
Mutual funds	5.91%	2.13%	21.60%	6.04%
Others including cash & cash equivalents	5.73%	4.77%	28.08%	1.99%
Total	100%	100%	100%	100%
Quoted Shares	51,604	53,377	30,616	75,369
Debt instruments	1,103,305	5,234,607	134,761	3,306,735
Mutual funds	77,193	121,001	71,000	221,984
Others including cash & cash equivalents	74,839	270,816	92,306	73,064
Total	1,306,941	5,679,801	328,683	3,677,152

Detail of employees valued

Detail of employees valued related to above scheme are as follows for the year ended June 30, 2022

	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Total number of employees	2,154	2,154	-	4,447
Total monthly salaries	228,921	228,921	-	129,057
Total number of pensioner	151	-	16	-
Total monthly pension	3,235	-	120	-

Significant assumptions used for the valuation of above schemes are as follows:

	Executives and Non-executives	
	2023	2022
	(%)	(%)
Discount rate	**16.25**	13.25
Salary increase rate in the first year	**24% wef. 01-07-2023**	16% wef. 01-07-2022 14% wef. 01-01-2023
Expected rate of increase in salary level	**14.25%**	11.25%
Increase in pension	**10.25%**	5%
Mortality rates	**SLIC (2001-05)-1**	SLIC (2001-05)-1
Rates of employee turnover	**Moderate**	Ultra - light

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected rate of salary and pension increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Change in assumption		Impact of change in assumptions in present value of defined benefit obligation			
			Executives		Non-Executives	
			Pension	Gratuity	Pension	Gratuity
			(Rupees in '000)			
Discount rate	1%	Increase in assumption	**1,509,179**	**7,944,905**	**9,769**	**8,484,868**
Salary increase rate	1%		**1,685,503**	**8,567,923**	**-**	**9,289,752**
Pension increase rate	1%		**1,745,204**	**-**	**10,999**	**-**
Discount rate	1%	Decrease in assumption	**1,793,491**	**8,602,257**	**10,969**	**9,326,364**
Salary growth rate	1%		**1,597,198**	**7,971,813**	**-**	**8,511,925**
Pension increase rate	1%		**1,548,623**	**-**	**9,735**	**-**

The expected pension and gratuity expense for the next one year from July 01, 2023 is as follows:

	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees'000)			
Current service cost	**49,085**	**416,238**	**-**	**395,351**
Interest cost	**268,456**	**1,282,975**	**1,562**	**1,401,540**
Interest income on plan assets	**(232,084)**	**(1,032,977)**	**(21,730)**	**(824,938)**
Interest cost	**36,372**	**249,998**	**(20,168)**	**576,602**
Amount transferred out / (in)	**380,306**	**(345,079)**	**749,483**	**(749,483)**
	465,763	**321,157**	**729,315**	**222,470**

46.2 Unfunded post retirement medical benefit and gas supply facilities

The Company provides free medical and gas supply facilities to its retired executive employees. The free gas supply facility has been discontinued for employees who had retired after December 31, 2000. The latest actuarial valuations of the liability under these schemes were carried out as at June 30, 2023 under the projected unit credit method, results of which are as follows:

	2023		
	Post retirement medical facility	Post retirement gas facility	Total
	(Rupees in '000)		
Liability in unconsolidated statement of financial position			
Present value of defined benefit obligation	6,587,344	9,256	6,596,600
Movement in present value of defined benefit obligation			
Liability as at July 01, 2022	6,805,549	13,261	6,818,810
Expense recognised for the year	1,111,056	13,261	1,124,317
Payments during the year	(207,947)	(900)	(208,847)
Remeasurement	(1,121,314)	(16,366)	(1,137,680)
Liability as at June 30, 2023	6,587,344	9,256	6,596,600
Expense recognised in the unconsolidated statement of profit or loss			
Current service cost	210,015	-	210,015
Interest cost	901,041	13,261	914,302
	1,111,056	13,261	1,124,317

	2023		
	Post retirement medical facility	Post retirement gas facility	Total
Total remeasurement recognised in unconsolidated statement of comprehensive income	(Rupees in '000)		
Remeasurement on obligation arising on			
Financial assumptions	(314,298)	-	(314,298)
Demographic assumption	(3,471,893)	-	(3,471,893)
Experience adjustments	2,664,877	(16,366)	2,648,511
	(1,121,314)	(16,366)	(1,137,680)

Detail of employee valued

Detail of employee valued related to above scheme are as follows for the year ended June 30, 2023.

	Medical facility	Gas facility
Total number of actives	1,857	-
Total number of beneficiaries	1,330	27

	2022		
	Post retirement medical facility	Post retirement gas facility	Total
	(Rupees in '000)		
Liability in unconsolidated statement of financial position			
Present value of defined benefit obligation	6,805,549	13,261	6,818,810
Movement in present value of defined benefit obligation			
Liability as at July 01, 2021	4,591,004	32,444	4,623,448
Expense recognised for the year	615,021	3,244	618,265
Payments during the year	(192,673)	(1,164)	(193,837)
Remeasurement	1,792,197	(21,263)	1,770,934
Liability as at June 30, 2022	6,805,549	13,261	6,818,810

	2022		
	Post retirement medical facility	Post retirement gas facility	Total
	------------(Rupees in '000)-----------		
Expense recognised in the unconsolidated statement of profit or loss			
Current service cost	173,584	-	173,584
Interest cost	441,437	3,244	444,681
	615,021	3,244	618,265
Total remeasurement recognised in unconsolidated statement of comprehensive income			
Remeasurement on obligation arising on			
Financial assumptions	1,635,680	-	1,635,680
Demographic assumption	1,207	-	1,207
Experience adjustments	155,310	(21,263)	134,047
	1,792,197	(21,263)	1,770,934

Detail of employee valued

Detail of employee valued related to above scheme are as follows for the year ended June 30, 2022.

	Medical facility	Gas facility
Total number of actives	1,982	-
Total number of beneficiaries	2,788	41

46.3 **Number of employees under the scheme**

The number of employees covered under the following defined benefit plans are 1,857 (2022: 1,982) and 27 (2022: 41) for medical and gas facility respectively.

46.4 Significant assumptions used for the valuation of above schemes are as follows:

	Executives	
	2023 (%)	2022 (%)
Discount rate	**16.25%**	13.25%
Medical inflation rate - (Post-Retirement)	**14.25%**	11.25%
Medical inflation rate - (Pre-Retirement)	**14.25%**	11.25%
Gas inflation rate	**16.25%**	13.25%
Benefit limit - Gas	**33,500**	28,500
Expected medical expense for adult - retires and deceased staff	**79,500**	74,500
Expected medical expense for adult - active (family of two)	**159,000**	149,000
Expected medical expense for children	**10,000**	10,000
Mortality rates (for death in service & post retirement mortality)	**SLIC (2001-05)**	SLIC (2001-05)
Rate of employees turnover	**Moderate**	Ultra - light

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected rate of medical and gas increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Change in assumption	Impact of change in assumptions in present value of defined benefit obligation	
		Post retirement medical facility	Post retirement gas facility
		---------(Rupees in '000)--------	
Discount rate	Increase in assumption	**6,082,089**	**8,765**
Medical inflation rate (Pre retirement)		**6,730,904**	**-**
Medical inflation rate (Post retirement)		**7,684,742**	**-**
Gas inflation rate		**-**	**9,791**
Discount rate	Decrease in assumption	**7,863,042**	**9,796**
Medical inflation rate (Pre retirement)		**6,453,417**	**-**
Medical inflation rate (Post retirement)		**6,200,708**	**-**
Gas inflation rate		**-**	**8,761**

The expected medical and gas expense for the next one year from July 01, 2023 is as follows:

	Post retirement medical facility	Post retirement gas facility
	---------(Rupees in '000)--------	
Current service cost	**208,813**	-
Net interest cost	**1,067,730**	1,433
	1,276,543	1,433

46.5 Defined contribution plan - recognized provident fund

The information related to the provident funds established by the Company based on management records are as follows:

	Executives		Non-Executives	
	2023	2022 (Audited)	2023	2022
	---------------------------------- (Rupees in '000) ----------------------------------			
Size of provident fund	**5,486,431**	5,072,234	**5,500,317**	4,834,195
Cost of investments made	**5,073,946**	4,090,738	**5,223,242**	3,744,163
Percentage of investments made	**92.48%**	80.65%	**94.96%**	77.45%
Fair value of investment	**5,147,923**	4,760,510	**5,270,854**	4,599,023
Break-up of investments:				
- Balance in savings accounts				
Amount of investment	**70,536**	59,445	**48,480**	136,099
Percentage of investment as size of the fund	**1.27%**	1.15%	**0.88%**	2.82%
- Term deposit receipts				
Amount of investment	**1,062,992**	375,286	**1,110,931**	183,291
Percentage of investment as size of the fund	**19.35%**	7.38%	**20.20%**	3.79%
- Units of mutual fund				
Amount of investment	**353,166**	574,259	**331,329**	418,900
Percentage of investment as size of the fund	**6.44%**	11.32%	**6.02%**	8.67%
- Special savings certificate				
Amount of investment	**-**	2,134,192	**-**	2,549,530
Percentage of investment as size of the fund	**0.00%**	42.08%	**0.00%**	52.74%
- Treasury bills				
Amount of investment	**251,031**	163,991	**1,072,975**	356,295
Percentage of investment as size of the fund	**4.58%**	3.23%	**19.51%**	7.37%
- Pakistan Investment Bonds (PIBs)				
Amount of investment	**3,361,096**	1,402,058	**2,663,213**	908,746
Percentage of investment as size of the fund	**61.26%**	27.64%	**48.42%**	18.80%
- Term Finance Certificates (TFCs)				
Amount of investment	**-**	-	**-**	-
Percentage of investment as size of the fund	**-**	-	**-**	-
- Quoted shares				
Amount of investment	**49,102**	51,279	**43,926**	46,162
Percentage of investment as size of the fund	**0.89%**	1.01%	**0.80%**	0.95%

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act,2017 and the rules formulated for this purpose.

46.6 Duration of defined benefit obligation

	Executive staff pension fund	Executive staff gratuity fund	Non-executive staff pension fund	Non-executive staff gratuity fund	Post retirement gas facility scheme	Post retirement medical benefit scheme
Weighted average duration of the defined benfit obligation	8 Years	4 Years	6 Years	5 Years	5 Years	16 Years

47 EARNINGS

		2023	2022
		(Rupees in '000)	
Loss for the year	(Rupees in '000)	**(1,601,133)**	(11,444,115)
Average number of ordinary shares	(Number of shares)	**880,916,309**	880,916,309
Loss per share - basic and diluted	(Rupees)	**(1.82)**	(12.99)

48 ADJUSTMENTS FOR NON-CASH AND OTHER ITEMS

	Note	2023	2022
		(Rupees in '000)	
Provisions	48.1	**4,303,129**	3,723,195
Depreciation on owned assets	5.1	**7,053,787**	3,170,781
Depreciation on right of use assets	7	**78,475**	105,246
Depreciation on projects capitalised	5.1.1	**(21,806)**	(36,253)
Amortization of intangibles	6	**109,329**	60,668
Finance cost		**8,540,502**	5,107,384
Recognition of income against deferred credit and contract liability		**(743,868)**	(677,993)
Amortization of Government grant	43	**(12,028)**	(17,076)
Dividend income	43	**(25,049)**	(23,086)
Interest income		**(2,066,870)**	(1,679,012)
Income from net investment in finance lease	43	**(5,054)**	(15,927)
Loss on disposal of property plant and equipment	42	**539,286**	1,080
Decrease in long term advances		**(633,538)**	815,614
Increase in deferred credit and contract liability		**1,989,089**	2,152,932
Finance cost on finance lease	44	**13,176**	11,729
Increase in net investment in finance lease		**78,375**	73,741
Reduction in unwinding effect on investment in subsidiary		**185,674**	-
Increase in payable against transfer of pipeline	44	**65,068**	71,122
		19,447,677	12,844,145

48.1 Provisions

	2023	2022
Provision against slow moving / obsolete stores	**200,007**	89,095
Allowance for expected credit loss	**1,907,945**	2,121,563
Provision for compensated absences	**158,168**	(131,879)
Provision for post retirement medical and free gas supply facilities	**1,124,317**	597,571
Provision for retirement benefits	**912,692**	1,046,845
	4,303,129	3,723,195

		Note	2023	2022
			(Rupees in '000)	
49	**WORKING CAPITAL CHANGES**			
	Increase in current assets			
	Store, spares and loose tools		**(33,842)**	(230,454)
	Stock-in-trade		**(1,133,174)**	(728,350)
	Customers' installation work-in-progress		**(22,007)**	5,273
	Trade debts		**(17,943,781)**	(19,073,622)
	Advances, deposits and short term prepayments		**383,193**	154,907
	Other receivables		**(236,600,732)**	(104,049,623)
			(255,350,343)	(123,921,869)
	Increase in current liabilities			
	Trade and other payables		**240,952,511**	143,405,294
			(14,397,832)	19,483,425
49.1	**Cash and cash equivalent at the end of the year**			
	Cash and bank balances	21	**384,019**	763,015
	Short term borrowings	34	**(34,095,705)**	(23,878,298)
			(33,711,686)	(23,115,283)

50 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at June 30, 2023	
	Lease liability	**Long term financing**
	(Rupees in '000)	
Balance as at July 01,	**74,504**	**23,680,374**
Addition in lease / proceed from long term loan	**80,237**	**14,989,444**
Repayment of lease liability / long term loan	**(88,426)**	**(6,480,507)**
Balance as at June 30,	**66,315**	**32,189,311**

	As at June 30, 2022	
	Lease liability	**Long term financing**
	(Rupees in '000)	
Balance as at July 01,	127,278	29,316,211
Addition in lease / proceed from long term loan	53,393	21,131,970
Repayment of lease liability / long term loan	(106,167)	(26,767,807)
Balance as at June 30,	74,504	23,680,374

51 REMUNERATION OF MANAGING DIRECTOR, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the unconsolidated financial statements for remuneration, including all benefits, to Managing Director, Directors and Executives of the Company are given below:

	2023			2022		
	Managing Director	Directors	Executives	Managing Director	Directors	Executives
	(Rupees in 000)					
Directors' fees (note 51.3)	-	28,400	-	-	28,000	-
Managerial remuneration	28,898	-	2,651,984	25,908	-	2,048,139
Housing	12,266	-	1,063,068	11,151	-	832,202
Utilities	2,726	-	236,236	2,478	-	184,933
Retirement benefits						
- Grautity	-	-	338,636	-	-	193,460
- provident fund	-	-	172,256	-	-	137,760
- pension	-	-	24,563	-	-	30,427
- EOBI	3	-	3,796	2	-	1,399
	3	-	539,251	2	-	363,046
	43,893	28,400	4,490,539	39,539	28,000	3,428,320
Total number	1	13	1,143	1	14	907

51.1 Executive means any employee whose basic salary exceeds Rs.1.2 million per year.

51.2 The Chairperson, Managing Director and certain executives are also provided with the Company maintained vehicles in accordance with their entitlement. In addition, the Chairperson of the Company was paid Rs.1.99 million (2022: Rs.1.99 million) as Honorarium. Executives are also provided with medical facilities in accordance with their entitlement.

51.3 Non-executive directors are paid fees for attending meetings of the Board of Directors and its committees, with no other remuneration.

52 CAPACITY AND ACTUAL PERFORMANCE

Natural gas transmission

	2023		2022	
	MMCF	HM3	MMCF	HM3
Transmission operation				
Capacity - annual rated capacity at 100% load factor with compression	990,610	279,092,975	990,610	279,092,975
Utilisation - volume of gas transmitted	585,225	164,880,414	701,649	197,681,555
Capacity utilisation factor (%)	59.08%	59.08%	70.83%	70.83%

Natural gas distribution

The Company has no control over the rate of utilisation of its capacity as the use of available capacity is dependent on off-takes by the customers.

Meter manufacturing division

During the year meter manufacturing division produced and assembled 291,050 meters (2022: 430,908 meters) against an annual capacity of 356,000 meters on a single shift

53 TRANSACTIONS WITH RELATED PARTIES

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

The details of transactions with related parties not disclosed else where in these unconsolidated financial statements are as follows:

	Basis of Relationship	2023	2022
		--------- (Rupees in '000) --------	
Government related entities - various			
- Purchase of fuel and lubricant		**115,298**	55,763
- Sale of gas and allied charges inclusive of sales tax		**67,189,022**	142,733,163
- Mark-up expense on short term finance		**241,121**	134,331
- Markup expense on long term finance		**15,760**	266,103
- Income from net investment in finance lease		**5,054**	15,927
- Gas purchases - Indigenous gas		**173,809,896**	125,941,054
- Gas purchases - RLNG		**82,623,752**	118,288,914
- Sale of gas condensate		**30,592**	87,825
- Sale of gas meter spare parts inclusive of sales tax		**14,020**	8,700
- Rent of premises		**21,549**	14,443
- Insurance premium		**192,032**	186,236
- Royalty		**1,276**	1,768
- Telecommunication		**1,451**	1,156
- Electricity		**244,891**	202,048
- Interest income		**1,893,126**	1,518,965
- Subscription		**1,771**	2,052
- RLNG transportation income		**13,001,000**	9,726,000
- LPG purchases		**1,181,214**	1,005,970
- Income against LNG service agreement		**1,458,221**	1,044,608
- Dividend income		**21,728**	14,485
Karachi Grammar School	Associated undertaking		
- Sale of gas and allied charges inclusive of sales tax		**59**	59
Key management personnel			
- Remuneration		**162,553**	187,901
Engro Fertilizers Limited	Associated company		
- Sale of gas and allied charges inclusive of sales tax		**24,740**	34,706
Pakistan Institute of Corporate Governance	Associated company		
- Subscription / Trainings		**876**	284
Indus Hospital & Health Network	Associated company		
- Sale of gas and allied charges inclusive of sales tax		**2,339**	3,627

Government related entities - various	Basis of Relationship	2023	2022
		--------- (Rupees in '000)	--------
SSGC LPG (Private) Limited	Wholly owned subsidiary		
- Interest Income on loan		**107,292**	131,482
- Rent on premises		**1,241**	1,137
SSGC Alternate Energy (Private) Limited	Wholly owned subsidiary		
- Payment on behalf of Company		**4,498**	-
- Interest accrued		**281**	-
Staff Retirement Benefit Plans	Employee benefit plan		
- Contribution to provident fund		**449,879**	355,097
- Contribution to pension fund		**513,818**	538,646
- Contribution to gratuity fund		**398,403**	508,199

Contribution to the defined contribution and benefit plans are in accordance with the terms of the entitlement of the employees and / or actuarial advice. Balance payable to / receivable from these employees benefit plans are disclosed in notes 19, 27, 35 and 46 to these unconsolidated financial statements.

Remuneration to the executive officers of the Company (disclosed in note 51 to these unconsolidated financial statements) and loans and advances to them (disclosed in notes 11 and 16 to these unconsolidated financial statements) 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.

The details of amount due (to) / from related parties not disclosed elsewhere in these unconsolidated financial statements are as follows:

	2023	2022
	--------- (Rupees in '000)	--------
Government related entities - various		
- Sale of gas and allied charges	**87,003,363**	76,775,417
- Investment	**42,714**	56,354
- Mark up accrued on borrowings	**(1,499,874)**	(1,653,309)
- Net investment in finance lease	**1,611,868**	1,228,430
- Gas purchases - Indigenous gas	**(598,571,594)**	(433,823,800)
- Gas purchases - RLNG	**(106,680,422)**	(120,734,221)
- Sale of gas condensate	**4,365**	66,712
- Gas meters and spare parts	**47,014**	35,709
- Uniform cost of gas	**15,818,845**	15,818,845
- Cash at bank	**(19,957)**	35,011
- Stock loan	**-**	1,740
- Payable to insurance	**(7,893)**	(1,899)
- Gas supply deposit	**(80,954)**	(51,263)
- Interest expense accrued - late payment surcharge on gas bills	**(15,832,411)**	(15,832,411)

	Basis of Relationship	2023	2022
		--------- (Rupees in '000) --------	
- Interest income accrued - late payment on gas bills		**17,951,015**	16,057,889
- Contingent rent		**10,338**	10,315
- Differential tariff		**4,284,080**	4,284,080
- Capacity and utilisation charges of RLNG		**54,076,191**	55,656,646
- RLNG transportation income		**39,266,184**	34,843,282
- LSA margins		**2,991,015**	3,071,808
- Advance for sharing right of way		**(18,088)**	(18,088)
- Advance against LPG purchases		**71,288**	145,638
- Long term deposits		**11,041**	9,541
- Prepayment		**8,443**	8,400
- Dividend receivable		**4,175**	-
Karachi Grammar School	Associated undertaking		
- Sale of gas and allied charges		**5**	5
- Gas supply deposit		**(22)**	(22)
Engro Fertilizers Limited	Associated company		
- Sale of gas and allied charges		**541**	2,748
- Gas supply deposit		**(2,851)**	(2,851)
Indus Hospital & Health Network	Associated company		
- Sale of gas and allied charges		**267**	352
- Gas supply deposit		**(1,261)**	-
SSGC LPG (Private) Limited	Wholly owned subsidiary		
- Long term investment		**1,063,708**	1,249,382
- Interest on loan		**29,265**	19,213
- Long term loan		**550,000**	700,000
- Current portion of long term loan		**75,000**	-
- Deferred markup on loan		**-**	581,999
- Current portion of deferred markup		**-**	240,187
- Short term loan		**770,716**	-
- LPG sales		**5,698**	5,698
- Rent on premises		**494**	1,457
- Receivable against management fees		**1,408**	1,408

53.1 Maximum aggregate outstanding balance from related parties at the end of any month is as below:

	2023	2022
Included in Trade Debts		
Government related entities	--------- (Rupees in '000) --------	
- K-Electric Limited	**58,725,022**	48,060,474
- Water and Power Development Authority	**3,197,239**	3,195,441
- Pakistan State Oil Company Limited	**44**	1,102
- Pakistan International Airlines Corporation Limited	**2,268**	1,834
- Pakistan Steel Mills Corporation (Private) Limited	**25,169,851**	25,311,722
- National Bank Of Pakistan	**3,954**	7,711
- State Bank of Pakistan	**3,442**	2,168
- State Life Insurance Corporation of Pakistan	**42**	30
- Pakistan National Shipping Corporation	**263**	1,210
- Pakistan Machine Tool Factory	**3,471**	15,156
- Pakistan Railways	**781**	516
- Pakistan Navy	**128,207**	189,356
- Pakistan Engineering	**8**	8
- Pakistan Security Printing Corporation (Private) Limited	**16,124**	18,184
- National Investment Trust Limited	**22**	12
- Hydrocarbon Development Institute of Pakistan	**84**	162
- Security Papers Limited	**34,848**	30,519
- Pakistan Stock Exchange Limited	**24**	39
- Mari Petroleum Company Limited	**32**	-
- National Insurance Company Limited	**475**	516
- Pakistan Refinery Limited	**97,770**	131,626
- SSGC Alternate (Energy) Limited	**4,779**	-
Other Associated Companies		
- Karachi Grammar School	**10**	5
- Engro Fertilzers Limited	**3,574**	3,565
- Indus Hospital & Health Network	**432**	672
Included in Loans and Advances		
- SSGC LPG (Private) Limited	**1,648,574**	1,636,336

53.2 The aging of related party balances (related to financial assets) at the reporting date is as follows:

Past due 1 month	**17,150,559**	20,462,280
Past due 2-3 months	**6,840,450**	6,634,446
Past due 4-12 months	**17,180,001**	3,814,557
Past due over 12 months	**179,142,308**	177,834,051
	220,313,318	208,745,334

54 FINANCIAL RISK MANAGEMENT

The objective of Company's overall financial risk management is to minimize earnings volatility and provide maximum return to shareholders. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management frame work and policies.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

54.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. Credit risk arises from trade debts, net investment in finance lease, loans and advances, trade deposits, bank balances, interest accrued and other receivables.

To reduce the exposure toward the credit risk, comprehensive customer category wise credit limits and terms have been established. Gas supply deposits of industrial, commercial and domestic customers equivalent of three months estimated gas consumption as per the OGRA notification are taken to reduce credit exposure. The Company continuously monitors the credit given to customers and interest accrued thereon and has established a dedicated recovery department for follow-up, recovery or disconnection of gas supply as the case may be.

Loans and advances given to employees are secured against retirement benefits of the employees and title deed of properties of employees. Balances are maintained with banks of sound credit rating. The Company attempts to control credit risk in respect of other receivables by monitoring credit exposures of counterparties.

The maximum exposure to credit risk before any credit enhancement at year end is the carrying amount of the financial assets as set out below:

	2023	2022
	--------- (Rupees in '000)	--------
Trade debts	**118,245,036**	102,209,200
Net investment in finance lease	**-**	73,321
Loans and advances	**1,855,811**	1,990,161
Deposits	**31,499**	29,503
Bank balances	**374,767**	755,441
Interest accrued	**18,107,569**	16,204,391
Other receivables	**119,471,929**	115,443,944
	258,086,611	236,705,961

54.1.1 Collateral and other credit enhancements obtained

Security against supply of gas to industrial, commercial and domestic customers is taken on the basis of average three months gas consumption as per OGRA notification. These collaterals are adjusted / called following on disconnection of gas supply. Details of security held at year end is as follows:

	2023	2022
	--------- (Rupees in '000) --------	
Cash deposits	**27,779,873**	24,506,273
Bank guarantee / irrevocable letter of credit	**50,525,209**	53,026,883

54.1.2 Credit Quality

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and where available external credit ratings. The carrying values of all financial assets which are neither past due nor impaired are given in the note 54.1.3 to these unconsolidated financial statements.

The credit quality of the Company's major bank accounts is assessed with reference to external credit ratings which are as follows:

Bank	Rating Agency	Rating	
		Short Term	Long Term
National Bank of Pakistan	PACRA- VIS	A-1+	AAA
Allied Bank Limited	PACRA	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	AA+
Dubai Islamic Bank (Pakistan) Limited	VIS	A-1+	AA
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA
Faysal Bank Limited	PACRA - VIS	A-1+	AA
MCB Bank Limited	PACRA	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
Habib Bank Limited	VIS	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+
The Bank of Punjab	PACRA	A-1+	AA+
First Women Bank Limited	PACRA	A-2	A-
Summit Bank Limited	VIS	A-3	BBB-
Bank Al-Habib Limited	PACRA	A-1+	AAA
Bank Islami Pakistan Limited	PACRA	A-1	A+
Al Baraka Bank (Pakistan) Limited	PACRA-VIS	A-1	A+
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
Meezan Bank Limited	VIS	A-1+	AAA
Samba Bank Limited	VIS	A-1	AA
Silk Bank Limited	VIS	A-2	A-
Soneri Bank Limited	PACRA	A-1+	AA-
Telenor Micro Finance Bank Limited	PACRA- VIS	A-1	A
Citi Bank N. A.	Moody's	F-1	Aa3
Deutsche Bank A.G,	Moody's - S & P -Fitch	A-2, F-2	A-2,A-,BBB+
Industrial and Commercial Bank of China	Moody's - S & P	P-1	A-2

54.1.3 Past due and impaired financial assets

Industrial and commercial customers

The age analysis of trade debt balances relating to industrial and commercial customers at year end is as follows:

	2023		2022	
	Gross carrying amount	Impairment	Gross carrying amount	Impairment
Not due balances	**25,667,345**	**-**	31,717,674	-
Past due but not impaired	**76,478,181**	**-**	58,507,891	-
Past due and impaired	**4,878,590**	**4,086,334**	4,680,882	4,346,509
Disconnected customers	**2,268,247**	**2,268,245**	1,774,937	1,774,934
Total	**109,292,363**	**6,354,579**	96,681,384	6,121,443

Past due but not impaired balances include aggregate overdue balances of K-Electric, PSML and WAPDA amounting to Rs. 72,324 million (2022: Rs. 52,051 million) and are subject to inter corporate circular debt of government entities and K-Electric.

The Company has collateral / security against industrial and commercial customers amounting to Rs. 64,983 million (2022: Rs. 65,088 million) and replenishes such collateral based on gas consumption and requirement of the customers. When recovery is not made within one month, such customers balances are generally considered past due. In case of past due balances the Company starts recovery process through recovery department and where the amount is in excess of collateral and is not recovered by recovery department, then disconnection of meter (disconnected customers) is considered. Receivables which are past due and against which recoveries are not made or which are disconnected are considered as impaired debts.

Domestic customers

The age analysis of trade debt balances relating to domestic customers at year end is as follows:

	2023		2022	
	Gross carrying amount	Impairment	Gross carrying amount	Impairment
Not due balances	**2,921,143**		2,584,022	-
Past due but not impaired:				
Past due 1 - 3 month	**4,061,212**		1,873,211	-
Past due and impaired:				
Past due 4 - 6 months	**2,962,452**	**396,481**	2,590,805	779,630
Past due 7 - 9 months	**1,427,430**	**438,105**	1,620,905	492,000
Past due 10 - 12 months	**1,027,144**	**509,039**	1,052,234	519,000
Over 12 months	**7,798,512**	**3,547,016**	6,593,714	2,875,000
	13,215,538	**4,890,641**	11,857,658	4,665,630
Disconnected customers	**14,249,851**	**14,249,851**	12,800,053	12,800,053
Total	**34,447,744**	**19,140,492**	29,114,944	17,465,683

The Company has collateral / security against domestic customers amounting to Rs. 13,307 million (2022: Rs. 12,445 million) and replenishes such collateral based on gas consumption and requirement of the customers. When recovery is not made within one month, such customers balances are generally considered past due.

Interest accrued

As at June 30, 2023, interest accrued net of provision was Rs. 18,595 million (2022: Rs. 16,692 million). Interest is mainly accrued on customer balances which are past due. Interest on past due balances includes receivable from WAPDA and SNGPL amounting to Rs. 17,951 million (2022: 16,058 million), recovery of which is subject to inter corporate circular debt of Government entities.

Other receivables

As at June 30, 2023, other receivable financial assets amounted to Rs. 119,472 million (2022: Rs. 115,444 million). Past due other receivables amounting to Rs. 111,766 million (2022: Rs. 107,893 million) include over due balances of SNGPL amounting to Rs. 109,256 million (2022: Rs. 105,382 million), JJVL amounting to Rs. 2,502 million (2022: Rs. 2,502 million) and of SSGC LPG amounting to Rs. 8 million (2022: Rs. 9 million).

54.1.4 Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. Concentration of credit risk is determined with references to the individual customers / counter parties, type as well as geographical distribution of customers / counterparties. Concentration of credit risk in financial assets of the Company is as follows:

Trade debts

Customer category wise concentration of credit risk in respect of trade debts at year end is as follows:

	2023	2022
	--------- (Rupees in '000) --------	
Industrial customers		
Power generation companies	**57,113,103**	45,856,211
Cement industries	**1,057,654**	1,057,654
Fertilizer and steel industries	**26,044,496**	25,842,662
Other industries	**16,751,501**	15,762,297
	100,966,754	88,518,824
Commercial customers	**1,971,029**	2,040,643
Domestic customers	**15,307,253**	11,649,733
	118,245,036	102,209,200

Geographical region wise concentration of credit risk in respect of trade debts at year end is as follows:

Karachi	**98,578,329**	83,432,012
Sindh (excluding Karachi)	**14,418,037**	13,208,574
Balochistan	**5,248,670**	5,568,614
	118,245,036	102,209,200

Net investment in finance lease

The Company's most significant investment in finance lease amounted to Rs. Nil (2022: Rs. 73,321 million) in respect of SNGPL.

Interest accrued

Most significant counter parties of the Company in respect of interest accrued are disclosed in note 18 to these unconsolidated financial statements.

Other receivables

Most significant other receivables of the Company are in respect of lease rental, lease service cost, contingent rent and uniform cost of gas agreement with SNGPL as disclosed in note 19 to these unconsolidated financial statements. These balances are subject to inter corporate circular debt.

54.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfill its obligation, monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Carrying amount	Contractual cash flows	Not later than six months	Later than six months but not later than 1 year	Later than one year but not later than 2 years	Later than 2 years
	---------- (Rupees in '000) ----------					
As at June 30, 2023						
Long term finance	**32,189,312**	**(52,163,064)**	**(5,818,993)**	**(5,669,297)**	**(18,540,271)**	**(22,134,504)**
Payable against transfer of pipeline	**684,981**	**(916,191)**	**(67,866)**	**(67,866)**	**(135,732)**	**(644,727)**
Short term borrowings	**34,095,705**	**(34,091,917)**	**(34,091,917)**	**-**	**-**	**-**
Trade and other payables	**889,846,901**	**(889,846,901)**	**(889,846,901)**	**-**	**-**	**-**
Interest accrued	**19,502,136**	**(19,502,136)**	**(19,502,136)**	**-**	**-**	**-**
Deposits	**27,779,873**	**(78,305,082)**	**-**	**-**	**-**	**(78,305,082)**
Lease liability	**66,315**	**-**	**-**	**-**	**-**	**-**
Employee benefits	**7,472,303**	**(7,472,303)**	**-**	**-**	**-**	**(7,472,303)**
Unclaimed dividend	**285,340**	**(285,340)**	**285,340**	**-**	**-**	**-**
	1,011,922,866	**(1,082,582,934)**	**(949,042,473)**	**(5,737,163)**	**(18,676,003)**	**(108,556,616)**

	Carrying amount	Contractual cash flows	Not later than six months	Later than six months but not later than 1 year	Later than one year but not later than 2 years	Later than 2 years
	---------- (Rupees in '000) ----------					
As at June 30, 2022						
Long term finance	23,680,374	(30,060,503)	(5,599,823)	(3,603,260)	(12,871,744)	(7,985,677)
Payable against transfer of pipeline	755,645	(1,051,922)	(67,866)	(67,866)	(135,732)	(780,458)
Short term borrowings	23,878,298	(23,878,298)	(23,878,298)	-	-	-
Trade and other payables	643,433,454	(643,433,454)	(643,433,454)	-	-	-
Interest accrued	17,957,484	(17,957,484)	(17,957,484)	-	-	-
Deposits	24,506,273	(77,533,156)	-	-	-	(77,533,156)
Lease liability	74,504	(74,504)	-	(55,475)		(19,029)
Employee benefits	7,724,066	(7,724,066)	-	-	-	(7,724,066)
Unclaimed dividend	285,373	(285,373)	285,373	-	-	-
	742,295,471	(801,998,760)	(690,651,552)	(3,726,601)	(13,007,476)	(94,042,386)

The contractual cash flows relating to the above financial liabilities have been determined on the basis of latest available market rates. The rates of mark-up have been disclosed in notes 25 and 26 to these unconsolidated financial statements. Contractual cash flows of the long term deposits are determined on the assumption that adjusted / refund of these deposits will not be required before expiry of 40 years from reporting date.

54.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The market risk comprises of currency risk, interest rate risk and other price risk (equity price risk).

54.3.1 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to currency risk on creditors for gas that are denominated in a currency other than functional currency of the Company. The currency in which these transactions primarily are denominated is US Dollars. The Company's exposure to foreign currency risk is as follows:

	2023		2022	
	Rupees in '000	US Dollars in '000	Rupees in '000	US Dollars in '000
Creditors for gas	**164,928,840**	**574,465**	68,461,531	332,338
Estimated forecast gas purchases	**140,867,053**	**505,262**	164,928,840	574,465
	305,795,893	**1,079,727**	233,390,371	906,803

Above net exposure is payable by the Company in Rupees at the rate on which these are settled by the Company. Currently, the Company does not obtain forward cover against the gross exposure as exchange loss / gain on purchases of gas and supplies is recovered from / paid to Government of Pakistan as part of guaranteed return.

The following significant exchange rates applied during the year:

Average rates		Reporting date rate	
2023	2022	2023	2022
278.80	287.10	**287.10**	206.00

Sensitivity analysis

A ten percent strengthening / (weakening) of the Rupee against US Dollar at June 30, 2023 would have (decreased) / increased trade creditors by Rs. 16,493 million (2022: Rs. 6,846 million). There is no effect of strengthening / (weakening) of US dollar on unconsolidated equity and unconsolidated statement of profit or loss of the Company as exchange loss / gain on purchases of gas and store and supplies is recovered from / paid to Government of Pakistan as part of tariff adjustments. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were as follows:

	2023	2022
	(Rupees in '000)	
Fixed rate instruments		
Financial assets		
Net investment in finance lease	**-**	73,321
Loan and advances	**59**	81
Cash and bank balances	**47,905**	19,782
Receivable against asset contribution	**337,646**	337,266
	385,610	430,450
Financial liabilities		
Long term deposits	**(14,367,284)**	(11,959,002)
Government of Sindh loan	**(801,039)**	(793,549)
Payable against transfer of pipeline	**(684,981)**	(755,645)
Lease liability	**(66,315)**	(74,504)
	(15,919,619)	(13,582,700)
Variable rate instruments		
Financial assets		
Other receivables	**18,320,669**	18,320,669
Loan to related party	**625,000**	700,000
	18,945,669	19,020,669
Financial liabilities		
Long term loan except Government of Sindh loan	**(26,721,016)**	(16,408,823)
Short term borrowings	**(34,095,705)**	(23,878,298)
Trade and other payables	**(588,195,344)**	(424,266,938)
	(649,012,065)	(464,554,059)
	(630,066,396)	(445,533,390)

Fixed rate instruments bear fixed interest rate while all other borrowings bear variable interest rate and are indexed to KIBOR. Borrowing is generally determined on the basis of business needs. The Company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through unconsolidated statement of profit or loss. Therefore, a change in interest rates at the reporting date would not affect the unconsolidated statement of profit or loss and the equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have net increased or (net decreased) the unconsolidated statement of profit or loss of the Company as at June 30, 2023, by Rs. 6,301 million (2022: Rs.4,456 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2022.

Equity price risk

Equity price risk is the risk of changes in the fair value of equity securities as the result of changes in the levels of KSE-100 Index and the value of individual shares. The equity price risk exposure arises from the Company's investments in listed equity securities. This arises from investments held by the Company for which prices in the future are uncertain. The fair value of listed equity investments of the Company that are exposed to price risk as at June 30, 2023 is Rs. 152 million (2022: Rs. 152 million).

A ten percent increase / decrease in the prices of listed equity securities of the Company at the reporting date would have increased / (decreased) long term investment and unconsolidated equity by Rs. 15.2 million (2022: Rs. 15.2 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

Fair value measurements

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

The carrying values of all financial instruments reflected in these unconsolidated 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, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (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.

	2023			
	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**
Financials assets - through OCI				
Quoted equity securities	**151,704**	**-**	**-**	**151,704**

	2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Non-financial assets				
Operating fixed assets - free hold and lease hold land	-	54,797,258	-	54,797,258
Financials assets - through OCI				
Quoted equity securities	152,363	-	-	152,363

There have been no transfers during the year (2022: no transfers in either direction).

Financial instruments by categories

	Financial assets		
	Amortized cost	FVTOCI	Total
	(Rupees in '000)		
As at June 30, 2023			
Trade debts	**118,245,036**	**-**	**118,245,036**
Net investment in finance lease	**-**	**-**	**-**
Loans and advances	**1,855,811**	**-**	**1,855,811**
Deposits	**31,499**	**-**	**31,499**
Cash and bank balances	**384,019**	**-**	**384,019**
Interest accrued	**18,107,569**	**-**	**18,107,569**
Other receivables	**119,471,929**	**-**	**119,471,929**
Long term investments	**-**	**151,704**	**151,704**
	258,095,863	**151,704**	**258,247,567**

	Financial assets		
	Amortized cost	FVTOCI	Total
	(Rupees in '000)		
As at June 30, 2022			
Trade debts	102,209,200	-	102,209,200
Net investment in finance lease	73,321	-	73,321
Loans and advances	1,990,161	-	1,990,161
Deposits	29,503	-	29,503
Cash and bank balances	763,015	-	763,015
Interest accrued	16,204,391	-	16,204,391
Other receivables	115,443,944	-	115,443,944
Long term investments	-	152,363	152,363
	236,713,535	152,363	236,865,898

	Financial liabilities at amortised cost	
	2023	2022
	---------- (Rupees in '000) ----------	
Long term finance	**32,189,312**	23,680,374
Payable against transfer of pipeline	**684,981**	755,645
Short term borrowings	**34,095,705**	23,878,298
Trade and other payables	**889,846,901**	643,433,454
Interest accrued	**19,502,136**	17,957,484
Long term deposits	**27,779,873**	24,506,273
Lease liability	**66,315**	74,504
	1,004,165,223	734,286,032

Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue new shares.

The Company is not subject to externally imposed regulatory capital requirements.

	2023	2022
	---------- (Rupees in '000) ----------	
The gearing ratio as at June 30 is as follows:		
Total borrowings		
Long term finance	**27,335,388**	17,015,705
Short term borrowings	**34,095,705**	23,878,298
Current portion of long term finance	**4,853,924**	6,664,669
	66,285,017	47,558,672
Less: Cash and bank balances	**(384,019)**	(763,015)
Net debts	**65,900,998**	46,795,657
Capital employed	**66,285,017**	43,079,819
Gearing ratio	**0.99**	1.09

55 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)

55.1 Segment revenue and results

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

	2023	2022
	Segment Profit / (loss)	
	--------- (Rupees in '000) ----------	
Return on Assets net of UFG disallowance		
Gas transmission	**12,153,804**	8,486,570
Gas distribution and marketing		
- Lower Sindh	**2,721,960**	(2,097,342)
- Upper Sindh	**495,575**	(1,453,603)
- Balochistan	**(19,572,351)**	(13,057,012)
Meter manufacturing	**18,361**	7,891
Total segment results	**(4,182,651)**	(8,113,496)
Unallocated		
Finance cost	**(8,618,746)**	(5,190,235)
Other income - net	**11,210,514**	5,568,246
Loss before tax	**(1,590,883)**	(7,735,485)

The accounting policies of the reportable segments are same as disclosed in note 4.23 to these unconsolidated financial statements.

	2023	2022
	--------- (Rupees in '000) ----------	
Segment assets and liabilities		
Segment assets		
Gas transmission	**252,824,175**	211,254,930
Gas distribution and marketing		
- Lower Sindh	**566,123,988**	428,321,706
- Upper Sindh	**120,206,375**	84,625,629
- Balochistan	**108,273,978**	48,864,236
Meter manufacturing	**1,593,590**	1,108,124
Total segment assets	**1,049,022,106**	774,174,625
Unallocated		
- Loans and advances	**1,875,811**	1,990,161
- Taxation - net	**13,844,382**	16,079,192
- Interest accrued	**487,739**	487,739
- Cash and bank balances	**384,019**	3,078,230
	16,591,951	21,635,322
Total assets as per unconsolidated statement of financial position	**1,065,614,057**	795,809,947

	2023	2022
	--------- (Rupees in '000) ----------	
Segment Liabilities		
Gas transmission	**134,308,007**	120,648,252
Gas distribution and marketing		
- Lower Sindh	**600,142,869**	460,918,599
- Upper Sindh	**125,642,677**	90,537,349
- Balochistan	**208,028,372**	127,923,669
Meter manufacturing	**180,045**	260,931
Total liabilities as per unconsolidated statement of financial position	**1,068,301,970**	800,288,800

56 EVENTS AFTER THE REPORTING DATE

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

57 NUMBER OF EMPLOYEES

	2023	2022
	Number of employees	
Total number of employees as at the reporting date	**6,590**	6,796
Average number of employees during the year	**6,693**	6,834

58 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified to reflect more appropriate presentation of events and transaction for the purpose of comparison, which are as follow:

Description	(Rupee in 000)	Reclassified	
		From	To
Receivable from GPO against gas bill	**2,315,215**	Cash and Bank	Other receivable
Receivable against GID Cess	**6,876,666**	Trade debts	Other receivable

59 DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue in Board of Directors meeting held on November 5, 2024.

60 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


Monthly Budget
Actual Summary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUI SOUTHERN GAS COMPANY LIMITED
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the annexed consolidated financial statements of Sui Southern Gas Company Limited (the Holding Company) and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, consolidated financial statements give a true and fair view of the consolidated financial position as of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Qualified Opinion

1. As disclosed in notes 15.1 and 15.2 to the consolidated financial statements, trade debts include receivables of Rs. 26,289 million and Rs. 22,272 million from K-Electric Limited (KE) and Pakistan Steel Mills Corporation (Private) Limited (PSML), respectively. Significant portion of such receivables include overdue amounts, which have been considered good by management and classified as current assets in the consolidated financial statements. Further, KE and PSML have disputed the Late Payment Surcharge (LPS) on their respective balances due to which management has decided to recognize LPS on a receipt basis from the aforesaid entities effective from July 01, 2012.

   Due to the adverse operational and financial conditions of PSML, disputes by KE and PSML with the Group on LPS, and large accumulation of their respective overdue amounts, we were unable to determine the extent to which the total amounts due from KE and PSML were likely to be recovered including the timeframe over which such recovery will be made;

2. As disclosed in note 18 to the consolidated financial statements, interest accrued includes interest receivable of Rs. 12,093 million and Rs. 5,858 million from Sui Northern Gas Pipeline Limited (SNGPL) and Water and Power Development Authority (WAPDA), respectively. These have been accounted for in line with the Group's policy of charging LPS on overdue amounts, but have not been acknowledged by the counter-party. Due to dispute with WAPDA and SNGPL, and large accumulation of their respective overdue amounts of interest, we were unable to determine the extent to which the interest accrued amounts due from SNGPL and WAPDA are likely to be recovered including the timeframe over which such recovery will be made.

   We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following

1. Note 1.4 to the consolidated financial statements which states that in view of the financial position of the Group, the Government of Pakistan (Finance Division) has confirmed to extend necessary financial support to the Holding Company for the foreseeable future to maintain its going concern status. Hence, the sustainability of the future operations of the Group is dependent on the said support;

2. Note 37.1 to the consolidated financial statements which describes that the Group has not recognized the accrued markup up to June 30, 2023 amounting to Rs. 176,291 million relating to Government Controlled E&P Companies based on government advise and a legal opinion;

3. Note 38.1.1 and 38.2 to the consolidated financial statements which inter alia describe that the Group is subject to various material litigations and claims pending adjudication in different courts. The outcome of these cases is uncertain and beyond management's control; and

4. Note 19.2, 36.2 and 38.1.2 to the consolidated financial statements which describes certain long outstanding matters prior to June 2020 pending settlement with SNGPL whose resolution is dependent on the OGRA's appointed consultant report.

   Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No	Key Audit Matters	How the matter was addressed in our audit
1.	**REVENUE** The Group's total revenue is amounting to Rs. 449,501 million, which is predominantly generated from sales of gas, representing a significant element of the consolidated financial statements as disclosed in note 39 and 40. Revenue includes sales of indigenous and RLNG gas to the customers under an agreement based on single performance obligation satisfied over time, whereas progress of the performance obligation is measured using the output method, by an amount representing volume of gas delivered as metered monthly in arrears, that may include estimates for provisional billing and passing-unregistered-gas, at the various rates prescribed by the OGRA and Tariff adjustments which are calculated as per OGRA Ordinance, 2002 and Final Revenue Requirement determined by the OGRA. The risk of material misstatement was considered significant due to high inherent and control risk on completeness, existence and accuracy of revenue. In view of the significance of revenue and high assessed risk of material misstatement, revenue is considered as key audit matter.	We performed a range of audit procedures in relation to revenue including the following: • Obtained understanding of the process for recognition of revenue and considered the appropriateness of the Group's revenue recognition accounting policies as per requirement of applicable financial reporting framework; • Tested the design and operating effectiveness of key controls in relation to the recognition of revenue; • Performed test of details on revenue recognized during the year, on a sample basis, inspected meter reading documents, sales agreement, gas bills and rates from Oil and Gas Regulatory Authority (OGRA) notification; • Obtained and examined the Final Revenue Requirement (FRR) determined by the OGRA and checked that the tariff adjustment is as per the revenue requirement; and • Assessed the adequacy of the disclosures made in respect of revenue in accordance with financial reporting standards.
2.	**EMPLOYEE BENEFITS OBLIGATION** As disclosed in note 19, 28 and 36 to the consolidated financial statements, the Group operates various Employee benefit plans. The Group's net obligation in respect of these plans as at June 30, 2023 aggregated to Rs. 13,447 million. Valuation of these plans require significant level of judgment and technical expertise to select appropriate valuation assumptions. Changes in the key assumptions	Our audit procedures relating to employee benefits obligation, amongst others, included the following: • Assessed competence and objectivity of the actuaries engaged by the Group to value obligations under the plans and reviewed the actuarial valuation reports to understand the basis and methodology used in such valuation; • Tested data provided by the Group to actuaries for the purpose of valuation;

S. No	Key Audit Matters	How the matter was addressed in our audit
	(discount rate, salary increase and retirement age etc.) may have a material impact on the calculation of these obligations, under the plans. We identified this area as a key audit matter because of significant estimation, uncertainty and use of management judgment relating to valuation assumptions that are inherently complex and require specialist actuarial input.	• Reviewed the adequacy of the related disclosures in the consolidated financial statements in accordance with applicable financial reporting framework.
3.	**CAPITAL EXPENDITURE** As disclosed in note 5 to the consolidated financial statements, the Group has incurred significant amount of capital expenditure including transfer to operating assets during the year amounting to Rs. 30,621 million. We focused on capital expenditure incurred during the year as this represents a significant transaction for the year and involves certain judgmental areas, such as management's estimates about the useful life of assets and capitalization of elements of eligible components of cost as per the applicable financial reporting standards. Therefore, we have identified this as a key audit matter.	Our key audit procedures in this area included, amongst others, included the following: • We obtained understanding of the Group process with respect to capital expenditure and related controls relevant to such process; • We performed substantive audit procedures through inspection of related documents supporting various components of the capitalized costs; • We also considered whether the items of cost capitalized meet the recognition criteria of an asset in accordance with the applicable financial reporting standards; • We reviewed management's estimates about the useful life of assets so capitalized and consequent depreciation rates used by the Group; and • We assessed the adequacy of consolidated financial statements disclosures in accordance with the applicable financial reporting framework work.

Information Other than the Financial Statements and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: November 07, 2024

UDIN: AR202310166uk9te0cbY

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2023

	Note	2023	2022
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**190,958,742**	178,290,263
Intangible assets	6	**195,756**	226,754
Right of use assets	7	**87,343**	100,320
Deferred taxation	8	**8,398,508**	2,973,990
Long term investments	9	**151,704**	152,363
Long term loans and advances	11	**141,249**	143,382
Long term deposits		**21,136**	19,640
Total non-current assets		**199,954,438**	181,906,712
Current assets			
Stores, spares and loose tools	12	**3,672,903**	3,651,684
Stock-in-trade	13	**4,465,329**	2,575,577
Current portion of net investment in finance lease	10	**-**	73,321
Customers' installation work-in-progress	14	**266,312**	244,305
Trade debts	15	**118,296,349**	102,219,864
Loans and advances	16	**318,846**	324,593
Advances, deposits, and short term prepayments	17	**725,535**	1,160,835
Interest accrued	18	**18,566,043**	16,672,917
Other receivables	19	**707,804,709**	471,195,282
Taxation - net	20	**15,041,933**	16,600,280
Short term investments	21	**129,223**	129,223
Cash and bank balances	22	**553,746**	969,582
Total current assets		**869,840,928**	615,817,463
TOTAL ASSETS		**1,069,795,366**	797,724,175

The annexed notes 1 to 61 form an integral part of these consolidated financial statements.

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2023

	Note	2023	2022
		(Rupees in '000)	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital	23	**8,809,163**	8,809,163
Reserves	24	**4,907,401**	4,907,401
Surplus on re-measurement of FVTOCI securities		**115,177**	115,836
Surplus on revaluation of property, plant and equipment	25	**60,742,638**	55,014,936
Accumulated loss		**(75,591,728)**	(72,421,784)
		(1,017,349)	(3,574,448)
LIABILITIES			
Non-current liabilities			
Long term financing	26	**27,335,388**	17,015,705
Long term deposits	27	**28,694,971**	24,915,225
Employee benefits	28	**7,479,525**	7,724,066
Payable against transfer of pipeline	29	**607,696**	684,981
Deferred credit	30	**5,199,216**	4,304,590
Contract liabilities	31	**9,766,898**	9,517,256
Lease liability	32	**33,559**	39,568
Long term advances	33	**3,337,572**	3,971,110
Total non-current liabilities		**82,454,825**	68,172,501
Current liabilities			
Current portion of payable against transfer of pipeline	29	**77,285**	70,664
Current portion of deferred credit	30	**510,445**	443,575
Current portion of contract liabilities	31	**296,964**	262,881
Current portion lease liability	32	**53,295**	55,887
Current portion of long term financing	34	**4,853,924**	6,664,669
Short term borrowings	35	**34,981,575**	23,878,298
Trade and other payables	36	**927,692,564**	683,461,751
Short term deposits		**96,324**	45,540
Unclaimed dividend		**285,340**	285,373
Interest accrued	37	**19,510,174**	17,957,484
Total current liabilities		**988,357,890**	733,126,122
Total liabilities		**1,070,812,715**	801,298,623
Contingencies and commitments	38		
TOTAL EQUITY AND LIABILITIES		**1,069,795,366**	797,724,175

The annexed notes 1 to 61 form an integral part of these consolidated financial statements.

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended June 30, 2023

	Note	2023	2022
		(Rupees in '000)	
Revenue from contracts with customers - Gas sales	39	**240,737,757**	299,628,511
Tariff adjustments	40	**208,763,422**	75,930,537
Net sales		**449,501,179**	375,559,048
Cost of sales	41	**(423,300,718)**	(367,840,505)
Gross profit		**26,200,461**	7,718,543
Administrative and selling expenses	42	**(6,289,640)**	(5,251,848)
Other operating expenses	43	**(35,065,851)**	(20,420,074)
Allowance for expected credit loss	15.3	**(1,907,945)**	(2,121,563)
		(43,263,436)	(27,793,485)
		(17,062,975)	(20,074,942)
Other income	44	**25,262,125**	17,629,800
Profit / (loss) before interest and taxation		**8,199,150**	(2,445,142)
Finance cost	45	**(8,640,565)**	(5,196,036)
Loss before taxation		**(441,415)**	(7,641,178)
Taxation	46	**(394,642)**	(3,770,841)
Loss for the year		**(836,057)**	(11,412,019)
		(Rupees)	
Loss per share - basic and diluted	48	**(0.95)**	(12.95)

The annexed notes 1 to 61 form an integral part of these consolidated financial statements.

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2023

	2023	2022
	(Rupees in '000)	
Loss for the year	**(836,057)**	(11,412,019)
Other comprehensive income		
Items that will not be reclassified subsequently to consolidated statement of profit or loss:		
Remeasurement loss of post retirement benefit obligation - net	**(2,333,887)**	(568,299)
Unrealised loss on re-measurement of FVTOCI investments	**(659)**	(56,936)
Surplus on revaluation of property plant and equipment	**5,727,702**	29,760,121
Other comprehensive income for the year	**3,393,156**	29,134,886
Total comprehensive income for the year	**2,557,099**	17,722,867

The annexed notes 1 to 61 form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended June 30, 2023

	Note	2023	2022
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(441,415)**	(7,641,178)
Adjustments for non-cash and other items	49	**19,527,665**	13,247,738
Working capital changes	50	**(15,293,506)**	19,331,451
Financial charges paid		**(8,708,428)**	(5,084,637)
Employee benefits paid		**(208,847)**	(179,942)
Payment for retirement benefits		**(2,112,873)**	(1,157,912)
Long term deposits received - net		**3,779,746**	1,680,575
Deposits received / (paid) - net		**49,288**	101
Loans and advances to employee - net		**7,880**	215,516
Interest income received		**143,745**	9,996
Income taxes paid		**(3,307,530)**	(2,500,973)
Net cash flows (used in) / generated from operating activities		**(6,564,275)**	17,920,735
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(13,413,115)**	(12,479,795)
Proceeds from sale of property, plant and equipment		**152,339**	138,385
Payment for payable against transfer of pipeline		**(135,736)**	(135,733)
Dividend received		**25,049**	23,086
Net cash used in investing activities		**(13,371,463)**	(12,454,057)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		**14,989,444**	21,131,970
Repayments of loans		**(6,466,667)**	(26,750,000)
Repayment of consumer finance		**(13,840)**	(17,807)
Repayment of lease liability		**(92,279)**	(106,276)
Dividend paid		**(33)**	(53)
Net cash generated from / (used in) financing activities		**8,416,625**	(5,742,166)
Net decrease in cash and cash equivalents		**(11,519,113)**	(275,488)
Cash and cash equivalents at beginning of the year		**(22,908,716)**	(22,633,228)
Cash and cash equivalents at the end of the year	50.1	**(34,427,829)**	(22,908,716)

The annexed notes 1 to 61 form an integral part of these consolidated financial statements.

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2023

	Issued, subscribed and paid-up capital (Note 23)	Capital reserves (Note 24)	Revenue reserves (Note 24)	Surplus on remeasurement of FVTOCI investments	Surplus on revaluation of property, plant and equipment (Note 25)	Accumulated loss	Total
	(Rupees in '000)						
Balance as at June 30, 2021	8,809,163	234,868	4,672,533	172,772	25,254,815	(60,441,466)	(21,297,315)
Total comprehensive income for the year ended June 30, 2022							
Loss for the year	-	-	-	-	-	(11,412,019)	(11,412,019)
Other comprehensive income for the year	-	-	-	(56,936)	29,760,121	(568,299)	29,134,886
Total comprehensive income for the year	-	-	-	(56,936)	29,760,121	(11,980,318)	17,722,867
Balance as at June 30, 2022	8,809,163	234,868	4,672,533	115,836	55,014,936	(72,421,784)	(3,574,448)
Total comprehensive income for the year ended June 30, 2023							
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(836,057)**	**(836,057)**
Other comprehensive income for the year	**-**	**-**	**-**	**(659)**	**5,727,702**	**(2,333,887)**	**3,393,156**
Total comprehensive income for the year	**-**	**-**	**-**	**(659)**	**5,727,702**	**(3,169,944)**	**2,557,099**
Balance as at June 30, 2023	**8,809,163**	**234,868**	**4,672,533**	**115,177**	**60,742,638**	**(75,591,728)**	**(1,017,349)**

The annexed notes 1 to 61 form an integral part of these consolidated financial statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended June 30, 2023

1 THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of:

Holding Company

- Sui Southern Gas Company Limited

	Percentage of holding	
	2023	2022
Subsidiary Company	%	%
- SSGC LPG (Private) Limited	**100**	100
- SSGC Alternate Energy (Private) Limited	**100**	-

Sui Southern Gas Company Limited

Sui Southern Gas Company Limited ("the Holding 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 Holding 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 Holding Company is transmission and distribution of natural gas in Sindh and Balochistan. The Holding Company is also engaged in certain activities related to the gas business including the manufacturing and sale of gas meters and construction contracts for laying of pipelines.

The registered office of the Holding Company is situated at SSGC House, Sir Shah Muhammad Suleman Road, Block 14, Gulshan-e-Iqbal, Karachi, whereas, 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.

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 Qasim, Karachi
- 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 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 financial statements include the 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 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 Weighted Average Cost of Capital (‘WACC’) from the year 2019 in place of the fixed rate of return of the average operating assets excluding financial, other non-operating expenses and non-operating income from the reference figure.

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

1.4 Status of the Group's Operations and Financial Performance

During the year, the Group incurred a loss after tax of Rs. 836 million (2022: Rs. 11,412 million). As of the reporting date, the Group has accumulated losses of Rs. 75,592 million (2022: Rs. 72,422 million) which resulted in a negative equity of Rs. 1,017 million (2022: Rs. 3,574 million). Further, as of that date, the current liabilities exceeded its current assets by Rs. 118,517 million (2022: Rs. 117,309 million). These factors may cast significant doubt on the Holding Company'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.

- Government of Pakistan (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 GoP (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.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

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

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

- Provision of and directives issued under the Companies Act, 2017.

Where provisions of or directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed for the preperation and presentation of these consolidated financial statements.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except otherwise disclosed in notes to the consolidated financial statements.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees, which is the Group's functional and presentation currency.

2.4 Significant accounting judgements, assumptions and estimates

The preparation of these consolidated financial statements, in conformity with accounting and reporting standards, as applicable in Pakistan, requires the Group to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including reasonable expectation of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. Revision to accounting estimates are recognised prospectively, commencing from the period of revision.

The Group has made the following accounting estimates and judgments which are significant to these consolidated financial statements.

2.4.1 Property, plant and equipment and intangible assets

The Group also carries out an annual assessment of useful lives and residual value of property, plant and equipment, and intangible assets. Any change in the useful life and residual value in future years might affect the carrying amounts of the respective items of property, plant and equipment, and intangible assets. Further, the Group also reviews the recoverable amount of the assets for possible impairment on an annual basis.

2.4.2 Stock in trade and stores, spares and loose tools

Stock in trade

The Group regularly reviews the net realisable value of stock in trade to assess any diminution in the carrying values. Net realisable value is determined with reference to estimated selling price in ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Stores, spares and loose tools

The Group reviews stores, spares and loose tools for possible impairment on an annual basis. Any change in the estimate in future years might affect the carrying amounts of the respective items of stores, spares and loose tools with the corresponding provision.

2.4.3 Provision for impairment of financial assets

Financial assets due from public sector consumers

Determining the recoverability of these financial assets, the Group uses objective evidence for the uncollectability of these balances due according to the original terms. Judgements made by the Group in estimating the recoverability of the balances based on the paying ability of the respective consumers and based on this estimate, the debts that are doubtful, required provision or are considered to be written off.

Other financial assets

Significant estimates are involved in the assessment of the correlation between historical observed default rates and the projection of cashflows, forecast economic conditions and the related expected credit loss. The amount of expected credit loss is sensitive to change in circumstances and forecast economic conditions.

2.4.4 Staff retirement and other service benefit obligations

Certain actuarial assumptions have been adopted as disclosed in note 47 to these consolidated financial statements for valuation of these obligations Any changes in assumptions will impact the carrying amount of these obligations.

2.4.5 Income tax

The Group takes into account the appllicable income tax law and the decisions / judgements taken by the appellate authorities. Accordingly, the current and deferred tax recognised based on these applicable laws, decisions / judgements.

2.4.6 Recognition of Tariff Adjustments

Income from tariff adjustments has been recognized according to Final Revenue Requirement (FRR) issued by OGRA for the financial year ended June 30, 2023.

2.4.7 Purchases of gas

The Holding Company records purchases of gas at the rates notified by Oil and Gas Regulatory Authority. Effect of adjustments, if any, arising from revision in purchase price is reflected as and when the prices are approved by OGRA.

2.4.8 Provisions and contingencies

The Group uses significant estimates and judgements in accounting for the contingencies and provisions relating to legal and taxation matters which are contested at various forums based on applicable laws and decisions / judgements.

3 APPLICATION OF NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

The Group has adopted all the new standards and amendments to the following accounting and reporting standards as applicable in Pakistan which became effective during the year:

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have significant impact on the consolidated financial statements other than certain additional disclosures.

		Effective date (annual periods beginning on or after)
IFRS 3	Business Combination - amendments updating a reference to the Conceptual Framework	January 01, 2022

		Effective date (annual periods beginning on or after)
IAS 16	Property, Plant and Equipment - amendments prohibiting a Group from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use	January 01, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - The amendments specify the costs should include the cost of fulfilling a contract when assessing whether a contract is onerous.	January 01, 2022

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

IFRS 7	Financial Instruments: Disclosures - Amendments relating to Supplier finance arrangements	January 01, 2024
IFRS 16	Leases - amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
IAS 1	Presentation of Financial Statements - Amendments to disclose material accounting policy information instead of its significant accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures	January 01, 2023
IAS 1	Presentation of Financial Statements - Under the amendment, the classification of certain liabilities as current or non-current may change (e.g. convertible debt). In addition, companies may need to provide new disclosures for liabilities subject to covenants	January 01, 2024
IAS 7	Statement of Cash flows - Amendments relating to supplier finance arrangements	January 01, 2024
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates, the standard defines the concept of a change in accounting estimates to help entities to distinguish between accounting policies and accounting estimates	January 01, 2023
IAS 12	Income Taxes - Amendments relating to Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

		Effective date (annual periods beginning on or after)
IAS 12	Income Taxes - Amendments relating to Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

3.3 Exemptions from applicability of certain standards and interpretations to standards

For the Holding Company

3.3.1 On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme ('Scheme') for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises where GoP holds significant investments (non-SOEs). The scheme is applicable to permanent and contractual employees who were in the employment of these entities on the date of launch of the Scheme, subject to completion of five years vesting period by contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares respective entities. To administer this scheme, GoP shall transfer 12% of its investment in such SOEs and non-SOEs to Trust Fund to be created for the purpose by each of such entities. The eligible employees would be allocated units by each Trust Fund in proportion to their respective length of service, and on retirement or termination such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units as would be determined based market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatization Commission of Pakistan (PCP) for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP.

The Scheme, developed in compliance with the stated GoP policy of empowerment of employees of State Owned Enterprises need to be accounted for by the covered entities, including the Holding Company, under the provisions of amended International Financial Reporting Standard 2 – Share-based Payment (IFRS 2). However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, the Securities & Exchange Commission of Pakistan on receiving representations from some of entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan has granted exemption to such entities from the application of IFRS 2 to the Scheme.

Had the exemption not been granted there would have been no impact on the net profit of the Group as the annual return of the Holding Company is determined under the regulatory revenue requirement, which would have covered any additional cost if incurred by the Holding Company in respect of the aforesaid Scheme.

3.3.2 The Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 67 (I) / 2023 dated January 20, 2023 in partial modification of its previous S.R.O. 1177 (1) / 2021, dated September 13, 2021 has exempted the Holding Company from application of IFRS 9 with respect to recognition requirements of Expected Credit Losses on financial assets due from GoP or ultimately due from the GoP (including receivables in context of circular debt) till December 31, 2024, provided that the Holding Company shall follow relevant requirements of IAS 39 (Financial Instruments: Recognition and Measurement), in respect of such financial assets during the exemption period.

Accordingly, there is no ECL recorded on the financial assets due from the GoP in these consolidated financial statements.

3.3.3 IFRS 14: "Regulatory Deferral Accounts" is intended to encourage rate-regulated entities to adopt IFRS while bridging the gap with similar entities that already apply IFRS, but which do not recognize regulatory deferral accounts. This would be achieved by requiring separate presentation of the regulatory deferral account balances (and movements in these balances) in the consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income. Further, IFRS 14 also requires to disclose multiple earnings per share.

As per S.R.O. 1480 (I)/2019, the Holding Company is required to implement IFRS 14 from July 01, 2019, however, the Holding Company has obtained exemption from the Securities and Exchange Commission of Pakistan (SECP) who vide its letter SMD/PRDD/2(237) 2021/92 dated November 04, 2021 has acceded to the application of the Holding Company regarding exemption from implementation of IFRS14 to the Holding Company for a period of 3 years i.e. up to financial year ended June 30, 2022. The same has been extended for one more year i.e upto financial year ended June 30, 2023 by the SECP through its letter SMD/PRDD/Comp/(4)/2021/108 dated December 8, 2023, subject to the condition that "adequate disclosure" shall be provided in the respective financial statements that clearly explain the impact if IFRS 14 had been adopted by the Holding Company."

The Holding Company has evaluated the impact under IFRS-14, which are mentioned below:

	2023	2022
	(Rupees in '000)	
Effect on consolidated statement of profit or loss		
Increase in:		
Tariff adjustments	**(208,018,266)**	(77,149,020)
Net movement in regulatory deferral account balances	**208,018,266**	77,149,020
Loss for the year before net movement in regulatory deferral account would have been	**(208,059,261)**	(87,982,421)
Effect on earning / (loss) per share - (Rs.)		
basic and diluted	**(236.19)**	(99.88)
basic and diluted including net movement in regulatory deferral account	**(0.95)**	(12.95)
Effect on consolidated statement of financial position		
Decrease in:		
Other receivable	**(498,763,607)**	(295,488,261)
Trade and other payable	**23,826,990**	28,923,211
	(474,936,617)	(266,565,050)
Regulatory deferral account	**474,936,617**	266,565,050
Decrease in:		
Deferred tax	**8,398,508**	(3,413,234)
Trade and other payable - WPPF	**59,740**	59,740
Increase in:		
Taxation net	**2,541,356**	975,425

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

4.1 Revenue recognition

The Group recognises revenue in accordance with IFRS 15 'Revenue From Contract With Customers':

Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the performance obligations for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Holding Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Holding Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Holding Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the Group satisfies a performance obligation.

Revenue comprises the fair value of the consideration received or receivable from contracts with customer in the ordinary course of the Group's activities. The Group recognizes revenue when the amount can be reliably measured and it is highly probable that a significant reversal in the amount of income recognised will not occur and specific criteria has been met for each of the Group's activities as described below:

- Revenue from gas sales is recognized on the basis of gas supplied to consumers at the rates notified by Oil and Gas Regulatory Authority (OGRA). Accruals are made to account for the estimated gas supplied between the date of last meter reading and the year end. The revenue for the Group is recognized on point in time basis as the management has determined that there is a single performance obligation i.e. supply of gas.
- Meter rentals are recognized on a monthly basis, at specified rates by the OGRA for various categories of customers. All the revenue for the Group in this category, is recognized at point in time basis as the Group has determined that there is a single performance obligation i.e. availability of meters to the customers.
- Revenue from sale of meters, Liquefied Petroleum Gas (LPG) and gas condensate is recognised on delivery to the customers.
- Deferred credit from Government is amortized and related income is recognised in the consolidated statement of profit or loss over the useful lives of related assets.
- The Group's contractual liability represents contributions received from the customer for the gas connection and laying infrastructure which includes the cost of supplying and laying of transmission lines and main lines.

  The revenue recognised of the entire arrangements is on over the time basis. The recognition is based on the useful of the infrastructure.
- Income from new service connections is amortized over the useful lives of related assets.
- Dividend income on equity investments is recognised when right to receive the payment is established.
- Late payment surcharge (LPS) on gas sales arrears is calculated from the date the billed amount is overdue and recognized when it is probable that economic benefits will flow to the entity. The revenue is recognized on over the time basis, unless otherwise stated.
- Revenue from gas transportation in respect of RLNG is recognized at point in time basis, when the committed contracted capacity is made available for the shipper in respect of

interruptible gas transportation agreements. The rate at which the revenue is determined is notified by the Oil and Gas Regulatory Authority (OGRA).

4.2 Tariff adjustment - indigenous gas

Under the provisions of license for transmission and distribution of natural gas granted to the Holding Company by OGRA, the Group is required to earn an annual return of not less than the rate of return calculated using Weighted Average Cost of Capital (WACC) on the value of its average fixed assets in operation (net of deferred credit), before corporate income taxes, interest and other charges on debt and after excluding interest, dividends and other non operating income and before incorporating the effect of efficiency benchmarks prescribed by OGRA. Any deficit or surplus on account of this is recoverable from or payable to the Government of Pakistan as Tariff adjustments.

4.3 Tariff adjustment - RLNG

As per the policy guideline issued by the Economic Coordination Committee of the Cabinet (ECC) on pricing of RLNG, the Group is allowed to earn an annual return as a percentage of the value of its average fixed assets in RLNG operation, to be determined by OGRA. Any deficit or surplus on account of this is recoverable from or payable to the RLNG customers through adjustment in future RLNG prices. The surplus or the shortfall, if any, are included in “trade and other payables” or “other receivables” respectively with the corresponding charge or credit respectively, recognised in the consolidated statement of profit or loss.

4.4 Financial Instruments

A financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.4.1 Financial assets

Classification and measurement of financial assets

Financial assets are classified into appropriate categories at amortized cost, fair value through other comprehensive income or at fair value through profit or loss. The management determines the classification of financial assets into appropriate categories based on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

At amortized cost

Financial assets are measured at amortized cost when:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income when:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding for debt intruments.

For financial assets classified as equity insturments, the Group may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI. Such classification is determined on an instrument-by-instrument basis.

Other financial assets

All financial assets which do not fall into the first two categories must be stated at fair value through profit or loss.

Initial recognition and subsequent measurement

All financial assets are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets at amortized cost are initially recognised at fair value and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in these consolidated statement of comprehensive income.

Financial assets carried at fair value through other comprehensive income are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income.

Financial assets carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in these consolidated statement of comprehensive income. Realized and unrealized gains and losses arising from changes in the fair values of the financial assets held at fair value through profit or loss are included in these consolidated statement of comprehensive income in the period in which they arise.

4.4.2 Financial liabilities

IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised.

4.4.3 Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

4.4.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in these consolidated statement of profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in these consolidated statement of profit or loss.

4.4.5 Derivative financial instruments

Derivative financial instruments if any are recognised initially at cost which is the fair value of the instrument. Subsequent to initial recognition, the derivative financial instruments are stated at fair value. Changes in fair value of derivative financial instruments are recognised in the consolidated statement of profit or loss, along with any changes in the carrying value of the hedged liability. Derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

4.4.6 Off-setting

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial positions only when there is a legally enforceable right to set-off the recognised amount and the Group intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.4.7 Impairment of financial assets

The Group recognises a loss allowance for Expected Credit Losses (ECL) on trade debts except for receivable balances as mentioned in note 3.3.2 due from GoP or ultimately due from the GoP (including receivables in context of circular debt). The amount of ECL is adjusted at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Group recognises lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(I) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(II) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

(III) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation, or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(IV) Measurement and recognition of ECL

The Group recognizes loss allowance for Expected Credit Losses (ECLs) on other financial assets measured at amortized cost other than those mentioned in note 3.3.2.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

4.5 Property, plant and equipment

Operating assets

Initial recognition

The cost of an item of operating assets is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Measurement

The cost of the operating assets includes:

(a) its purchase price including import duties, non refundable purchase taxes after deducting trade discounts and rebates; and

(b) any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Group.

Recognition of the cost in the carrying amount of an item of operating assets ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the Group.

Subsequent expenditure (including normal repairs and maintenance)

Expenditure incurred to replace a component of an item of operating assets is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the items can be measured reliably. All other expenditures (including normal repairs and maintenance) are recognised in consolidated statement of profit or loss as an expense when it is incurred.

Depreciation

Depreciation is charged to the consolidated statement of profit or loss using straight line basis over its useful life at the rate given in note 5.1 of these consolidated financial statements. Depreciation on additions is charged from the month when assets are available for use upto the date of disposal.

Assets' residual values and their useful lives are reviewed and adjusted at each reporting date if significant and appropriate.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and are recognised in these consolidated statement profit or loss.

Surplus on revaluation of property, plant and equipment

Any revaluation increase arising on the revaluation of leasehold land and freehold land is recognised in other comprehensive income and presented as a separate component of equity as “Revaluation surplus on property, plant and equipment”, except to the extent that it reverses a revaluation decrease for the same asset.

Previously recognised in these consolidated statement of profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of leasehold land and freehold land is charged to consolidated statement of profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset.

The revaluation reserve is not available for distribution to the Group’s shareholders.

Capital work in progress

Capital work in progress is stated at cost less accumulated impairment loss, if any. The cost consists of expenditure incurred and advances made in the course of their construction and installation. Transfers are made to the relevant asset category as and when assets are available for intended use.

4.6 Intangible assets

An intangible asset is recognised as an asset, if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Intangible assets are measured initially at cost and subsequently stated at cost less accumulated amortization and impairment losses, if any.

Intangible asset with a finite useful life is amortized on a straight line basis at the rates as mentioned in note 6 to these consolidated financial statements. Amortization begins when the asset is available for use and ceases when the asset is derecognised. Amortization charge is recognised in consolidated statement of profit or loss.

4.7 Leases - Right of use assets

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

Right of use assets

The right-of-use assets (ROUA) is initially measured at cost which is the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying or to restore the underlying asset or the site on which it is located, less any lease incentive received. Subsequently, ROUA is measured at cost less accumulated depreciation and impairment losses, if any. The ROUA is depreciated using the straight line basis over the lease term or useful life of the ROUA whichever is earlier at rates mentioned in note 7 of these consolidated financial statements.

Lease Liability

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

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

The Group has not elected to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets.

4.8 Borrowing costs

The borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying assets in which case such costs are capitalised as part of the cost of their assets, net-off interest income as the Group's investments on their borrowings.

All other borrowing costs are charged off in the consolidated statement of profit or loss in the period in which they are incurred.

The Group determines a weighted average capitalization rate in case of general borrowings attributable to qualifying asset.

4.9 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to identify circumstances indicating occurrence of impairment. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. An impairment loss is recognised, as an expense in the consolidated statement of profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. The reversal of impairment loss is recognised as an income immediately, unless the relevant asset is carried at a revalued amount, in which the reversal of the impairment loss is treated as a revaluation increase.

4.10 Net investment in finance lease

Contractual arrangements, the fulfilment of which is dependent upon the use of a specific asset and whereby the right to use the underlying asset is conveyed to the customer, are classified as finance lease. Net investment in finance lease is recognised at an amount equal to the present value of the lease payments receivable, including any guaranteed residual value determined at the inception of lease. Discount rate used in the calculation of the present value of minimum lease payments is the interest rate implicit in the lease. Any recoveries from customers in respect of the service cost and contingent rent are excluded from the minimum lease payments and are recorded as recoveries of transmission and distribution cost from the lessee and gas transportation income respectively. Interest income from net investment in finance lease is recognised on a pattern reflecting a constant periodic return on the Group's net investment in finance lease.

4.11 Stores, spares and loose tools

Stores, spares and loose tools are valued at weighted average cost except in-transit, which are valued at cost comprising invoice value plus other charges paid there on till the reporting date.

A provision is made for slow moving and obsolete stores, spares and loose tools.

4.12 Stock-in-trade

Gas in pipelines

Stock of gas in transmission pipelines is valued at the lower of cost and net realizable value. Cost is determined on weighted average method. Net realisable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make the sale.

Meter manufacturing division

Stock of meter manufacturing is valued at the lower of cost and net realizable value. The cost is determined as follows;

- Component Material	At moving average cost comprising purchase price, transportation cost and other overheads.
- Work in process and finished goods	At moving average cost comprising direct cost of material, labour and other production and related overheads.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimate cost necessary to make sales.

4.13 Trade debts and other receivables

Trade debts and other receivables are recognised initially at fair value and subsequently, the Group measures the loss allowance, if any. The Group measures the loss allowance for trade and other recievables at an amount equal to lifetime expected credit losses (ECL), other than receivables from public sector companies which is based on incurred loss model and impairment is determined when there is an objective evidence that balances get impaired.

4.14 Trade and other payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group .

4.15 Borrowings

From financial institutions

Borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortized cost. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for atleast 12 months after reporting date.

From Government Authorities

Long term loans received from the Government of Sindh with interest rate lower than prevailing market interest rates for a similar instrument are initially measured at fair value. The fair value is estimated at the present value of all future cash payments discounted using the prevailing market rate of interest for a similar instrument with a similar credit rating. Difference between fair value and proceeds received is treated as government grant and is amortized over the useful life of related asset constructed.

4.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.17 Contingencies

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

4.18 Taxation

Current

The current tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted on the statement of financial position date, and any adjustment or tax payable in respect of prior years. The tax is recognized in these consolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly to equity. In this case the tax is also recognized in other comprehensive income or directly to equity, respectively.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realized.

4.19 Staff retirement benefits

The Group operates the following retirement schemes for its employees:

- Approved funded pension and gratuity schemes for all employees.

  Liability under these schemes is recognised in the period in which the benefit is earned based on the actuarial valuations that is carried out annually under the projected unit credit method.

Actuarial gains and losses arising from the actuarial valuation are recognised immediately and presented in consolidated statement of comprehensive income.

Past service cost is recognised in consolidated statement of profit or loss at the earlier of when the amendment or curtailment occurs.

Unfunded free medical and gas supply facility schemes for its executive employees

Liability under these schemes is recognised in the period in which the benefit is earned based on the actuarial valuations that is carried out annually under the projected unit credit method. The free gas supply facility has been discontinued for employees retiring after December 31, 2000.

Defined contribution scheme

Approved contributory provident funds for all employees (defined contribution scheme).

The Group operates a recognised provident fund for all its employees. Equal contributions are made, both by the Group and the employees, to the fund at the rate of 7.5% of basic salary in the case of executive employees and 8.33% of basic salary and adhoc relief cost of living allowance in the case of non executive employees and the same is charged to these consolidated statement of profit or loss.

A non-contributory benevolent fund, under which only the employees contribute to the fund.

Compensated absences

The Group provides for compensated leave absences. Provision is recorded on the basis of actuary's recommendation. The actuarial valuation is carried out using the Project Unit Credit Method. Under this method, the cost of providing compensated leave absences is charged to the consolidated statement of comprehensive income so as to spread the cost over the service lives of the employees in accordance with the advice of qualified actuary.

4.20 Foreign currency translation

Transactions in foreign currencies are translated into Pakistan rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani rupees at the rates of exchange ruling at the reporting date. Exchange gains and losses are taken to the consolidated statement of profit or loss.

4.21 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is an identifiable component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment. The following are the segments identifies and is consistent with the international financial reporting standards.

- **Gas transmission and distribution**

  Gas transmission and distribution segment is engaged in transmission and distribution of natural gas and construction contracts for laying of pipelines in Sindh and Balochistan.

- **Meter manufacturing**

  Meter manufacturing segment is engaged in manufacture and sale of gas meters.

4.22 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits in banks, short term running finance and short term liquid investments that are readily convertible to known amounts of cash.

4.23 Earnings per share

Earnings per share is calculated by dividing the profit / (loss) after tax for the year by the weighted average number of shares outstanding during the year.

4.24 Dividend and reserves appropriation

Dividend is recognised as a liability in the consolidated statement of financial position in the period in which it is declared. Movement in reserves is recognised in the year in which it is approved.

4.25 Share Capital

Ordinary shares are classified as equity and recognised at their face value. Discount on issue of shares is separately reported in consolidated statement of changes in equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees in '000)	
Operating assets	5.1	**178,316,370**	163,318,855
Capital work in progress	5.2	**12,642,372**	14,971,408
		190,958,742	178,290,263

5.1 Operating assets

Description	Freehold land	Leasehold land	Leasehold land-Terminal QP-5	Civil structure on leasehold land - Trestle and Jetty	Buildings on freehold land	Buildings on leasehold land	Roads, pavements and related infrastructures	Gas transmission pipeline	Gas distribution system	Compressors
	(Rupees in '000')									
Net carrying value basis year ended June 30, 2023										
Opening net book value (NBV)	39,538,556	15,799,588	503,261	724,899	-	882,568	350,576	41,024,185	52,905,471	7,414,963
Revaluation	4,308,970	1,418,732	-	-	-	-	-	-	-	-
Additions / transfer from CWIP (at cost)	-	6,904	-	76,569	-	168,398	-	2,746,801	11,971,547	346,755
Disposals (NBV)	-	-	-	-	-	-	-	-	(653,031)	-
Transfers (NBV)	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(1,413)	(55,980)	-	(133,890)	(1,092)	(1,230,942)	(4,637,425)	(828,490)
Closing net book value	**43,847,526**	**17,225,224**	**501,848**	**745,488**	**-**	**917,076**	**349,484**	**42,540,044**	**59,586,562**	**6,933,228**
Gross carrying value basis year ended June 30, 2023										
Cost	43,847,526	17,225,224	518,451	1,340,263	324,492	3,058,845	797,820	64,937,341	122,525,122	14,173,195
Accumulated depreciation	-	-	(16,603)	(594,775)	(324,492)	(2,141,769)	(448,336)	(22,397,297)	(62,938,560)	(7,239,967)
Net book value	**43,847,526**	**17,225,224**	**501,848**	**745,488**	**-**	**917,076**	**349,484**	**42,540,044**	**59,586,562**	**6,933,228**
Net carrying value basis year ended June 30, 2022										
Opening net book value (NBV)	12,733,793	12,844,231	504,674	716,636	-	987,311	350,616	41,828,280	46,105,072	7,035,242
Revaluation	26,804,763	2,955,358	-	-	-	-	-	-	-	-
Additions / transfer from CWIP (at cost)	-	-	-	61,744	-	30,415	-	458,817	6,741,229	1,574,765
Disposals (NBV)	-	-	-	-	-	-	-	-	(93,899)	-
Transfers (NBV)	-	(1)	-	-	-	4	-	4,078	(4,212)	-
Change in estimate of useful life (note 2.4.1)	-	-	-	-	-	-	-	-	6,048,548	-
Depreciation charge	-	-	(1,413)	(53,481)	-	(135,162)	(40)	(1,266,990)	(5,891,267)	(1,195,044)
Closing net book value	**39,538,556**	**15,799,588**	**503,261**	**724,899**	**-**	**882,568**	**350,576**	**41,024,185**	**52,905,471**	**7,414,963**
Gross carrying value basis year ended June 30, 2022										
Cost	39,538,556	15,799,588	518,451	1,263,694	324,492	2,890,447	797,820	62,190,540	111,206,606	13,826,440
Accumulated depreciation	-	-	(15,190)	(538,795)	(324,492)	(2,007,879)	(447,244)	(21,166,355)	(58,301,135)	(6,411,477)
Net book value	**39,538,556**	**15,799,588**	**503,261**	**724,899**	**-**	**882,568**	**350,576**	**41,024,185**	**52,905,471**	**7,414,963**
Depreciation rate (% per annum)	**-**	**-**	**5**	**5**	**5**	**3**	**5**	**6 to 12.5**	**15 to 50**	**10**

Telecommunication	Cylinders	Spherical tanks	Plant and machinery	Tools and equipment	Motor vehicles	Bowsers and bobtails	Furniture and fixture	Office equipment	Computer and ancillary equipments	Supervisory control and data acquisition system	Construction equipment	Total
						(Rupees in '000')						
126,489	250,495	580,977	1,336,106	54,191	924,589	84,854	36,311	94,453	311,238	107,969	267,117	163,318,855
-	-	-	-	-	-	-	-	-	-	-	-	5,727,702
56,822	576,643	-	463,774	36,439	494,697	19,308	33,347	45,205	132,555	31,915	-	17,207,679
(554)	-	-	(2,952)	-	(34,790)	-	-	(4)	(167)	(120)	-	(691,618)
-	-	-	260,124	-	-	-	-	-	-	-	(260,124)	-
(43,796)	(54,073)	(32,387)	223,126	(30,756)	(160,801)	(7,743)	(18,000)	(39,612)	(147,057)	(38,924)	(6,993)	(7,246,248)
138,961	**773,065**	**548,590**	**2,280,178**	**59,874**	**1,223,695**	**96,419**	**51,658**	**100,042**	**296,569**	**100,840**	**-**	**178,316,370**
1,140,958	1,000,450	1,018,116	5,331,802	620,347	3,904,606	167,844	603,014	753,744	1,673,877	1,259,931	2,896,366	289,119,334
(1,001,997)	(227,385)	(469,526)	(3,051,624)	(560,473)	(2,680,911)	(71,425)	(551,356)	(653,702)	(1,377,308)	(1,159,091)	(2,896,366)	(110,802,963)
138,961	**773,065**	**548,590**	**2,280,178**	**59,874**	**1,223,695**	**96,419**	**51,658**	**100,042**	**296,569**	**100,840**	**-**	**178,316,370**
172,965	234,212	613,364	1,375,803	27,779	952,893	91,957	27,017	81,314	204,362	188,135	333,150	127,408,805
-	-	-	-	-	-	-	-	-	-	-	-	29,760,121
1,449	45,093	-	251,747	47,889	166,995	-	20,004	55,559	158,297	-	-	9,614,003
(244)	-	-	(1,192)	-	(42,598)	-	1	(230)	(9)	-	(531)	(138,702)
(1)	-	-	14,118	972	74	-	55	(1,041)	79	-	(14,125)	-
-	-	-	-	-	-	-	-	-	-	-	-	6,048,548
(47,680)	(28,810)	(32,387)	(304,370)	(22,449)	(152,775)	(7,103)	(10,766)	(41,149)	(51,491)	(80,166)	(51,377)	(9,373,920)
126,489	**250,495**	**580,977**	**1,336,106**	**54,191**	**924,589**	**84,854**	**36,311**	**94,453**	**311,238**	**107,969**	**267,117**	**163,318,855**
1,084,690	423,807	1,018,116	4,610,856	583,908	3,444,699	148,536	569,667	708,543	1,541,489	1,228,136	3,156,490	266,875,571
(958,201)	(173,312)	(437,139)	(3,274,750)	(529,717)	(2,520,110)	(63,682)	(533,356)	(614,090)	(1,230,251)	(1,120,167)	(2,889,373)	(103,556,715)
126,489	**250,495**	**580,977**	**1,336,106**	**54,191**	**924,589**	**84,854**	**36,311**	**94,453**	**311,238**	**107,969**	**267,117**	**163,318,855**
33	**20**	**20**	**20**	**15 to 33.33**	**15**	**20**	**20**	**20**	**15 to 33.33**	**15**	**20**	

	Note	2023	2022
		(Rupees in '000)	

5.1.1 Details of depreciation for the year are as follows:

	Note	2023	2022
Transmission and distribution costs	41.2	**6,669,738**	2,816,262
Administrative expenses	42.1	**244,307**	210,255
Selling expenses	42.2	**7,043**	6,714
		6,921,088	3,033,231
Meter manufacturing division	44.1	**36,216**	23,705
LPG air mix	44.2	**84,585**	83,342
Capitalised on projects		**21,806**	36,253
Income from LPG NGL		**182,553**	148,841
		7,246,248	3,325,372

5.1.2 Disposal of property, plant and equipment

Details of disposal of operating assets are as follows:

	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on sale	Mode of disposal	Particulars of buyers
			(Rupees in '000)				
Items having book value exceeding Rs. five hundred thousand							
Gas Distribution Pipeline	1,004	352	652	-	(652)	Gas meters retired	-
Motor Vehicle							
Car Toyota Corolla 1300CC	1,694	1,186	508	1,715	1,207	Auction	Mr. Mohan Singh
Car Toyota Corolla 1300CC	1,759	1,231	528	1,585	1,057	Auction	Mr. Muhammad Jalal
Honda Civic 1.8, VTI	2,758	1,964	794	207	(587)	Service Rule	Mr. Muhammad Wasim
Car Toyota Corolla 1300CC	1,930	1,351	579	579	-	Service Rule	Mr. Adnan Saghir
Suzuki Cultus 1000 CC, AGS	2,144	475	1,669	1,682	13	Service Rule	Mr. Abdul Rasheed
Pick-Up Double Cabin 4 X 4	2,671	2,136	535	1,610	1,076	Auction	Mr. Azizullah Khan
Pick-Up Double Cabin 4 X 4	2,648	2,118	530	1,000	470	Auction	Mr. Mehtab Khattak
Pick-Up Double Cabin 4 X 4	2,648	2,118	530	1,100	570	Auction	Mr. Mehtab Khattak
Pick-Up Double Cabin 4 X 4	2,648	2,118	530	1,330	800	Auction	Mrs. Fatima w/o Kashif
Van 15 Seaters Diesel	4,063	3,251	812	3,615	2,802	Auction	Mr. Muhammad Atiq
Pick-Up Double Cabin 4 X 4	4,591	3,673	918	1,625	707	Auction	Mr. Aqeel Ahmed
Pick-Up Double Cabin 4 X 4	4,178	2,737	1,441	4,158	2,717	Insurance Claim	NICL
	33,732	24,358	9,374	20,206	10,832		

	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on sale
Total items having book value exceeding Rs. five hundred thousand	34,736	24,710	10,026	20,206	10,180
Items having book value upto Rs. five hundred thousand	2,727,281	2,045,689	681,592	132,133	(549,460)
Total - 2023	**2,762,017**	**2,070,399**	**691,618**	**152,339**	**(539,280)**
Total - 2022	1,035,361	896,659	138,702	138,385	(317)

5.1.3 Particulars of Land and Building

Particulars of Land and Building	District	Area of Land Sq. Yards
LPG Air Mix Plant	Awaran	19,360
LPG Plant at Gwadar, Allotment of Government Land in Mauza Karwat	Gwadar	19,360
LPG Plant at Gwadar.	Gwadar	19,360
Regional Office Hyderabad	Hyderabad	38,893
Billing Office Hyderabad	Hyderabad	1,079
Plot ensured for Community Centre for offices at Hyderabad.	Hyderabad	2,398
HQ-3 Hyderabad - Compressor Station	Hyderabad	40,667
Head Office Building	Karachi	24,200
Karachi Terminal Station (K.T)	Karachi	225,447
Distribution Office Karachi West	Karachi	9,680
SITE Office Karachi	Karachi	19,360
Zonal Billing Office & CFC Nazimabad	Karachi	2,221
Medical Centre M.A Jinnah Road	Karachi	115
Khadeji Base Camp	Karachi	125,841
Land for Construction of Distribution Central Offices	Karachi	355
Land for Construction of Distribution Central Offices	Karachi	572
Site proposed for CFC and Distribution office DHA	Karachi	600
Dope Yard for Distribution East	Karachi	653
LPG Air Mix Plant	Kot Ghulam Muhamma	19,360
Regional Office Larkana	Larkana	16,214
Site proposed for Distribution offices in Mastung	Mastung	1,320
Zonal Office	Naushero Feroz	3,572
Regional Office Nawab Shah	Nawab Shah	6,111
HQ-2 Nawab Shah - Compressor Station	Nawab Shah	46,667
LPG Air Mix Plant	Noshki	19,360
Land proposed for SSGC building in Pishin	Pishin	2,556
Regional Office Quetta	Quetta	4,840
Stores, Dope yard for Quetta Region.	Quetta	2,420
HQ Quetta	Quetta	108,460
Land proposed for Zonal Office at Sanghar	Sanghar	4,414
Mini Stadium , CFC & Distribution Office.	Shahdadkot	32,307
Sinjhoro Office	Sinjhoro	600
LPG Air Mix Plant	Sohrab	19,360
Regional Office Sukkur / Pipe Yard Sukkur	Sukkur	115
HQ-1 Sukkur	Sukkur	43,333

5.1.6 As at June 30, 2023, property, plant and equipment having gross carrying amount of Rs. 664,101 million (2022: Rs. 858,504 million) are fully depreciated.

5.2 Capital work in progress

	Note	2023	2022
		(Rupees in '000)	
Projects:			
Gas distribution system		**4,875,960**	6,930,961
Gas transmission system		**173,363**	478,624
Cost of buildings under construction and others		**559,187**	227,465
		5,608,510	7,637,050
Stores and spares held for capital projects	5.3	**7,227,334**	7,368,845
LPG air mix plant		**259,080**	418,065
		7,486,414	7,786,910
Impairment of capital work in progress		**(452,552)**	(452,552)
		12,642,372	14,971,408

5.2.1 Borrowing costs capitalised during the year in the gas transmission and distribution system and related capital work in progress amounted to Rs. 1,710 million (2022: Rs. 600 million). Borrowing costs related to general borrowings were capitalised at the rate of 21.35% (2022: 11.29%).

5.2.2 Additions to capital expenditures incurred during the year amounting to Rs. 13,413 million (2022: Rs. 12,480 million).

	2023	2022
	(Rupees in '000)	

5.3 Stores and spares held for capital projects

	2023	2022
Gas distribution and transmission	**7,770,977**	7,720,720
Provision for impaired stores and spares	**(543,643)**	(351,875)
	7,227,334	7,368,845

6 INTANGIBLE ASSETS

	2023	2022
Computer software	**195,756**	226,654
Advances	**-**	100
	195,756	226,754

Net carrying value basis

	2023	2022
Opening net book value	**226,654**	113,835
Additions (at cost)	**78,876**	175,957
Amortization charge	**(109,774)**	(63,138)
Closing net book value	**195,756**	226,654

Gross carrying value basis

	2023	2022
Cost	**996,622**	917,746
Accumulated amortization	**(800,866)**	(691,092)
Net book value	**195,756**	226,654
Amortization rate (% per annum)	**33.33**	33.33

7 RIGHT-OF-USE ASSETS

	2023	2022
Cost	**187,929**	264,249
Accumulated depreciation	**(100,586)**	(163,929)
Net book value	**87,343**	100,320
Cost		
Balance as at July 01,	**264,249**	367,452
Additions during the year	**67,061**	43,358
Derecognition during the year	**(143,381)**	(146,561)
Balance as at June 30,	**187,929**	264,249
Accumulated depreciation		
Balance as at July 01,	**163,929**	201,986
Depreciation charge for the year	**80,038**	106,809
Derecognition during the year	**(143,381)**	(144,866)
Balance as at June 30,	**100,586**	163,929
Depreciation rate (% per annum)	**33 to 40**	33 to 40

8 DEFERRED TAX

		2023			
		Balance as at July 01, 2022	Charge/(reversal) to profit or loss	Reversal to OCI	Closing
		(Rupees in '000)			
Taxable temporary differences					
Accelerated tax depreciation		**14,620,700**	**4,790,265**	**-**	**19,410,965**
Net investment in finance lease		**21,263**	**(21,263)**	**-**	**-**
Deductible temporary differences					
Provision against employee benefits		**(2,185,238)**	**944,175**	**(954,162)**	**(2,195,225)**
Provision against impaired debts & other receivables		**(7,601,074)**	**(553,304)**	**-**	**(8,154,378)**
Provision against slow moving store and spares		**(139,578)**	**(2,389)**	**-**	**(141,967)**
Liability not paid within three years		**(28,767,826)**	**(4,314,883)**	**-**	**(33,082,709)**
Carry forward of tax losses		**(5,221,683)**	**1,645,275**	**-**	**(3,576,408)**
Minimum income tax		**(8,060,694)**	**(4,489,493)**	**-**	**(12,550,187)**
Others		**(892,244)**	**(904,352)**	**-**	**(1,796,596)**
		(52,868,337)	**(7,674,971)**	**(954,162)**	**(61,497,470)**
Sub total		**(38,226,374)**	**(2,905,969)**	**(954,162)**	**(42,086,505)**
Deferred tax asset not recognized	8.1	**35,252,384**	**(1,564,387)**	**-**	**33,687,997**
Total		**(2,973,990)**	**(4,470,356)**	**(954,162)**	**(8,398,508)**

		2022			
		Balance as at July 01, 2021	Charge/(reversal) to profit or loss	Reversal to OCI	Closing
		(Rupees in '000)			
Taxable temporary differences					
Accelerated tax depreciation		12,203,404	2,417,296	-	14,620,700
Net investment in finance lease		38,029	(16,766)	-	21,263
Deductible temporary differences					
Provision against employee benefits		(1,600,440)	(352,676)	(232,122)	(2,185,238)
Provision against impaired debts & other receivables		(6,985,980)	(615,094)	-	(7,601,074)
Provision against impaired store and spares		(128,300)	(11,278)	-	(139,578)
Liability not paid within three years		(20,014,692)	(8,753,134)	-	(28,767,826)
Carry forward of tax losses		(5,008,439)	(213,244)	-	(5,221,683)
Minimum income tax		(5,349,595)	(2,711,099)	-	(8,060,694)
Others		(1,090,296)	198,052	-	(892,244)
		(40,177,742)	(12,458,473)	(232,122)	(52,868,337)
Sub total		(27,936,309)	(10,057,943)	(232,122)	(38,226,374)
Deferred tax asset not recognized	8.1	25,214,643	10,037,741	-	35,252,384
Total		(2,721,666)	(20,202)	(232,122)	(2,973,990)

8.1 As at June 30, 2023, the Group has aggregate deferred tax asset on deductible temporary differences amounting to Rs. 61,497 million (2022: Rs. 52,868 million) out of which deferred tax asset amounting to Rs. 27,809 million (2022: Rs. 17,616 million) has been recognised and remaining balance of Rs 33,688 million (2022: Rs. 35,252 million) is unrecognised. As at year end, the Group's minimum tax credit amounted to Rs. 12,550 million (2022: Rs. 8,061 million) having expiry period ranging between 2023 and 2027.

9 LONG TERM INVESTMENTS

	Note	2023	2022
		(Rupees in '000)	
Investment - at fair value through other comprehensive income	9.1	**151,704**	152,363

9.1 Investment - at fair value through other comprehensive income

	Note	2023	2022
Associates			
Sui Northern Gas Pipelines Limited (SNGPL)			
2,414,174 (2022: 2,414,174) ordinary shares of Rs. 10 each	9.1.1	**95,046**	82,589
Other investments			
Pakistan Refinery Limited			
3,150,000 (2022: 3,150,000) ordinary shares of Rs. 10		**42,714**	56,354
United Bank Limited			
118,628 (2022: 118,628) ordinary shares of Rs. 10 each		**13,944**	13,420
		151,704	152,363

9.1.1 Investments in SNGPL with a shareholding of 0.38% (2022: 0.38%) represent investment in 'associated companies' in terms of provisions of Companies Act 2017. However, the Group has not accounted for this as associates under IAS 28 "Investment in Associates and Joint Ventures", as management has concluded that the Group does not have significant influence in the Group. This investment is measured at fair value through other comprehensive income under IFRS 9.

10 NET INVESTMENT IN FINANCE LEASE

	2023	2022
	(Rupees in '000)	
Gross investment in finance lease	-	78,632
Less: unearned finance income	-	(5,311)
Present value of investment in finance lease	-	73,321

10.1 The Group entered into agreements with Oil and Gas Development Company Limited (OGDCL), and Sui Northern Gas Pipelines Limited to use the Group's transmission pipelines for distribution of gas. The terms of the agreements entered into are for a substantial portion of the useful economic lives of the related assets. The agreement with OGDCL and SNGPL- Hassan (X-1) Block 22 expired on June 30, 2013 and June 30, 2017 respectively and management is negotiating for renewal of agreement with OGDCL. The interest rates used to discount future minimum lease payments under the leases are based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in finance leases.

11 LONG-TERM LOANS AND ADVANCES

	Note	2023	2022
		(Rupees in '000)	
Secured			
Due from executives	11.1 & 11.2	**59**	81
Less: current maturity	16	**(22)**	(35)
		37	46
Due from other employees	11.1 & 11.2	**181,390**	176,184
Less: current maturity	16	**(40,178)**	(32,848)
		141,212	143,336
		141,249	143,382

11.1 Reconciliation of the carrying amount of loans are as follows;

	2023		2022	
	Executives	Other employees	Executives	Other employees
	(Rupees in '000)			
Balance as at July 01,	**81**	**176,184**	116	216,109
Disbursements during the year	**-**	**58,751**	-	51,340
Repayments during the year	**(22)**	**(53,545)**	(35)	(91,265)
Balance as at June 30,	**59**	**181,390**	81	176,184

11.2 These loans represent house building and vehicle loans to the employees under the terms of employment and are recoverable in monthly instalments over a period of 6 to 10 years. These loans are secured against the retirement benefit balances of respective employees and deposit of title deeds. Loans to non-executive employees are free from mark-up. The Group has not discounted these loans at market interest rate as effect of such discounting is not material to these consolidated financial statements.

	Note	2023	2022
		(Rupees in '000)	
12 STORES, SPARES AND LOOSE TOOLS			
Stores		**495,611**	502,245
Spares		**3,193,139**	3,231,000
Stores and spares in transit		**443,457**	363,218
Loose tools		**2,461**	1,286
		4,134,668	4,097,749
Provision for slow moving and obsolete store	12.1	**(461,765)**	(446,065)
	12.2	**3,672,903**	3,651,684

12.1 The movement in provision for slow moving and obsolete stores are as follows:

	2023	2022
Balance as at July 01,	**446,065**	406,855
Provision made during the year	**15,700**	39,210
Balance as at June 30,	**461,765**	446,065

12.2 Stores, spares and loose tools are held for the following operations:

	2023	2022
Transmission	**2,921,661**	3,015,446
Distribution	**751,242**	636,238
	3,672,903	3,651,684

12.3 During the year, the Group has written off an obsolete material amounting to Rs. 112 million (2022: Nil).

	Note	2023	2022
		(Rupees in '000)	
13 STOCK-IN-TRADE			
Gas transmission and distribution			
Gas in pipelines		**1,945,446**	1,285,915
Synthetic Natural Gas		**22,464**	43,242
Gas condensate		**5,811**	6,069
Liquified Petroleum Gas		**949,900**	197,831
LPG stock in transit		**70,499**	73,451
		2,994,120	1,606,508
Gas meters			
Components		**1,196,625**	828,289
Work-in-process		**18,505**	19,203
Finished meters		**283,857**	156,816
		1,498,987	1,004,308
Provision against slow moving and obsolete stock	13.1	**(27,778)**	(35,239)
		4,465,329	2,575,577

13.1 The movement in provision for slow moving and obsolete stock are as follows:

Balance as at July 1,	**35,239**	35,561
Reversal made during the year	**(7,461)**	(322)
Balance as at June 30,	**27,778**	35,239

14 CUSTOMERS' INSTALLATION WORK IN PROGRESS

This represents cost of work carried out by the Group on behalf of the customers at their premises. Upon completion of work, the cost thereof is transferred to transmission and distribution cost and recoveries from such customers are shown as deduction there from as reflected in note 41.2 of the financial statements.

15 TRADE DEBTS

	Note	2023	2022
		(Rupees in '000)	
Considered good			
Secured		**28,678,542**	30,384,173
Unsecured		**89,617,807**	71,835,691
	15.1 & 15.2	**118,296,349**	102,219,864
Considered doubtful		**25,531,670**	23,623,725
		143,828,019	125,843,589
Allowance for expected credit loss	15.3	**(25,531,670)**	(23,623,725)
		118,296,349	102,219,864

15.1 The K-Electric Limited (KE) has been defaulting and not making payment of Late Payment Surcharge (LPS) and the Group 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 Group decided to account for LPS from KE on receipt basis based on opinions from firms of Chartered Accountants.

The trade debts includes Rs. 26,289 million (2022: Rs. 26,289 million) as at June 30, 2023 receivables from KE against sale of indigenous gas excluding GIDC. The aggregate legal claim of the Group from KE amounts to Rs. 176,412 million (2022: Rs. 151,293 million). This amount has been arrived at as per the practice of the Group to charge LPS to customers who do not make timely payments. However, the balance of Rs. 26,289 (2022: Rs. 26,289 million) remains overdue as at June 30, 2023.

Considering that the Group has valid legal claim for recovery of LPS together with outstanding principal amount, the Group 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 Group and KE for making outstanding payment in 18 installments. The Group was entitled to charge LPS on outstanding principal amount at rate highest of:

a. OD rate being paid by the Group; 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 Group has legal claim over KE for charging of LPS.

KE also filed a case against the Group in the Honorable High Court of Sindh (SHC) for recovery of damages / losses of Rs. 61,614 million as KE claimed that the Group had not supplied the committed quantity of natural gas to KE. The legal counsel of the Group 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 Group 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 Group was not bound to supply additional quantity of natural gas as per terms of the agreement.

In view of the legal counsel of the Group, 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 Group has a good claim over LPS on outstanding balance, but considering that the matter is in dispute, as discussed above, the Group 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 Group 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 consolidated 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 initially executed between the Group & 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 Group 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.

15.2 As Pakistan Steel Mills Corporation (Private) Limited (PSML) has been defaulting and not making payment of Late Payment Surcharge (LPS), the Group effective from July 01, 2012 decided to account for LPS from PSML on receipt basis based on opinions from firms of Chartered Accountants.

The trade debts includes Rs. 22,272 million (2022: Rs. 22,648 million) as at June 30, 2023 recoverable from PSML excluding GIDC. The aggregate legal claim of the Group from PSML amounts to Rs. 89,405 million (2022: Rs. 82,214 million). This amount has been arrived at as per the practice of the Group to charge LPS to customers who do not make timely payments. However, the balance of Rs. 22,181 (2022: Rs. 22,648 million) remains overdue as at June 30, 2023.

The Group 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 Group is of the view that due to vagaries of litigation nothing could be expressed with any degree of certainty in the contested matters.

Currently, PSML's financial position is adverse, and has no capacity to repay its obligations on its own. The management believes that in case the financial asset is not realised from PSML, the entire amount will be claimed from OGRA in the determination of revenue requirements of the Group.

		Note	2023	2022
			(Rupees in '000)	
15.3	The movement in allowance for expected credit loss is as follows:			
	Balance as at July 1,		**23,623,725**	21,502,162
	Provision made during the year		**1,907,945**	2,121,563
	Balance as at June 30,		**25,531,670**	23,623,725
16	**LOANS AND ADVANCES**			
	Secured			
	Advances to:			
	Executives	16.1	**109,799**	124,774
	Other employees		**168,847**	166,936
			278,646	291,710
	Current portion of long term loans and advances			
	Executives	11	**22**	35
	Other employees		**40,178**	32,848
			40,200	32,883
			318,846	324,593

16.1 These represent interest free establishment advance and festival advance to the employees according to the terms of employment. These are repayable in ten equal instalments and are secured against the retirement benefit balances of the related employees.

17 ADVANCES, DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2023	2022
		(Rupees in '000)	
Considered good			
Advances for goods and services		**487,398**	866,321
Trade deposits		**22,421**	14,235
Prepayments		**215,716**	280,279
		725,535	1,160,835

18 INTEREST ACCRUED

	Note	2023	2022
Late payment of bills / invoices from			
Water and Power development Authority (WAPDA)		**5,857,934**	5,100,675
Sui Northern Gas Pipelines Limited (SNGPL)		**12,093,081**	10,957,214
Jamshoro Joint Venture Limited (JJVL)		**239,689**	239,689
		18,190,704	16,297,578
Sales tax refund	24.6	**487,739**	487,739
		18,678,443	16,785,317
Provision against loss allowance		**(112,400)**	(112,400)
		18,566,043	16,672,917

19 OTHER RECEIVABLES

	Note	2023	2022
Tariff adjustment - indigenous gas receivable from GoP	19.1	**498,763,608**	295,488,261
Staff pension fund		**-**	198,562
Receivable from gratuity fund		**1,129**	-
Receivable for sale of gas condensate		**46,470**	108,817
Receivable from SNGPL	19.2	**118,058,521**	114,913,406
Receivable from JJVL	19.3	**2,501,824**	2,501,824
Receivable from Pakistan LNG Limited		**1,010,173**	-
Gas infrastructure development cess receivable	36.6	**6,834,735**	6,876,666
Receivable from GPO against gas bill collection	19.4	**2,315,215**	2,315,215
Sales tax receivable	19.5	**80,510,925**	50,961,546
Sindh sales tax		**2,451**	2,451
Asset contribution	19.6	**337,646**	337,266
Accrued Markup		**1,845**	2,098
Miscellaneous		**7,041**	76,044
		710,391,583	473,782,156
Provision against loss allowance		**(2,586,874)**	(2,586,874)
		707,804,709	471,195,282

19.1 Tariff adjustment - indigenous gas receivable from GoP

	Note	2023	2022
Balance as at July 01,		**295,488,261**	207,762,067
Recognized during the year	40.1	**201,684,882**	86,507,711
Subsidy for LPG air mix operations		**1,590,465**	1,223,309
Reversal of accrued interest on tariff adjustments		**-**	(4,826)
Balance as at June 30,	19.1.1	**498,763,608**	295,488,261

19.1.1 This includes Rs. 390 million (2022: Rs. 390 million) recoverable from the Government of Pakistan (GoP) on account of remission of gas receivables from people of Ziarat under instructions from GoP. Although, management is confident that this amount is fully recoverable, being prudent full provision has already been recorded against the same in these consolidated financial statements.

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

	Note	2023	2022
		(Rupees in '000)	
Differential tariff		**4,284,080**	4,284,080
Uniform cost of gas		**15,818,845**	15,818,845
Lease rentals		**1,611,868**	1,228,430
Contingent rent		**10,338**	10,315
Capacity and utilisation charges of RLNG		**54,076,191**	55,656,646
LSA margins of		**2,991,015**	3,071,808
RLNG transportation income		**39,266,184**	34,843,282
	19.2.1	**118,058,521**	114,913,406

19.2.1 Upto June 30, 2023, the Group has invoiced an amount of Rs. 200,286 million, including Sindh Sales Tax of Rs. 23,184 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 Group 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 Group 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 Group, has determined the price mechanism for purchase and sale of allocated RLNG volumes.

Based on initialed agreement between the Group 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. 118,059 million stands disputed as of the reporting date. OGRA appointed a consultant for technical, commercial and managerial audit to ascertain the accuracy of Unaccounted-for Gas (UFG) of gas companies, encompassing both indigenous gas and imported RLNG, and other matters. Subsequent to the year-end, the draft report has been submitted to OGRA by the appointed consultant. The management believes that the report is in the preliminary draft stage and is subject to extensive deliberations between the aggrieved parties. Upon finalization of same, adjustments resulting from it will be recognised in the financial records of both SUI companies, thereby facilitating the resolution of the underlying disputed balances.

19.3 This amount comprises of receivable in respect of royalty income, sale of liquid petroleum gas, sale of natural gas liquids, federal excise duty, sindh sales tax on franchise services, fuel charges receivable against processing charges from Jamshoro Joint Venture Limited (JJVL) and receivable from JJVL at the rate of 57% value of LPG / NGL extraction as per new agreement signed between the Group and JJVL pursuant to Honorable Supreme Court of Pakistan (SCP) order dated December 04, 2018 amounting to Rs. 150 million (2022: Rs. 150 million), Rs. 178 million (2022: Rs. 178 million), Rs. 1,070 million (2022: Rs. 1,070 million), Rs. 646 million (2022: Rs. 646 million), Rs. 32 million (2022: 32 million), Rs.6.6 million (2022:Rs.6.6 million) , Rs. 419 million (2022: Rs.419 million) respectively. However, litigation in this respect is fully described in detail in note 38.1.2 of these consolidated financial statements.

19.4 This represents receivable balance from Pakistan Post against gas bills collected from January 2022 to March 2022 and deposited in Government Treasury.

19.5 This represents sales tax refunds arise due to 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 (STARR) system. Due to several snags in the functioning of STARR, valid input sales tax claims of the Group are deferred. Realising the problems of STARR, in August 2010, dispensation from processing of sales tax refunds through the STARR system was allowed by FBR through a letter and substantial refunds were released after issuance of this letter under corporate guarantee (subject to post refund audit). However, such dispensation was also withdrawn by FBR in May 2012. After withdrawal of said dispensation, the deferred refunds are issued to the Holding Company on the basis of manual verification of documents (third party vendor sales tax returns) by tax authorities. Management is making vigorous efforts for realisation of these refunds.

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

	Note	2023	2022
		(Rupees in '000)	

20 TAXATION - NET

Advance tax		**40,160,143**	36,853,493
Provision for tax		**(25,118,210)**	(20,253,213)
		15,041,933	16,600,280

21 SHORT TERM INVESTMENTS

Investment at amortized cost			
Term deposit receipt (TDR)	21.1 & 21.2	**129,223**	129,223

21.1 As at June 30, 2023, the Group holds term deposit receipt carrying profit rates of 11% per annum (2022: 6.35% to 11% per annum). The term deposit receipts are due to mature maximum by June 29,2024.

21.2 This includes term deposit receipt amounting to Rs. 104 million kept as security against the guarantee issued by the Sindh Bank Limited to Port Qasim Authority.

22 CASH AND BANK BALANCES

	Note	2023	2022
		(Rupees in '000)	
Cash in hand	22.1	**9,726**	7,842
Cash at banks			
- deposit accounts	22.2	**206,438**	209,222
- current accounts		**337,582**	752,518
		544,020	961,740
		553,746	969,582

22.1 This includes foreign currency cash in hand amounting to Rs. 4.380 million (2022: Rs. 3.076 million).

22.2 These carry markup / interest ranges from 18% to 22.5% (2022: 4.50% to 10.67%) per annum.

23 SHARE CAPITAL

23.1 Authorized Share Capital

2023	2022		2023	2022
(Numbers of shares)			(Rupees in '000)	
1,000,000,000	1,000,000,000	Ordinary shares of Rs. 10 each	**10,000,000**	10,000,000

23.2 Issued Subscribed and Paid up capital

2023	2022		2023	2022
(Numbers of shares)				
219,566,554	219,566,554	Ordinary shares of Rs. 10 each Issued as fully paid in cash	**2,195,666**	2,195,666
661,349,755	661,349,755	Ordinary shares of Rs. 10 each Issued as fully paid bonus	**6,613,497**	6,613,497
880,916,309	880,916,309		**8,809,163**	8,809,163

23.2.1 The Group has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the shareholders. All shares rank equally with regard to the Group's residual assets. Currently, Government of Pakistan (GoP) holds 53.18% (2022: 53.18%) paid up capital of the Group.

23.2.2 Ordinary shares of the Holding Company held by associated undertaking by virtue of common directorship are as following:

	2023	2022
	(Number of Shares)	
B.R.R Guardian Modaraba	**223,500**	223,500
National Insurance Company limited	**745,500**	745,500
	969,000	969,000

24 RESERVES

	Note	2023	2022
		(Rupees in '000)	
Capital reserves			
Share capital restructuring reserve	24.1	**146,868**	146,868
Fixed assets replacement reserve	24.2	**88,000**	88,000
		234,868	234,868
Revenue reserves			
Dividend equalisation reserve		**36,000**	36,000
Special reserve I	24.3	**333,141**	333,141
Special reserve II	24.4	**1,800,000**	1,800,000
General reserve	24.5	**2,015,653**	2,015,653
Reserve for interest on sales tax refund	24.6	**487,739**	487,739
		4,672,533	4,672,533
		4,907,401	4,907,401

24.1 Share capital restructuring reserve

This represents the reduction of share capital of former Sui Gas Transmission Company Limited (SGTC) due to merger of Sui Gas Transmission Company Limited and Southern Gas Company Limited (SGC) in March 1989.

24.2 Fixed assets replacement reserve

This represents profit allocated in 1986 by former Southern Gas Company Limited for replacement of gas distribution lines in rural areas of Sindh. Subsequently all the rehabilitation activities were carried out from the Group's working capital.

24.3 Special reserve I

This represents accumulated balance arising on a price increase of Rs. 4.10 per MCF granted to the Group by the GOP in January 1987 retrospectively from July 1, 1985 to enable theGroup to meet the requirements of Asian Development Bank regarding debt / equity ratio and other financial covenants specified in loan agreements with them.

24.4 Special reserve II

This represents special undistributable reserve created as per the decision of the board of directors to meet the future requirements of the Group.

24.5 General reserve

This represents the reserve created by the Group to transfer certain amount from / to unappropriated profit from / to general reserve for the payment of dividends.

24.6 Reserve for interest on sales tax refund

This represents the reserve for the interest accrued on the sales tax refundable under Section 67 of the Sales Tax Act, 1990, which is not available for distribution to shareholders till the time it is received.

25 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Group has carried out the revaluation of its freehold land and leasehold land respectively. The latest revaluation is carried out on June 30, 2023 by an independent valuer i.e. M/s. M J Surveyors (Private) Limited which resulted in a surplus of Rs. 5,728 million. The revaluation was carried out based on the market value assessment being the fair value of the freehold and leasehold land.

Had the Group's leasehold and freehold land been measured on historical cost basis, the carrying amount would have been as follows:

	2023	2022
	(Rupees in '000)	
Freehold land	**517,627**	517,627
Leasehold land	**327,514**	320,610
	845,141	838,237

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.

Moreover, the Group has also revalued its buildings / civil works, roads, pavements and related infrastructure, compressors, plant and machinery, construction equipment, motor vehicles and gas transmission and distribution pipelines, office equipment, furniture, telecommunication and tools by the same valuer as at June 30, 2023, who determines the market value of these assets as Rs. 353,494 million. However, the Group has decided not to take the impact of that in these consolidated financial statements as cost model has been adopted for aforesaid assets.

25.1 Details of the Group's freehold and leasehold land and information about fair value hierarchy, as at June 30, 2023 are as follows.

	2023			
	Level 1	Level 2	Level 3	Total
	---Rupees in '000---			
Freehold land	**-**	**43,847,526**	**-**	**43,847,526**
Leasehold land	**-**	**17,740,254**	**-**	**17,740,254**

	2022			
	Level 1	Level 2	Level 3	Total
	---Rupees in '000---			
Freehold land	-	39,538,556	-	39,538,556
Leasehold land	-	16,314,618	-	16,314,618

25.1.1 There were no transfers between levels of fair value hierarchy during the year.

25.1.2 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with Section 241 of the Companies Act, 2017.

25.2 Forced sale values of freehold land and leasehold land is Rs. 36,934 million and Rs. 14,517 million respectively.

26 LONG TERM FINANCING

	Note	2023	2022
		(Rupees in '000)	
Secured			
Loans from banking companies	26.1	**26,601,966**	16,286,678
Unsecured			
Customer finance	26.2	**119,050**	122,145
Government of Sindh loans	26.3	**614,372**	606,882
		733,422	729,027
		27,335,388	17,015,705

26.1 Loans from banking companies

	Installment payable	Repayment period	Mark-up rate p.a. (above 3 months and 6 months KIBOR)	Note	2023	2022
					(Rupees in '000)	
Faysal Bank Limited - Led Consortium	semi- annually	2022-2026	0.10%	26.1.1 & 26.1.5	**16,333,333**	21,000,000
United Bank Limited - Led Consortium	semi- annually	2018-2022	0.50%	26.1.2 & 26.1.5	**-**	1,500,000
United Bank Limited - Led Consortium	quarterly	2025-2028	0.20%	26.1.3 & 26.1.5	**15,000,000**	-
Habib Bank Limited	quarterly	2018-2022	0.50%	26.1.4 & 26.1.5	**-**	300,000
Unamortised transaction cost					**(64,700)**	(46,655)
					31,268,633	22,753,345
Less: Current portion shown under current liabilities				34	**(4,666,667)**	(6,466,667)
					26,601,966	16,286,678

26.1.1 This represents finance facility amounting to Rs. 21,000 million was sanctioned in March 2022 by a syndicate of banks. This financial arrangement has been secured by GoP guarantee. During the year, repayment of Rs. 4,667 million has been made.

26.1.2 This represents finance facility amounting to Rs. 15,000 million was sanctioned in December 2015 by a syndicate of banks. During the year, the entire outstanding balance amounting to Rs. 1,500 million is repaid and settled.

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

26.1.4 This represents finance facility amounting to Rs. 3,000 million was sanctioned in December 2015. During the year, the entire outstanding balance amounting to Rs. 300 million is repaid and settled.

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

26.2 Customer finance

	Note	2023	2022
		(Rupees in '000)	
Customer finance	26.2.1	**119,640**	133,480
Less: current portion shown under current liabilities	34	**(590)**	(11,335)
		119,050	122,145

26.2.1 This represents contributions received from certain industrial customers for the laying of distribution mains for supply of gas to their premises. These balances carry mark-up at 25% of 3 year average ask side KIBOR less 2% per annum for laying of distribution lines. Principal and interest are adjustable in 48 equal installments through credits in the monthly gas bills of the consumers.

26.3 Government of Sindh loans

	Installment payable	Principal repayment period	Mark up rate p.a.	Note	2023	2022
					(Rupees in '000)	
Government of Sindh loan - III	yearly	2012 - 2021	4%	26.3.1	**80,000**	80,000
Government of Sindh loan - IV	yearly	2014 - 2023	4%	26.3.1	**500,000**	500,000
Government of Sindh loan - V	yearly	2015 - 2024	4%	26.3.1	**360,000**	360,000
Less impact of discounting of Government of Sindh Loan				26.3.2	**(138,961)**	(146,451)
					801,039	793,549
Less: Current portion shown under current liabilities				34	**(186,667)**	(186,667)
					614,372	606,882

26.3.1 The Group has obtained unsecured development loans from Government of Sindh for supply of gas to various districts and areas of Sindh.

26.3.2 This represents the benefit of lower interest rate on Government of Sindh Loan III, IV and V, and is calculated as difference between the proceeds received in respect of Government of Sindh Loan III, IV and V and its initial fair value. The amount of Government of Sindh loan after conversion amounts to Rs 940 million, is subsequently measured at its initial fair value of Rs. 170 million based on net of waiver as disclosed in note 26.3.3. These are calculated at 3 month KIBOR prevailing at respective year ends in which the loans were disbursed. This benefit is treated as Government grant and would be amortised in consolidated statement of profit or loss on the basis of pattern of recognition, as expenses (the cost the grant intends to compensate).

26.3.3 The Group has revised the Government of Sindh (GoS) loan arrangements, adjusting the outstanding loan as at June 30, 2017, amounting to Rs. 3,940 million with the approved grant from GoS amounting to Rs. 3,000 million. Further, the Group has filed claim against GoS, regarding the waiver of the financial charges recorded and paid in prior years amounting to Rs. 541 million against Rs. 3,000 million loan which later converted into grant. Currently, the Group is charging finance cost and amortising deferred credit on outstanding loan net of waiver claim as mentioned.

27 LONG TERM DEPOSITS

	Note	2023	2022
		(Rupees in '000)	
Security deposits from:			
Gas customers	27.1	**28,574,168**	24,812,875
Gas contractors	27.2	**120,803**	102,350
		28,694,971	24,915,225

27.1 These represent deposits from industrial, commercial and domestic customers. These deposits are based on annual average gas sales computed for their respective three-month deposit period.

Mark-up is payable on deposits of industrial and commercial Customers at the rate of 5% per annum, while no mark-up is paid on deposits from domestic Customers. Deposits from domestic customers are not carried at amortized cost as the outflow of contractual cash flows is not probable due to uncertainty relating to the timing of cash outflows.

The Group may at its option, use these deposits for its own purpose from time to time and shall, on disconnection of gas supply to the customer, return the security deposits as per the terms and conditions of the contract.

27.2 These represent security deposits received from contractors. These deposits are free of mark-up and are refundable upon completion or cancellation of the contract.

28 EMPLOYEE BENEFITS

	Note	2023	2022
		(Rupees in '000)	
Provision for post retirement medical and free gas supply facilities - executives		**6,596,600**	6,818,810
Provision for compensated absences - executives	28.1	**882,925**	905,256
		7,479,525	7,724,066

28.1 Provision for compensated absences - executives

	2023	2022
Balance as at July 1,	**905,256**	975,958
Reversal made during the year	**(22,331)**	(70,702)
Balance as at June 30,	**882,925**	905,256

29 PAYABLE AGAINST TRANSFER OF PIPELINE

	Note	2023	2022
Payable to EETL	29.1	**684,981**	755,645
Less: current portion of payable		**(77,285)**	(70,664)
		607,696	684,981

29.1 The Group entered into an agreement with Engro Elengy Terminal Limited (EETL) previously Engro Elengy Terminal (Private) Limited (EETL) under which the pipeline has been transferred to the Group from EETL and corresponding liability has been recognised using discounted cash flows using three months kibor rate at the time of inception.

30 DEFERRED CREDIT

	Note	2023	2022
		(Rupees in '000)	
Government of Pakistan (GoP) contributions / grants			
Balance as at July 1,		2,762,110	2,968,896
Additions / adjustment during the year	33.1	1,407,570	95,527
Transferred to consolidated statement of profit or loss	30.1	(329,034)	(302,313)
Balance as at June 30,		3,840,646	2,762,110
Government of Sindh - Conversation of loan into grant			
Balance as at July 01,		1,889,931	1,952,841
Additions / adjustment during the year	33.1	22,052	62,280
Transferred to consolidated statement of profit or loss		(127,064)	(125,190)
Balance as at June 30,		1,784,919	1,889,931
Government of Sindh grants			
Balance as at July 01,		96,124	113,200
Transferred to consolidated statement of profit or loss	26.3.2	(12,028)	(17,076)
Balance as at June 30,		84,096	96,124
Less: current portion of deferred credit		(510,445)	(443,575)
		5,199,216	4,304,590

30.1 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.

30.2 Pipelines constructed / built under deferred credit arrangements are not given minimum guaranteed return by OGRA. However, Unaccounted for Gas ("UFG") losses on such pipelines are considered in the determination of the Group's guaranteed return.

31 CONTRACT LIABILITIES

	Note	2023	2022
		(Rupees in '000)	
Contribution from Customers	31.1 & 31.2	3,544,995	2,975,653
Advance received from Customers for laying of mains, etc.	31.2	6,221,903	6,541,603
		9,766,898	9,517,256

31.1 Contribution from customers

	2023	2022
Balance as at July 01,	3,238,534	2,740,870
Addition during the year	891,195	748,154
Transferred to consolidated statement of profit or loss	(287,770)	(250,490)
	3,841,959	3,238,534
Less: current portion	(296,964)	(262,881)
Balance as at June 30,	3,544,995	2,975,653

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

32 LEASE LIABILITIES

	2023	2022
	(Rupees in '000)	
Balance as on July 01,	**95,455**	148,338
Additions during the year	**67,061**	41,426
Interest expense	**16,617**	15,458
	179,133	205,222
Payments made during the year	**(92,279)**	(109,767)
	86,854	95,455
Less: current maturity	**(53,295)**	(55,887)
Balance as at June 30,	**33,559**	39,568

The expected maturity analysis of lease payment is as follows:

	2023	2022
within one year	**53,295**	55,887
between 2 to 5 years	**28,693**	34,981
after 5 years	**4,866**	4,587
	86,854	95,455

33 LONG TERM ADVANCES

These represent amounts received from Government of Pakistan and Government of Sindh for gas supply to new towns and villages and laying of distribution lines, etc. These advances are transferred to deferred credit once the related projects are commissioned, which is amortised over the estimated useful lives of related assets.

	Note	2023	2022
		(Rupees in '000)	
Balance as at July 01,		**3,971,110**	3,155,496
Additions during the year		**796,084**	973,420
Transferred to deferred credit	30	**(1,429,622)**	(157,806)
Balance as at June 30,		**3,337,572**	3,971,110

33.1 During the year, the Group has transferred Rs. 1,407 million (2022: Rs. 96 million) to Government of Pakistan (GoP) funded projects and Rs. 22 million (2022: Rs. 62 million) to Government of Sindh (GoS) funded projects.

34 CURRENT PORTION OF LONG TERM FINANCING

	Note	2023	2022
		(Rupees in '000)	
Loan from banking companies	26.1	**4,666,667**	6,466,667
Customer finance	26.2	**590**	11,335
Government of Sindh loans	26.3	**186,667**	186,667
		4,853,924	6,664,669

35 SHORT-TERM BORROWINGS

35.1 These represent facilities for short term running finance / short term money market loan available from various banks amounting to Rs. 47,025 million (2022: Rs. 25,000 million) and carry mark-up ranging from 0.00% to 1.00% (2022: 0.00% 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.

35.2 As at June 30, 2023, the aggregate unavailed short term borrowing facilities amounting to Rs. 12,043 million (2022: Rs. 1,122 million).

36 TRADE AND OTHER PAYABLES

	Note	2023	2022
		(Rupees in '000)	
Creditors for:			
Indigenous gas	36.1	**769,786,888**	511,835,476
RLNG	36.2	**106,680,422**	120,734,221
		876,467,310	632,569,697
Tariff adjustment- RLNG payable to GoP	36.3	**23,826,990**	28,923,211
Service charges payable to EETL		**3,272,567**	2,604,792
Accrued liabilities / Bills payable		**8,530,795**	7,363,321
Provision for compensated absences - non executives	36.4	**365,657**	177,936
Payable to gratuity fund		**5,484,519**	2,555,006
Payable to provident fund		**10,204**	93,339
Staff pension fund		**107,986**	-
Deposits / retention money		**908,269**	762,085
Advance for sharing right of way	36.5	**18,088**	18,088
Withholding tax payable		**31,625**	26,940
Sales tax and Federal Excise Duty		**312,549**	447,837
Sindh sales tax		**26,936**	79,910
Gas infrastructure development cess payable	36.6	**6,834,735**	6,876,666
Unclaimed term finance certificate redemption profit		**1,800**	1,800
Advance from customers and distributors		**376,032**	146,036
Transport and advertisement services		**70,353**	19,724
Workers' Profit Participation Fund	36.7	**376,347**	315,979
Provision		**18,546**	12,366
Others	36.8	**651,257**	467,018
		927,692,564	683,461,751

36.1 This includes Rs. 588,195 million (2022: Rs. 424,267 million) payable to Oil and Gas Development Company Limited, Pakistan Petroleum Limited and Government Holdings (Private) Limited in respect of gas purchases along with interest of Rs. 15,832 million (2022: Rs. 15,832 million) which have been presented in note 37.1 of these consolidated financial statements.

In addition to above includes payable to SNGPL amounting to Rs. 7,839 million (June 30, 2022: Rs. 6,042 million) which stands outstanding as of the reporting date.

36.2 On December 12, 2017, the Ministry of Energy in pursuance of the decision of ECC vide case submitted on September 03, 2015, allocated 12 BCF RLNG volume to the Group and thereafter, allocated further 37 BCF. The ECC in it's decision dated March 03, 2020 has allocated 71 BCF (in total) 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 Group, has determined the price mechanism for purchase and sale of allocated RLNG allocated volumes.

During the year, Group has recorded purchases of 16 BCF (2022: 37 BCF) from SNGPL amounting to Rs. 82,624 million (2022: Rs.118,289 million) based on OGRA's decision dated November 20, 2018.

Based on initialed agreement between the Group 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. 114,519 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 year-end, the draft report has been submitted to OGRA by the appointed consultant. The management believes that the report is in the preliminary draft stage and is subject to extensive deliberations between the aggrieved parties. Upon finalization of same, adjustments resulting from it will be recognised in the financial records of both the SUI companies, thereby facilitating the resolution of the underlying disputed balances.

	Note	2023	2022
		(Rupees in '000)	
36.3 Tariff adjustment - RLNG payable to GoP			
Balance as at July 01,		**28,923,211**	18,346,037
(Reversal) / charge during the year	40.2	**(4,742,920)**	10,577,174
GOP subsidy on RLNG tariff		**(353,301)**	-
Balance as at June 30,		**23,826,990**	28,923,211
36.4 Provision for compensated absences - non-executives			
Balance as at July 01,		**177,936**	239,113
Charge / (reversal) during the year		**187,721**	(61,177)
Balance as at June 30,		**365,657**	177,936

36.5 This amount was received by the Group from Pak Arab Refinery Limited (PARCO) in accordance with an agreement dated October 12, 1988. It represents consideration for 50% share of PARCO in the Indus right bank pipeline common right of way and is the full settlement of PARCO's total liability for its share, irrespective of the final amount of compensation payable to the land owners by the Group. The final liability of the Group has not been estimated, as the amount of compensation due to land owners has not been determined by the Authorities. Accordingly, the amount received from PARCO has been classified as an advance.

36.6 Gas Infrastructure Development Cess (GIDC) was levied with effect from December 15, 2011 and is chargeable from industrial gas customers at different rates as prescribed by the Federal Government through OGRA notification. GIDC is collected and deposited with the Ministry of Petroleum and Natural Resources (MP & NR) in a manner prescribed by the Federal Government.

On June 13, 2013, the Honorable Peshawar High Court (PHC) declared the levy, imposition and recovery of GIDC unconstitutional with the direction to refund GID “Cess” so far collected. The Honorable Supreme Court of Pakistan (SCP) examined the case and vide its findings dated August 22, 2014, concluded that GIDC is a fee and not a tax and on either count GIDC “Cess” could not have been introduced through a money bill under Article 73 of the Constitution and the same was, therefore, not validly levied in accordance with the Constitution. However, on September 25, 2014, the President of Pakistan had promulgated Gas Infrastructure Development Cess Ordinance 2014, (GIDC Ordinance) which is applicable to the whole of Pakistan and has to be complied by all parties.

On September 29, 2014, the Honorable Sindh High Court (SHC) gave a stay order to various parties against the promulgation of Presidential order on September 25, 2014.

On May 22, 2015, the GID Cess Act, 2015 (GIDC Act) was passed by Parliament applicable on all Customers. Following the imposition of the said Act, many customers filed a petition in SHC and obtained stay order against GIDC Act passed by the Parliament. The Group has obtained a legal opinion, which states that management has to comply with the stay order of SHC.

On October 26, 2016, a Single bench of SHC passed an order to refund / adjust the GID Cess collected in the future bills of the respective plaintiff. The said order was stayed by the SHC through order dated November 10, 2016.

The Group being a collecting agent had collected and deposited GID Cess to the MP & NR. The Group will refund to the customers once it will be received from MP & NR.

On August13, 2020, SCP has upheld the promulgation of the GIDC Act and instructed that all arrears of GID ‘Cess’ that have become due up to July 31, 2020 shall be recovered by the Companies responsible under the GIDC Act, 2015 from their end Customers.

However, as a concession, the same is to be recovered in twenty four equal monthly instalments starting from August 01, 2020 without the component of late payment surcharge. The Group has initiated the billing of GIDC from August 01, 2020, the same is recovered from customers and submitted to MP & NR. Supreme Court of Pakistan (SCP) in its judgment dated November 03, 2020 dismissed all review petitions filed against its earlier judgment dated August 13, 2020, stating that the companies claiming any relief under GIDC Act 2015 may approach the right forum. Subsequent to Supreme Court Judgment dated August 13, 2020, more than 1700 customers have filed fresh cases before Sindh High Court, wherein, customers stated that they are not liable to pay GID Cess as the same has not been collected by them, SHC restrained the Group from collection of GID Cess installments and the matter is pending adjudication before SHC.

36.7 Workers' Profit Participation Fund

	2023	2022
	(Rupees in '000)	
Balance as at July 01,	**315,979**	234,255
Interest on WPPF	**60,368**	81,724
Balance as at June 30,	**376,347**	315,979

36.8 This includes Rs. 396 million (2022: Rs. 265 million) on account of amount payable to disconnected customers for gas supply deposits.

37 INTEREST ACCRUED

	Note	2023	2022
		(Rupees in '000)	
Long term financing - loans from banking companies		**1,039,407**	823,749
Long term deposits from customers		**762,451**	681,113
Short term borrowings		**1,776,622**	520,928
Late payment surcharge on processing charges		**99,283**	99,283
Late payment surcharge on gas supplies	37.1	**15,832,411**	15,832,411
		19,510,174	17,957,484

37.1 As disclosed in note 15.1 and 15.2, effective from July 1, 2012, the Group has been accounting for Late Payment Surcharge (LPS) from KE and PSML on receipt basis based on the opinions obtained from the firms of Chartered Accountants which is based on then applicable International Accounting Standards 18 “Revenue”. On adoption of IFRS-15: "Revenue from contract with customers" which supersedes IAS-18, the Company has obtained a updated opinion from the firm of Chartered Accountants to recognise LPS income from KE and PSML on a receipt basis. Similarly, the Group 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 Group to offset its LPS income against the mark-up expense in absence of legal right of setting off, despite the fact that the Group 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. Management'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 Group’s above request, the MP & NR vide their letter dated January 3, 2017 has supported the contention of the Group 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 Group 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 Group has reversed the LPS expense on delayed payments on gas supplies effective from July 1, 2012. Further it has been decided that the Group 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 Group, the aggregate unrecognized accrued markup up to June 30, 2023 stands at Rs. 176,291 million (2022: Rs. 131,988 million).

38 CONTINGENCIES AND COMMITMENTS

38.1 In respect of the Holding Company

38.1.1 Detailed below are contingencies primarily in the nature of tax and other legal disputed matters:

38.1.1.1 Jamshoro Power Company Limited (JPCL) lodged an aggregate claim amounting to Rs. 144,120 million (2022: 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 Holding 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 8 May 2023 and the Committee directed JPCL and the Holding 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 Holding 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 surchage (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

As at June 30, 2023, the Holding Company has made further increase in LPS receivable to Rs. 3,956 million against non-payment of gas bills. The Holding 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. 3,010 million. Accordingly, no provisions has been made in the consolidated financial statements.

38.1.1.2 The Holding Company had agreement with Jamshoro Joint Venture Limited (JJVL) regarding LPG / NGL business. Subsequently, the Holding Company had incurred negative margins while doing business with Jamshoro Joint Venture Limited (JJVL) in financial year 2015-16 due to decline in oil prices and consequent decline in margins in LPG / NGL business, and decided to terminate the agreement. In this aspect, the Holding Company sent termination notices to JJVL dated May 4, 2016, against which JJVL obtained a stay order from the Sindh High Court.

The net receivable balance from JJVL amounts to Rs. 2,502 million other than interest accrued.

The Honorable Supreme Court of Pakistan (SCP) through its decision dated June 13, 2018, upheld such termination by the Holding Company and stated that the termination was validly done and the Holding Company was well within its legal and contractual right to do so and appointed the firm of Chartered Accountants to determine the amount claimed by the Holding Company and JJVL. Based on the Court Order, the Company shut down the supply of gas to the JJVL plant accordingly.

Subsequently, SCP through its order dated November 16, 2018, based on the report by the firm of Chartered Accountants, determined that Rs. 1,500 million is net admitted liability that had to be paid within 8 weeks by JJVL, which was accordingly received by the Holding Company along-with the interest accrued thereon. However, with respect to the GIDC and other matters, SCP will settle the same and an appropriate order to be passed in this regard.

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

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

Subsequently, the firm of Chartered Accountants after consultation with both parties came up with a mechanism of revenue sharing of 57% to the Holding Company and 43% to JJVL on ad-hoc basis. An agreement was signed among both parties and submitted the same to SCP for its approval, SCP vide its order dated December 29, 2018 had validated the agreement. SCP also directed the Holding Company to resume the supply of gas to JJVL plant based on the new terms provided in the agreement. The agreement was valid for 1.5 years from the date of agreement and unless renewed by the parties through mutual written consent it shall stand terminated automatically.

Accordingly, in June 2020 the said agreement was expired and since then no gas has been supplied to JJVL plant. However, as per the agreement the firm of Chartered Accountants has to submit a final determination report to SCP in order to finalize the revenue sharing percentage between the Holding Company and JJVL, which was submitted in December 2020. In this respect, the Holding Company and JJVL have submitted their comments / objections on the report to SCP and the case is now pending with SCP for its decision.

Moreover, as per order dated January 09, 2009, in respect of royalty on freight charges matter, SCP directed JJVL to deposit Rs. 249 million as JJVL's admitted liability for freight charges for the period from 2005 to 2013. The Holding Company has received such amount as directed by SCP on February 24, 2020, and the remaining disputed amount shall be determined / settled by SCP in due course.

Further, both the parties took up the disputed matters to Arbitration under the Pakistan Arbitration Act, 1940, where certain claims and counter claims have been filed. Both the parties have filed amended pleadings / claims & counter claims considering the revision in cut off dates which were earlier filed for period upto June 2016 have now been revised till June 2018 on account of principal amounts and August 2023 in respect of markups.

38.1.1.3 The Holding Company has discontinued the gas supply to Habibullah Coastal Power Company Limited (HCPCL) after the expiry of 20 years Gas Sales Agreement. In order to secure the outstanding gas receivables amounting to Rs. 1,113 million, the Holding Company has opted for encashment of HCPCL bank guarantees which are sufficient, as of the reporting date, to recover the same. In response, HCPCL filed a suit 1570 of 2019 and obtained stay from the Honorable High Court of Sindh (SHC) regarding encashment of bank guarantees by the Holding Company. In view of the available bank guarantee, no provision has been made in these consolidated financial statements.

38.1.1.4 The Income Tax Appellate Tribunal (ITAT) had decided an Appeal in favor of Income Tax Department on the issue of capital gain made on disposal of LPG business in the financial year ended June 30, 2001 resulting in tax impact of Rs. 143 million. Management has filed an appeal before Honorable Sindh High Court (SHC). The management is of the view that sale of LPG business being in nature of slump transaction was not chargeable to tax under the provisions of Income Tax Ordinance, 2001.

Accordingly, no provision regarding the said claim has been made in these consolidated financial statements as the management, based on its legal advisor's opinion, are confident that the matter would be resolved in favor of the Holding Company.

38.1.1.5 The income tax authorities have passed orders for the Tax Years 2007, 2008, 2009, 2013, 2014, 2015 & 2017 disallowing tax depreciation on fixed assets held under musharaka arrangement.

All the Orders were contested before Commissioner (Appeals) who decided the case in Company's favor.

The legal counsel is confident that the outcome of the case will be in favor of the Holding Company. Therefore, no provision has been made in these consolidated financial statements as the Holding Company.

38.1.1.6 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. However, the said orders had been challenged by the tax authorities before the Appellate Tribunal Inland Revenue except for the appellate order for FY-2019-20 which has been remanded back by the Commissioner Appeals, while case for FY 2020-21 is being defended before Appellate forum.

Since the said issue had already been decided in favor of SNGPL by Lahore Bench of Appellate Tribunal Inland Revenue and thus a legal precedent is in field which was also been upheld by Commissioner (Appeals) in Holding Company’s case.

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

38.1.1.7 The Tax Authorities’ passed order for FY 2009-10 against the Holding Company disallowing input sales tax credit on gas purchased but lost as Unaccounted for Gas (UFG), among other observations. The said order was contested to Appellate Tribunal Inland Revenue (ATIR) who decided the case in the Holding Company's favor thus setting a legal principle.

The tax authorities had passed two different Orders for FY 2010-11 to 2014-15 & for FY 2015-16 to 2016-17 disallowing input sales tax on gas purchased but lost as UFG (in excess of OGRA Benchmark) however the Company contested the matter before Commissioner (Appeals) who decided the cases in Holding Company’s favor.

The tax department has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the aforesaid orders of Commissioner (Appeals) for FY 2010-11 to 2016-17.

The tax authorities also issued a notice for FY 2017-18 confronting the same issue of disallowance of input tax claimed on excess UFG on which the company filed detailed reply, however, no adverse decision was drawn in light of binding precedent set by ATIR for FY 2009-10.

The Holding Company is confident that based on the advice of the tax advisor, the legal merits and legal grounds as set by ATIR and upheld by Commissioner Appeals, no provision has been made in these consolidated financial statements.

38.1.1.8 The Additional Commissioner Inland Revenue (ACIR) passed an order against the Holding Company by creating demand along with default surcharge and penalty for incorrect adjustment of withholding sales tax against input invoices for the period July 2017 – April 2018 . The principal tax demand of Rs. 1,235 million was recovered by the authority. However, the Holding Company filed a reference with Honorable High Court of Sindh (SHC) for waiver of default surcharge and penalty, which is currently pending.

The Honorable High Court of Sindh (SHC) has also stayed the recovery of the additional tax and penalties.

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

38.1.1.9 The Deputy Commissioner Inland Revenue (DCIR) passed an order against the Company by creating a demand of Rs. 432 million. The demand is mainly in respect of adjustment of carry forward of minimum tax for financial years 2005-06 and 2007-08 claimed in the Income Tax Return for the financial year 2009-10.

The issue of minimum tax for 2007-08 was decided against the Holding Company which is now pending adjudication before the Honorable Sindh High Court (SHC) while matter of minimum tax for 2005-06 was remanded back to DCIR for rectification.

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

38.1.1.10 The tax authorities had passed an order for FY 2014-15 to 2020-21 based on the fact that the Holding Company had not recorded interest income on the outstanding balance receivable from KE and PSML. An appeal against the said orders was filed before Commissioner (Appeals) by the Holding Company. The Commissioner appeal had decided the case against the Company for its said appeals. However, the Holding Company has filed before the Appellate Tribunal Inland Revenue (ATIR), except for case for FY 2020-21 which is being decided before Appellate forum.

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

38.1.1.11 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 the Holding Company. The issue of supply of natural gas to customers was remanded back to tax authorities.

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

The Holding Company has also filed application with FBR for constitution of Alternative Dispute Resolution Committee (ADRC) on the matter of FED on LNG into RLNG which is yet to be constituted.

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

38.1.1.12 The tax authorities had passed order for Tax Year 2015, disallowing interest expense on delayed payment to E&P Companies for gas purchases as well as taxing benefit of lower interest rate on loan from Government of Sindh, among other observations.

The matter was contested before Commissioner (Appeals) who decided the case in Holding Company's favor. The tax department has filed an appeal before the Appellate Tribunal Inland Revenue against the aforesaid Order of Commissioner (Appeals), which is pending adjudication.

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

38.1.1.13 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 Holding 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 is yet to be constituted.

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

38.1.1.14 The Holding Company is subject to various other claims totaling Rs. 15,219 million by income tax and sales tax authorities. The management is confident that ultimately these claims would not be payable.

38.1.1.15 There are several other pending litigations in the nature of billing disputes, employees disputes and related matters in which the Holding 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 Holding Company. Accordingly, no provision has been made in these consolidated financial statements.

38.1.2 As of June 30, 2023, the Group has an aggregate net disputed difference of Rs. 60,820 million with Sui Northern Gas Pipelines Limited (SNGPL), mainly due to capacity and utilization charges, RLNG transportation income and withheld RLNG invoices. In order to sort out these differences prior to June 2020, OGRA had appointed a consultant to address these disputes, whose preliminary report is under review and subject to extensive deliberations between aggrieved parties. For details refer note 19.2 and 36.2 of these consolidated financial statements.

		2023	2022
		(Rupees in '000)	
38.1.3	Claims against the Holding Company not acknowledged as debt	**3,623,797**	2,607,737

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

38.1.4 **Commitments**

38.1.4.1	Guarantees issued on behalf of the Holding Company	**8,938,470**	6,960,185
38.1.4.2	Commitments for capital and other expenditure	**7,565,788**	3,752,118

38.2 In respect of the Subsidiary

38.2.1 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.

38.2.2 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.

38.2.3 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.

38.2.4 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.

38.2.5 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.

38.2.6 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.

38.2.7 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.

38.2.8 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.

38.2.9 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.

38.2.10 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.

38.2.11 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.

38.3 Commitments

	Note	2023	2022
		(Rupees in '000)	
Guarantees issued on behalf of the Subsdiary Company			
For Port Qasim Authority Customs	38.3.1	**104,970**	104,970
For Sindh High Court		**12,003**	12,003
		116,973	116,973
Contracts for capital and other expenditure			
Opex		**27,762**	18,129
Capex		**244,283**	132,588
LPG purchase		**866,962**	2,678,435
		1,139,007	2,829,152

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

39 REVENUE FROM CONTRACTS WITH CUSTOMERS - GAS SALES

	2023	2022
	(Rupees in '000)	
Indigenous gas	**195,229,682**	201,178,699
RLNG	**88,574,120**	150,727,385
	283,803,802	351,906,084
Less: Sales tax		
Indigenous gas	**(29,933,069)**	(30,330,850)
RLNG	**(13,132,976)**	(21,946,723)
	(43,066,045)	(52,277,573)
	240,737,757	299,628,511

		Note	2023	2022
			(Rupees in '000)	
40	**TARIFF ADJUSTMENTS**			
	Indigenous gas	40.1	**201,684,882**	86,507,711
	RLNG	40.2	**7,078,540**	(10,577,174)
			208,763,422	75,930,537
40.1	**Tariff adjustment - indigenous gas**			
	Price increase adjustment		**203,275,347**	87,731,020
	Subsidy for LPG air mix operations	44.2	**(1,590,465)**	(1,223,309)
			201,684,882	86,507,711

40.1.1 The revenue recognized above is receivable from Government of Pakistan (GOP) under the provisions of license for transmission and distribution of natural gas granted to the Holding Company by OGRA.

OGRA vide its decision dated June 21, 2018 on the Estimated Revenue Requirement ('ERR') of the Holding Company for the year 2019 and in its letter dated June 01, 2018 "Tariff Regime for Regulated Natural Gas Sector" decided in consultation with the Federal Government and other licensees in the natural gas sector to revise the tariff regime including the rate of return which is to be based on Weighted Average Cost of Capital ('WACC') from the year 2019 in place of the fixed rate of return of 17% of the average operating assets. Weighted Average Cost of Capital ('WACC') was computed at 23.45% for financial year ended June 2023 (June 2022: 16.60%). However, the same will automatically reset if the WACC changes by ±2% from the reference figure. As per the revised tariff regime, the Holding Company will earn an annual return calculated based on the Weighted Average Cost of Capital ('WACC') on the value of its average fixed assets in operation (net of deferred credit), before corporate income taxes and subject to efficiency benchmarks prescribed by OGRA. All prudently incurred expenses in the operation of the licensed regulated activities excluding financial charges on loans and debt servicing charges, taxes and dividend shall be treated as operating expenses.

40.1.2 UFG in parlance of a gas distribution and transmission Holding Company means the difference between gas purchased in volume, gas billed in volume and gas used internally by the Holding Company in volumes for its operations. UFG results from a number of factors which inter alia comprises of gas leakages both underground and over ground, measurement errors, meter tampering, meter getting slow with time and use, illegal connections and such other connections which bypass the meters installed. While it is almost impossible to estimate the amount of gas theft in UFG, it is estimated that the above facts constitutes a significant percentage of the total UFG.

The Holding Company is taking a number of measures to control and reduce UFG. These are elaborated below:

- Vigilance for identification of theft cases, illegal networks and necessary remedial thereafter;
- Measurement errors identification and rectification; and
- Above ground and underground leakage identification and rectification.

The Holding Company's actions are likely to be more effective with the co-operation of various stakeholders and law enforcement agencies.

OGRA has determined UFG at 16.60% without considering RLNG volume handled. Although, the Holding Company had claimed UFG at 7.5% based on the RLNG volume handled and transmitted RLNG to SNGPL. The matter of RLNG volume handling benefit to the Holding Company is under review at ECC level.

As per the UFG study report finalized by a firm of Chartered Accountant, revised UFG allowance formula is gas volume available for sale X [5% + (2.6% X percentage of achievement of KMI's)]. OGRA has determined Benchmark with KMI achievement at 7.40% [5% + (2.40% based on KMI achievement)] as against the claim of the Holding Company at 7.46% [5% + (2.46% based on KMI achievement)].

		Note	2023	2022
			(Rupees in '000)	
40.2	**Tariff adjustment - RLNG**			
	GOP subsidy on RLNG tariff		**2,335,620**	-
	RLNG - OGRA	4.3	**4,742,920**	(10,577,174)
			7,078,540	(10,577,174)
41	**COST OF SALES**			
	Cost of gas	41.1	**395,916,780**	352,353,928
	Transmission and distribution costs	41.2	**27,383,938**	15,486,577
			423,300,718	367,840,505
41.1	**Cost of gas**			
	Gas in pipelines as at July 1,		**1,285,918**	1,105,599
	RLNG purchases	41.1.1	**82,623,752**	118,288,914
	Indigenous gas purchases		**317,005,731**	235,063,516
			400,915,401	354,458,029
	Gas consumed internally		**(3,053,175)**	(818,183)
	Gas in pipelines as at June 30,		**(1,945,446)**	(1,285,918)
			(4,998,621)	(2,104,101)
			395,916,780	352,353,928

41.1.1 During the year 2015, the Holding Company started swapping of natural gas in lieu of RLNG, which it received from Engro Elengy Terminal Limited (EETL) and Pakistan Gasport Consortium Limited (PGPCL) transferred to SNGPL. However, the gas transferred to SNGPL in lieu of RLNG is not in accordance with the gas received from EETL due to the difference of Gas Colorific Value (GCV) in the gas volume received and transmitted to SNGPL. From March 2015 till June 30, 2023, the Holding Company received 2,457,641,625 Million Metric British Thermal Units (MMBTUs) from EETL and PGPCL and supplied 2,211,996,514 MMBTUs to SNGPL with a short supply of 245,645,111 MMBTU.

On December 12, 2017, the Ministry of Energy in pursuance of the decision of ECC vide case submitted on September 03, 2015, allocated 12 BCF RLNG volume to the Holding Company. On September 10, 2018, 18 BCF and on February 7, 2019 another 11 BCF on June 14, 2019 another 8 BCF, on November 18, 2019 another 11 BCF, on March 3, 2020 another 11 BCF (in total 71 BCF) of RLNG volume was allocated 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 year, the Holding Company has recorded purchases of 16 BCF (2022: 37 BCF) from SNGPL amounting to Rs. 82,624 million (2022: Rs.118,289 million) based on OGRA's decision dated November 20, 2018.

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

ECC in its decision dated May 17, 2018 suspended the current treatment of weighted average cost of gas (WACOG) for the period of 3 months i.e. till August 2018. Further, ECC may consider the revision of WACOG based on the recommendations made by the committee for the purpose. Based on the decision, the Holding Company did not raise the bill for the month of June 2018 to SNGPL on account of uniform cost of gas.

As of the reporting date, no further direction has been provided by ECC; however, it was mutually agreed and signed by the representatives of both the companies on May 2019 that both companies should pay the undisputed amount to narrow down the differences, though no settlement has been made till date.

	Note	2023	2022
		(Rupees in '000)	
41.2 Transmission and distribution costs			
Salaries, wages and benefits		**12,437,795**	8,636,151
Contribution / accruals in respect of staff retirement benefit schemes	41.2.1	**2,148,975**	1,447,706
Depreciation on operating assets	5.1.1	**6,669,738**	2,816,262
Depreciation - right of use		**52,970**	49,873
Repairs and maintenance		**2,258,789**	1,571,502
Stores, spares and supplies consumed		**958,061**	675,266
Gas consumed internally		**3,039,124**	804,727
Legal and professional charges		**179,944**	60,591
Software maintenance		**46,312**	58,924
Electricity		**177,764**	154,587
Security expenses		**1,156,144**	844,297
Insurance		**98,335**	28,381
Travelling		**77,021**	56,386
Material and labor used on consumers' installation		**23,045**	31,938
Postage and revenue stamps		**2,051**	2,212
Rent, rates and taxes		**79,563**	74,478
Others		**233,615**	314,185
		29,639,246	17,627,466
Recoveries / allocations to:			
Gas distribution system capital expenditure		**(1,787,093)**	(1,676,064)
Installation costs recovered from customers	14	**(59,642)**	(115,093)
		(1,846,735)	(1,791,157)
Recoveries of service cost from			
Sui Northern Gas Pipeline Limited - related party	41.2.2	**(401,254)**	(339,185)
Allocation to sale of gas condensate		**(7,319)**	(10,547)
		27,383,938	15,486,577

41.2.1 Contributions to / accrual in respect of staff retirement benefit schemes

	2023	2022
	(Rupees in '000)	
Contributions to the provident fund	**312,151**	242,781
Charge in respect of pension funds:		
executives	**198,159**	228,405
non executives	**168,111**	170,762
	366,270	399,167
Charge in respect of gratuity funds:		
executives	**192,225**	168,266
non executives	**55,688**	199,620
	247,913	367,886
Accrual in respect of unfunded post retirement medical facility	**1,064,473**	569,751
Accrual in respect of compensated absences		
Executives	**(29,553)**	(70,702)
Other employees	**187,721**	(61,177)
	158,168	(131,879)
	2,148,975	1,447,706

41.2.2 This includes recovery in respect of obligation against pipeline transferred to the Holding Company from Engro Elengy Terminal Limited amounting to Rs. 135.7 million (2022: Rs. 135.7 million).

42 ADMINISTRATIVE AND SELLING EXPENSES

	Note	2023	2022
		(Rupees in '000)	
Administrative expenses	42.1	**3,201,022**	2,778,883
Selling expenses	42.2	**3,088,618**	2,472,965
		6,289,640	5,251,848

	Note	2023	2022
		(Rupees in '000)	
42.1 Administrative expenses			
Salaries, wages and benefits		**1,874,942**	1,681,767
Contribution / accrual in respect of staff retirement benefit schemes	42.1.1	**202,201**	155,512
Depreciation on operating assets	5.1.1	**244,307**	210,255
Depreciation - right of use		**3,114**	2,800
Amortisation of intangible assets	6	**109,774**	63,138
Repairs and maintenance		**226,250**	191,106
Stores, spares and supplies consumed		**68,231**	43,692
Legal and professional		**110,981**	115,035
Consultancy		**4,418**	-
Software maintenance		**124,845**	103,832
Electricity		**6,153**	5,158
Security expenses		**23,637**	17,442
Insurance		**14,708**	13,710
Travelling		**29,470**	25,039
Postage and revenue stamps		**11,412**	9,415
Rent, rates and taxes		**19,406**	16,003
Others		**141,282**	139,906
		3,215,131	2,793,810
Allocation to meter manufacturing division	44.1	**(14,109)**	(14,927)
		3,201,022	2,778,883
42.1.1 Contribution / accrual in respect of staff retirement benefit schemes			
Contribution to the provident fund		**52,326**	50,124
Charge in respect of pension funds:			
executives		**20,383**	21,345
non-executives		**9,606**	10,107
		29,989	31,452
Charge in respect of gratuity funds:			
executives		**51,215**	36,191
non-executives		**10,822**	9,925
		62,037	46,116
Accrual in respect of unfunded post retirement:			
gas facility		**13,496**	4,080
medical facility		**44,353**	23,740
		57,849	27,820
		202,201	155,512

42.2 Selling expenses

	Note	2023	2022
		(Rupees in '000)	
Salaries, wages and benefits		**1,995,348**	1,543,913
Contribution / accrual in respect of staff retirement benefit schemes	42.2.1	**246,610**	217,224
Depreciation on operating assets	5.1.1	**7,043**	6,714
Depreciation - right of use		**23,063**	53,245
Repairs and maintenance		**6,027**	2,289
Stores, spares and supplies consumed		**19,000**	10,927
Electricity		**134,941**	80,265
Insurance		**1,087**	1,054
Travelling		**553**	1,517
Gas bill and collection charges		**577,751**	533,046
Postage and revenue stamps		**594**	438
Rent, rates and taxes		**28,567**	2,338
Others		**48,034**	19,995
		3,088,618	2,472,965

42.2.1 Contribution to / accrual in respect of staff retirement benefit schemes

	2023	2022
Contribution to the provident fund	**67,060**	48,069
Charge in respect of pension funds:		
executives	**6,893**	54,735
non-executives	**46,061**	39,481
	52,954	94,216
Charge in respect of gratuity funds:		
executives	**22,588**	27,074
non-executives	**104,008**	47,865
	126,596	74,939
	246,610	217,224

		Note	2023	2022
			(Rupees in '000)	
43	**OTHER OPERATING EXPENSES**			
	Auditors' remuneration			
	Statutory audit		5,897	4,864
	Fee for other audit related services		1,196	1,095
	Out of pocket expenses		753	476
			7,846	6,435
	Sports expenses		2,859	61,584
	HCPC Arbitration Award		-	4,157,839
	Corporate Social Responsibility		7,395	7,099
	Provision against slow moving and obselete stores and spares		207,469	89,416
	Loss on disposal of property, plant and equipment		540,380	2,331
	Obsolete material written off	12.3	112,127	-
	Exchange loss		34,187,775	16,095,370
			35,065,851	20,420,074
44	**OTHER INCOME**			
	Income from financial assets			
	Income for receivable against asset contribution		35,741	34,012
	Late payment surcharge		2,261,023	2,009,242
	Interest income on late payment of gas bills from SNGPL		1,135,867	1,135,867
	Liquidated damages recovered		107,203	90,648
	Income from net investment in finance lease from SNGPL		5,054	15,927
	Return on saving bank account		143,745	70,077
	Interest income on late payment of gas bills from Water & Power Development Authority (WAPDA)		757,259	383,098
	Dividend income		25,049	23,086
			4,470,941	3,761,957
	Income from other than financial assets			
	Sale of gas condensate - net		9,325	5,371
	Income from LPG / NGL - net		1,692,931	420,735
	Meter manufacturing division (loss) / profit - net	44.1	(122,221)	4,820
	Meter rentals		1,616,283	1,686,853
	Fixed charges billed		1,978,592	-
	RLNG transportation income		13,001,000	9,726,000
	Recognition of income against deferred credit and contract liabilities		716,158	650,591
	Income from LPG air mix distribution - net	44.2	202,151	120,343
	Recoveries from customers		113,093	129,608
	Income from sale of tender documents		8,944	6,092
	Amortization of Government grant		12,028	17,076
	Income against LNG service agreement		1,458,221	1,044,608
	Liabilities written back		39,824	
	Miscellaneous		64,855	55,746
			25,262,125	17,629,800

44.1 Meter manufacturing division (loss) / profit - net

	Note	2023	2022
		(Rupees in '000)	
Gross Sale of gas meters:			
Company's consumption		**1,493,683**	1,708,171
Outside sales		**18,523**	13,051
		1,512,206	1,721,222
Sales tax		**(208,994)**	(268,317)
Net sales		**1,303,212**	1,452,905
Less: Cost of goods sold			
Raw material consumed		**(835,770)**	(968,629)
Stores and spares		**(13,813)**	(10,284)
Fuel, power and electricity		**(25,282)**	(17,564)
Salaries wages and other benefits	44.1.2	**(492,503)**	(406,995)
Insurance		**(925)**	(772)
Repairs and maintenance		**(11,750)**	(8,824)
Depreciation on operating fixed assets	5.1.1	**(36,216)**	(23,705)
Transportation		**(198)**	-
Other expenses		**(4,128)**	(1,783)
		(1,420,585)	(1,438,556)
Gross (loss) / profit		**(117,373)**	14,349
Administrative expenses	42.1	**(14,109)**	(14,927)
Operating loss		**(131,482)**	(578)
Other income		**9,261**	5,398
Net (loss) / profit		**(122,221)**	4,820

44.1.1 Gas meters used by the Holding Company are included in operating assets at manufacturing cost.

44.1.2 The salaries, wages and other benefits includes:

	2023	2022
	(Rupees in '000)	
Salaries, wages and other benefits	**463,453**	379,126
Provident fund contribution	**9,085**	6,356
Pension fund	**10,824**	12,649
Gratuity	**9,141**	8,864
	492,503	406,995

44.2 Income from LPG air mix distribution - net

	Note	2023	2022
Sales		**80,300**	70,391
Cross subsidy		**1,590,465**	1,223,309
Cost of sales		**(1,124,454)**	(918,263)
Gross profit		**546,311**	375,437
Distribution, selling and administrative expenses			
Salaries, wages and other benefits		**(88,436)**	(73,080)
Depreciation on operating fixed assets	5.1.1	**(84,585)**	(83,342)
Other operating expenses		**(214,460)**	(135,808)
		(387,481)	(292,230)
Amortisation of deferred credit		**27,543**	27,534
Other income		**15,778**	9,602
Net profit		**202,151**	120,343

	Note	2023	2022
		(Rupees in '000)	

45 FINANCE COST

	Note	2023	2022
Mark-up on:			
loan from banking companies		**4,923,946**	2,870,066
short term borrowings		**4,529,110**	2,023,737
customer deposits		**642,990**	684,157
customer finance		**187**	673
loan from Government of Sindh loans		**23,448**	26,853
payable against transfer of pipeline		**65,068**	71,122
finance cost of lease liability		**16,617**	15,219
interest on WPPF		**60,368**	81,722
Petroleum Development Levy		**-**	12,274
others		**88,558**	10,736
		10,350,292	5,796,559
Less: Finance cost capitalised during the year	5.2.1	**(1,709,727)**	(600,523)
		8,640,565	5,196,036

46 TAXATION

	Note	2023	2022
Current		**4,861,844**	3,791,043
Prior		**3,153**	-
Deferred		**(4,470,355)**	(20,202)
	46.1	**394,642**	3,770,841

46.1 Relationship between consolidated accounting profit and tax expense for the year is as follows:

	2023	2022
	(Rupees in '000)	
Accounting loss for the year	**(441,415)**	(7,641,178)
Tax rate	**29%**	29%
Tax charge @ 29%	**(128,010)**	(2,215,942)
Impact of super tax	**1,061,624**	740,782
Effect of lower tax rate on dividend income	**3,757**	3,232
Minimum income tax u/s 153 (1) (b)	**6,493**	-
Others	**(1,338,506)**	(2,298,913)
	(394,642)	(3,770,841)

47 STAFF RETIREMENT BENEFITS

47.1 In respect of Holding company

47.1.1 Funded post retirement pension and gratuity schemes

As mentioned in note 4.20 to these consolidated financial statements, the Company operates approved funded pension and gratuity schemes for all employees. Contributions are made to these schemes based on actuarial valuation. Latest actuarial valuations were carried out as at June 30, 2023 under the projected unit credit method for both non-executive and executive staff members.

Fair Value of Plan assets and present value of obligation

The fair value of plan assets and present value of defined benefit obligations of the pension and gratuity schemes at the valuation date were as follows:

Liability / (Asset) in consolidated statement of financial position

	2023			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Fair value of plan assets	(1,398,669)	(6,602,251)	(144,152)	(5,063,051)
Present value of defined benefit obligation	1,640,000	8,260,995	10,335	8,888,826
	241,331	1,658,744	(133,817)	3,825,775
Movement in fair value of plan assets				
Fair value as at July 01, 2022	1,306,941	5,679,801	328,683	3,677,152
Interest income on plan assets	175,412	735,342	40,908	486,552
Actual contribution by the employer	44,511	766,706	-	1,281,977
Actual benefits paid from the fund during the year	(45,756)	(797,549)	(1,909)	(676,511)
Amount transferred in/ (out)	(81,207)	172,195	(206,000)	206,000
Remeasurement	(1,232)	45,756	(17,530)	87,881
Fair value as at June 30, 2023	1,398,669	6,602,251	144,152	5,063,051

	2023			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Movement in present value of defined benefit obligation				
Obligation as at July 01, 2022	1,426,643	6,806,183	10,418	5,095,968
Service cost	41,655	358,465	-	219,927
Interest cost on defined benefit obligation	190,316	875,586	1,281	663,206
Actual benefit paid during the year	(81,207)	(797,549)	(1,909)	(676,511)
Remeasurement	62,593	1,018,310	545	3,586,236
Obligation as at June 30, 2023	1,640,000	8,260,995	10,335	8,888,826

Movement in liability / (asset) in consolidated statement of financial position

	2023			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Liability / (Asset) as at July 01, 2022	119,702	1,126,382	(318,265)	1,418,816
Expense recognised for the year	282,356	272,912	231,463	125,491
Remeasurement	(116,216)	1,026,156	(47,015)	3,563,445
Contribution to the fund	(44,511)	(766,706)	-	(1,281,977)
Liability / (Asset) as at June 30, 2023	241,331	1,658,744	(133,817)	3,825,775

SSGC

Expense recognised in the consolidated statement of profit or loss during the current year in respect of the above schemes were as follows:

	2023			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Current service cost	41,655	358,465	-	219,927
Interest cost	190,316	875,586	1,281	663,206
Interest income	(175,412)	(735,342)	(40,908)	(486,552)
Amount transferred out / (in)	225,797	(225,797)	271,090	(271,090)
	282,356	272,912	231,463	125,491

Total remeasurement recognised in consolidated statement of comprehensive income

Remeasurement on obligation arising on				
Financial assumptions	2,094	766,210	(469)	(35,972)
Demographic assumptions	(17,118)	(69,295)	-	-
Experience adjustments	77,617	321,395	1,014	3,622,208
	62,593	1,018,310	545	3,586,236
Remeasurement on plan assets arising on				
Actual return on plan assets	(161,347)	(860,591)	(21,026)	(506,684)
Expected return on plan assets	175,412	735,342	40,908	486,552
Net return on plan assets over interest income	14,065	(125,249)	19,882	(20,132)
Difference in opening fair value of assets after audit	(12,833)	(46,946)	(2,352)	(67,749)
	1,232	(172,195)	17,530	(87,881)
Adjustment for previous amount transferrable	(180,041)	180,041	(65,090)	65,090
	(116,216)	1,026,156	(47,015)	3,563,445

Composition / fair value of plan assets used by the fund

	2023			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Quoted Shares	3.53%	0.77%	20.32%	1.42%
Debt instruments	94.00%	95.86%	72.17%	93.89%
Mutual funds	2.04%	1.33%	0.00%	4.31%
Others including cash & cash equivalents	0.43%	2.03%	7.51%	0.37%
Total	100%	100%	100%	100%
Quoted Shares	49,363	51,072	29,287	72,096
Debt instruments	1,314,779	6,328,967	104,032	4,753,633
Mutual funds	28,529	88,138	-	218,374
Others including cash & cash equivalents	5,998	134,074	10,833	18,948
Total	1,398,669	6,602,251	144,152	5,063,051

Detail of employees valued

Detail of employees valued related to above scheme are as follows for the year ended June 30, 2023

	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Total number of employees	1,988	1,988	-	4,391
Total monthly salaries	273,545	273,545	-	206,596
Total number of pensioner	161	-	16	-
Total monthly pension	3,443	-	114	-

Liability / (Asset) in consolidated statement of financial position

	2022			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	------(Rupees in '000)------			
Fair value of plan assets	(1,306,941)	(5,679,801)	(328,683)	(3,677,152)
Present value of defined benefit obligation	1,426,643	6,806,183	10,418	5,095,968
	119,702	1,126,382	(318,265)	1,418,816

Movement in fair value of plan assets

	2022			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
Fair value as at July 01, 2021	1,137,931	5,352,923	254,205	3,412,945
Expected return on plan assets	144,348	548,019	25,420	348,461
Remeasurement	(68,136)	27,043	(19,529)	(36,954)
Benefits paid	(73,779)	(761,637)	(1,763)	(454,579)
Contribution to the fund	383,533	296,497	318,126	159,503
Amount transferred in / (out)	(216,956)	216,956	(247,776)	247,776
Fair value as at June 30, 2022	1,306,941	5,679,801	328,683	3,677,152

Movement in present value of defined benefit obligation

	2022			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	------(Rupees in '000)------			
Obligation as at July 01, 2021	1,409,118	6,622,845	15,354	5,621,826
Current service cost	45,545	357,210	-	262,966
Interest cost	140,912	662,285	1,535	562,183
Benefits paid	(73,779)	(761,637)	(1,763)	(454,579)
Remeasurement	(95,153)	(74,520)	(4,708)	(896,428)
Obligation as at June 30, 2022	1,426,643	6,806,183	10,418	5,095,968

Movement in liability / (asset) in consolidated statement of financial position

	2022			
	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	------(Rupees in '000)------			
Liability / (Asset) as at July 01, 2021	271,187	1,269,922	(238,851)	2,208,881
Expense recognised for the year	259,065	254,520	223,891	228,912
Remeasurement	(27,017)	(101,563)	14,821	(859,474)
Contribution to the fund	(383,533)	(296,497)	(318,126)	(159,503)
Liability / (Asset) as at June 30, 2022	119,702	1,126,382	(318,265)	1,418,816

Expense recognised in the consolidated statement of profit or loss during the current year in respect of the above schemes were as follows:

	2022			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	------(Rupees in '000)------			
Current service cost	45,545	357,210	-	262,966
Interest cost	140,912	662,285	1,535	562,183
Interest income	(144,348)	(548,019)	(25,420)	(348,461)
Amount transferred out / (in)	216,956	(216,956)	247,776	(247,776)
	259,065	254,520	223,891	228,912

	2022			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Total remeasurement recognised in consolidated statement of comprehensive income				
Remeasurement on obligation arising on				
Financial assumptions	(93,035)	392,872	(573)	(471,070)
Demographic assumptions	(1,136)	(3,921)	-	2,273
Experience adjustments	(982)	(463,471)	(4,135)	(427,631)
	(95,153)	(74,520)	(4,708)	(896,428)
Remeasurement on plan assets arising on				
Actual return on plan assets	61,602	498,713	5,876	275,728
Expected return on plan assets	(144,348)	(548,019)	(25,420)	(348,461)
Net return on plan assets over interest income	82,746	49,306	19,544	72,733
Difference in opening fair value of assets after audit	(14,610)	(76,349)	(15)	(35,779)
	68,136	(27,043)	19,529	36,954
	(27,017)	(101,563)	14,821	(859,474)

Composition / fair value of plan assets used by the fund

	2022			
	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Quoted Shares	3.95%	0.94%	9.31%	2.05%
Debt instruments	84.42%	92.16%	41.00%	89.93%
Mutual funds	5.91%	2.13%	21.60%	6.04%
Others including cash & cash equivalents	5.73%	4.77%	28.08%	1.99%
Total	100%	100%	100%	100%
Quoted Shares	51,604	53,377	30,616	75,369
Debt instruments	1,103,305	5,234,607	134,761	3,306,735
Mutual funds	77,193	121,001	71,000	221,984
Others including cash & cash equivalents	74,839	270,816	92,306	73,064
Total	1,306,941	5,679,801	328,683	3,677,152

Detail of employees valued

Detail of employees valued related to above scheme are as follows for the year ended June 30, 2022

	Executives		Non-Executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)			
Total number of employees	2,154	2,154	-	4,447
Total monthly salaries	228,921	228,921	-	129,057
Total number of pensioner	151	-	16	-
Total monthly pension	3,235	-	120	-

Significant assumptions used for the valuation of above schemes are as follows:

	Executives and Non-executives	
	2023	2022
	(%)	(%)
Discount rate	**16.25**	13.25
Salary increase rate in the first year	**24% wef. 01-07-2023**	16% wef. 01-07-2022 14% wef. 01-01-2023
Expected rate of increase in salary level	**14.25%**	11.25%
Increase in pension	**10.25%**	7.25%
Mortality rates	**SLIC (2001-05)-1**	SLIC (2001-05)-1
Rates of employee turnover	**Moderate**	Ultra - light

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected rate of salary and pension increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Change in assumption		Impact of change in assumptions in present value of defined benefit obligation			
			Executives		Non-Executives	
			Pension	Gratuity	Pension	Gratuity
			(Rupees in '000)			
Discount rate	1%	Increase	1,509,179	7,944,905	9,769	8,484,868
Salary increase rate	1%	in	1,685,503	8,567,923	-	9,289,752
Pension increase rate	1%	assumption	1,745,204	-	10,999	-
Discount rate	1%	Decrease	1,793,491	8,602,257	10,969	9,326,364
Salary growth rate	1%	in	1,597,198	7,971,813	-	8,511,925
Pension increase rate	1%	assumption	1,548,623	-	9,735	-

The expected pension and gratuity expense for the next one year from July 01, 2023 is as follows:

	Executives		Non-executives	
	Pension	Gratuity	Pension	Gratuity
	(Rupees'000)			
Current service cost	49,085	416,238	-	395,351
Interest cost	268,456	1,282,975	1,562	1,401,540
Interest income on plan assets	(232,084)	(1,032,977)	(21,730)	(824,938)
Interest cost	36,372	249,998	(20,168)	576,602
Amount transferred out / (in)	380,306	(345,079)	749,483	(749,483)
	465,763	321,157	729,315	222,470

47.1.2 Unfunded post retirement medical benefit and gas supply facilities

The Company provides free medical and gas supply facilities to its retired executive employees. The free gas supply facility has been discontinued for employees who had retired after December 31, 2000. The latest actuarial valuations of the liability under these schemes were carried out as at June 30, 2023 under the projected unit credit method, results of which are as follows:

	2023		
	Post retirement medical facility	Post retirement gas facility	Total
	(Rupees in '000)		
Liability in consolidated statement of financial position			
Present value of defined benefit obligation	6,587,344	9,256	6,596,600
Movement in present value of defined benefit obligation			
Liability as at July 01, 2022	6,805,549	13,261	6,818,810
Expense recognised for the year	1,111,056	13,261	1,124,317
Payments during the year	(207,947)	(900)	(208,847)
Remeasurement	(1,121,314)	(16,366)	(1,137,680)
Liability as at June 30, 2023	6,587,344	9,256	6,596,600
Expense recognised in the consolidated statement of profit or loss			
Current service cost	210,015	-	210,015
Interest cost	901,041	13,261	914,302
	1,111,056	13,261	1,124,317
Total remeasurement recognised in consolidated statement of comprehensive income			
Remeasurement on obligation arising on			
Financial assumptions	(314,298)	-	(314,298)
Demographic assumption	(3,471,893)	-	(3,471,893)
Experience adjustments	2,664,877	(16,366)	2,648,511
	(1,121,314)	(16,366)	(1,137,680)

Detail of employee valued	Medical facility	Gas facility

Detail of employee valued related to above scheme are as follows for the year ended June 30, 2023:

	Medical facility	Gas facility
Total number of actives	**1,857**	**-**
Total number of beneficiaries	**1,330**	**27**

	2022		
	Post retirement medical facility	Post retirement gas facility	Total
	--------------------(Rupees in '000)--------------------		
Liability in consolidated statement of financial position			
Present value of defined benefit obligation	6,805,549	13,261	6,818,810
Movement in present value of defined benefit obligation			
Liability as at July 01, 2021	4,591,004	32,444	4,623,448
Expense recognised for the year	615,021	(16,666)	598,355
Payments during the year	(192,673)	(1,164)	(193,837)
Remeasurement	1,792,197	(1,353)	1,790,844
Liability as at June 30, 2022	6,805,549	13,261	6,818,810
Expense recognised in the consolidated statement of profit or loss			
Current service cost	173,584	-	173,584
Interest cost	441,437	3,244	444,681
	615,021	3,244	618,265
Total remeasurement recognised in consolidated statement of comprehensive income			
Remeasurement on obligation arising on			
Financial assumptions	1,635,680	-	1,635,680
Demographic assumption	1,207	-	1,207
Experience adjustments	155,310	(21,263)	134,047
	1,792,197	(21,263)	1,770,934

Detail of employee valued

Detail of employee valued related to above scheme are as follows for the year ended June 30, 2022:

	Medical facility	Gas facility
Total number of actives	1,982	-
Total number of beneficiaries	2,788	41

47.1.2.1 Number of employees under the scheme

The number of employees covered under the following defined benefit plans are 1,982 (2022: 2,216) and 27 (2022: 41) for medical and gas facility respectively.

47.1.2.2 Significant assumptions used for the valuation of above schemes are as follows:

	Executives	
	2023 (%)	2022 (%)
Discount rate	**16.25%**	13.25%
Medical inflation rate - (Post-Retirement)	**14.25%**	11.25%
Medical inflation rate - (Pre-Retirement)	**14.25%**	11.25%
Gas inflation rate	**16.25%**	13.25%
Benefit limit - Gas	**33,500**	28,500
Expected medical expense for adult - retires and deceased staff	**79,500**	74,500
Expected medical expense for adult - active (family of two)	**159,000**	149,000
Expected medical expense for children	**10,000**	10,000
Mortality rates (for death in service & post retirement mortality)	**SLIC (2001-05)**	SLIC (2001-05)
Rate of employees turnover	**Moderate**	Ultra - light

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected rate of medical and gas increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

		Impact of change in assumptions in present value of defined benefit obligation	
	Change in assumption	Post retirement medical facility	Post retirement gas facility
		---------(Rupees in '000)--------	
Discount rate	Increase in assumption	**6,082,089**	**8,765**
Medical inflation rate (Pre retirement)		**6,730,904**	**-**
Medical inflation rate (Post retirement)		**7,684,742**	**-**
Gas inflation rate		**-**	**9,791**
Discount rate	Decrease in assumption	**7,863,042**	**9,796**
Medical inflation rate (Pre retirement)		**6,453,417**	**-**
Medical inflation rate (Post retirement)		**6,200,708**	**-**
Gas inflation rate		**-**	**8,761**

The expected medical and gas expense for the next one year from July 01, 2023 is as follows:

	Post retirement medical facility	Post retirement gas facility
	---------(Rupees in '000)--------	
Current service cost	**208,813**	**-**
Net interest cost	**1,067,730**	**1,433**
	1,276,543	**1,433**

47.1.2.3 Defined contribution plan - recognized provident fund

The information related to the provident funds established by the Company based on management records are as follows:

			Non-Executives	
	2023	2022	2023	2022
	(Audited)			
	(Rupees in '000)			
Size of provident fund	**5,486,431**	5,072,234	**5,500,317**	4,834,195
Cost of investments made	**5,073,946**	4,090,738	**5,223,242**	3,744,163
Percentage of investments made	**92.48%**	80.65%	**94.96%**	77.45%
Fair value of investment	**5,147,923**	4,760,510	**5,270,854**	4,599,023
Break-up of investments:				
- Balance in savings accounts				
Amount of investment	**70,536**	59,445	**48,480**	136,099
Percentage of investment as size of the fund	**1.27%**	1.15%	**0.88%**	2.82%
- Term deposit receipts				
Amount of investment	**1,062,992**	375,286	**1,110,931**	183,291
Percentage of investment as size of the fund	**19.35%**	7.38%	**20.20%**	3.79%
- Units of mutual fund				
Amount of investment	**353,166**	574,259	**331,329**	418,900
Percentage of investment as size of the fund	**6.44%**	11.32%	**6.02%**	8.67%
- Special savings certificate				
Amount of investment	**-**	2,134,192	**-**	2,549,530
Percentage of investment as size of the fund	**0.00%**	42.08%	**0.00%**	52.74%
- Treasury bills				
Amount of investment	**251,031**	163,991	**1,072,975**	356,295
Percentage of investment as size of the fund	**4.58%**	3.23%	**19.51%**	7.37%
- Pakistan Investment Bonds (PIBs)				
Amount of investment	**3,361,096**	1,402,058	**2,663,213**	908,746
Percentage of investment as size of the fund	**61.26%**	27.64%	**48.42%**	18.80%
- Term Finance Certificates (TFCs)				
Amount of investment	**-**	-	**-**	-
Percentage of investment as size of the fund	**-**	-	**-**	-
- Quoted shares				
Amount of investment	**49,102**	51,279	**43,926**	46,162
Percentage of investment as size of the fund	**0.89%**	1.01%	**0.80%**	0.95%

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 B92and the rules formulated for this purpose.

47.1.2.4 Duration of defined benefit obligation

	Executive staff pension fund	Executive staff gratuity fund	Non-executive staff pension fund	Non-executive staff gratuity fund	Post retirement gas facility scheme	Post retirement medical benefit scheme
Weighted average duration of the defined benfit obligation	8 Years	4 Years	6 Years	5 Years	5 Years	16 Years

		Note	2023	2022
			(Rupees in '000)	
47.2	**In respect of Subsidiary**			

47.2.1 Receivable from gratuity fund

	Note	2023	2022
Statement of financial position - asset / (liability)			
Defined benefit plan.	47.1.2.1.1	**1,129**	(9,808)

The Company maintains funded gratuity fund. The details of employee retirement benefit obligations are based on valuations carried out by independent actuary as at June 30, 2023, using the Projected Unit Credit method. Related disclosures are as follows:

47.2.1.1 Movement of the asset / (liability) recognized in the statement of financial position

	2023	2022
	(Rupees in '000)	
Opening net (assets) / liability	**(9,808)**	60
Current service cost	**(10,271)**	(9,926)
Interest cost	**4**	135
Benefits paid during the year	**161**	2,643
Contribution	**19,518**	-
Remeasurement of actuarial gain / (loss)	**1,525**	(2,720)
Closing net asset / (liability)	**1,129**	(9,808)

47.2.1.2 Expense recognized in profit or loss

	2023	2022
Current service cost	**10,271**	9,926
Net interest expense	**(4)**	(135)
Expense for the year	**10,267**	9,791

47.2.1.3 Remeasurement gain recognized in other comprehensive income

	2023	2022
Actuarial gain / (loss) on defined benefit obligation	**1,525**	(2,720)

47.2.1.4 Fair value of plan assets at year end

	2023	2022
Term finance certificate	**-**	-
Equity account	**3,905**	4,441
Investment in sukuk	**25,919**	25,933
Amount in bank	**19,138**	616
	48,962	30,990
Discount rate	**15.75%**	13.25%
Salary increase rate short run (p.a)	**16.00%**	15.00%
Salary increase rate long run (p.a)	**14.50%**	12.25%
Duration	**4.45 years**	8.37 years
Withdrawn rates	**High**	Moderate
Mortality Rates	**SLIC 2001-05**	SLIC 2001-05

47.2.1.5 The expected maturity analysis of undiscounted retirement benefit plan is:

	2023	2022
Year 1	**7,785**	4,984
Year 2	**7,692**	1,035
Year 3	**7,161**	2,467
Year 4	**8,137**	2,108
Year 5	**8,327**	5,469
Year 6 to Year 10	**37,331**	21,814
Year 11 to above	**54,039**	149,174

47.2.1.6 The sensitivity of the defined benefit asset to changes in the weighted principal assumptions is:

	Defined benefit asset	% Change from base
Base	**47,834**	
Discount rate (1% increase)	**45,794**	**-4.26%**
Discount rate (1% decrease)	**50,050**	**4.63%**
Salary growth rate (1% increase)	**50,268**	**5.09%**
Salary growth rate (1% decrease)	**45,560**	**-4.75%**
Withdrawal rates (10% Increase)	**47,841**	**0.01%**
Withdrawal rates (10% Decrease)	**47,827**	**-0.01%**
1 year Mortality age set back	**47,986**	**0.32%**
1 year Mortality age set forward	**47,667**	**-0.35%**

The defined benefit asset expose the Company to the actuarial risks such as:

(a) Longevity risks

The risk arises when the actual lifetime of the retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

(b) Salary increase risk

The risk arises when the actual increases are higher or lower than the expectation and impacts the liability accordingly.

(c) Withdrawal risks

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

47.2.1.7 The following table shows the analysis of remeasurement as at the valuation date:

	2023	2022
	(Rupees in '000)	
Remeasurement gain on obligation		
- Financial assumption	**195**	(2,087)
- Due to Salary Increase	**2,184**	1,717
- Due to actual Withdrawal / Morality	**-**	(283)
- Other reasons	**-**	-
- Remeasurement gain or loss on plan assets	**(2,803)**	3,373
- Experience adjustment	**(1,102)**	-
Total remeasurement on obligation	**(1,525)**	2,720
Total remeasurement recognized in Other Comprehensive Income	**-**	-
	(1,525)	2,720

47.2.1.8 The expected gratuity expense for the year ending June 30, 2024 will be Rs. 10.46 million.

48 EARNINGS /

		Note	2023	2022
			(Rupees in '000)	
Loss for the year	(Rupees in '000)		**(836,057)**	(11,412,019)
Average number of ordinary shares	(Number of shares)		**880,916,309**	880,916,309
Loss per share basic and diluted	(Rupees)		**(0.95)**	(12.95)

49 ADJUSTMENTS FOR NON-CASH AND OTHER ITEMS

	Note	2023	2022
Provisions	49.1	**4,322,511**	3,730,875
Depreciation on owned assets	5.1	**7,246,248**	3,325,372
Depreciation on right of use assets	7	**80,038**	106,809
Depreciation on projects capitalised	5.1.1	**(21,806)**	(36,253)
Amortization of intangibles	6	**109,774**	63,138
Finance cost		**8,558,880**	5,341,183
Recognition of income against deferred credit and contract liability		**(743,868)**	(677,993)
Amortization of Government grant	44	**(12,028)**	(17,076)
Dividend income	44	**(25,049)**	(23,086)
Interest income		**(2,036,871)**	(1,679,012)
Income from net investment in finance lease	44	**(5,054)**	(15,927)
Loss on disposal of property plant and equipment	43	**539,279**	1,080
Decrease in long term advances		**(633,538)**	815,614
Increase in deferred credit and contract liability		**1,989,089**	2,152,932
Finance cost on finance lease	45	**16,617**	15,219
Increase in net investment in finance lease		**78,375**	73,741
Increase in payable against transfer of pipeline	45	**65,068**	71,122
		19,527,665	13,247,738

49.1 Provisions

	2023	2022
Provision against slow moving / obsolete stores	**200,007**	89,095
Allowance for expected credit loss	**1,907,945**	2,121,563
Provision for compensated absences	**165,390**	(131,879)
Provision for post retirement medical and free gas supply facilities	**1,124,317**	597,571
Provision for retirement benefits	**922,959**	1,056,636
Reversal against provision for bonus	**-**	(1,543)
Reversal against provision for leave encashment	**1,893**	(568)
	4,322,511	3,730,875

	Note	2023	2022
		(Rupees in '000)	

50 WORKING CAPITAL CHANGES

Increase in current assets			
Store, spares and loose tools		**(36,919)**	(232,930)
Stock-in-trade		**(1,882,291)**	(972,803)
Customers' installation work-in-progress		**(22,007)**	5,273
Trade debts		**(17,984,430)**	(19,076,480)
Advances, deposits and short term prepayments		**435,300**	70,949
Other receivables		**(236,806,859)**	(104,130,450)
		(256,297,206)	(124,336,441)
Increase in current liabilities			
Trade and other payables		**241,003,700**	143,667,892
		(15,293,506)	19,331,451

50.1 Cash and cash equivalent at the end of the year

Cash and bank balances	22	**553,746**	969,582
Short term borrowings	35	**(34,981,575)**	(23,878,298)
		(34,427,829)	(22,908,716)

51 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at June 30, 2023	
	Lease liability	Long term financing
	(Rupees in '000)	
Balance as at July 01,	**95,455**	**23,680,374**
Addition in lease / proceed from long term loan	**83,678**	**14,989,444**
Repayment of lease liability / repayment of long term loan	**(92,279)**	**(6,480,507)**
Balance as at June 30,	**86,854**	**32,189,311**

	As at June 30, 2022	
	Lease liability	Long term financing
	(Rupees in '000)	
Balance as at July 01,	148,338	29,316,211
Addition in lease / proceed from long term loan	56,884	21,131,970
Repayment of lease liability / repayment of long term loan	(109,767)	(26,767,807)
Balance as at June 30,	95,455	23,680,374

52 REMUNERATION OF MANAGING DIRECTOR, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the consolidated financial statements for remuneration, including all benefits, to Managing Director, Directors and Executives of the Group are given below:

	2023			2022		
	Managing Director	Directors	Executives	Managing Director	Directors	Executives
	(Rupees in 000)					
Directors' fees (note 52.3)	**-**	**36,400**	**-**	-	41,100	-
Managerial remuneration	**58,898**	**-**	**2,729,842**	37,887	-	2,079,360
Housing	**31,766**	**-**	**1,102,960**	15,943	-	844,691
Utilities	**16,690**	**-**	**272,325**	6,119	-	200,427
Retirement benefits						
- Gratuity	**2,216**	**-**	**344,138**	2,091	-	197,645
- Provident fund	**-**	**-**	**172,256**	-	-	137,760
- Pension	**-**	**-**	**24,563**	-	-	30,427
- EOBI	**2,219**	**-**	**3,796**	2	-	1,399
	4,435	**-**	**544,753**	2,093	-	367,231
	111,789	**36,400**	**4,649,880**	62,042	41,100	3,491,709
Total number	**2**	**18**	**1,160**	2	19	920

52.1 Executive means any employee whose basic salary exceeds Rs.1.2 million per year.

52.2 The Chairperson, Managing Director and certain executives are also provided the Holding company maintained vehicles in accordance with their entitlement. In addition, the Chairperson of the Holding company was paid Rs. 1.99 million (2022: Rs.1.99 million) as Honorarium. Executives are also provided medical facilities in accordance with their entitlement.

52.3 Non-executive directors are paid fees for attending meetings of the Board of Directors and its committees, with no other remuneration.

53 CAPACITY AND ACTUAL PERFORMANCE

Natural gas transmission

	2023		2022	
	MMCF	HM3	MMCF	HM3
Transmission operation				
Capacity - annual rated capacity at 100% load factor with compression	**990,610**	**279,092,975**	990,610	279,092,975
Utilisation - volume of gas transmitted	**585,225**	**164,880,414**	701,649	197,681,555
Capacity utilisation factor (%)	**59.08%**	**59.08%**	70.83%	70.83%

Natural gas distribution

The Holding company has no control over the rate of utilisation of its capacity as the use of available capacity is dependent on off-takes by the customers.

Meter manufacturing division

During the year meter, manufacturing division produced and assembled 291,050 meters (2022: 430,908 meters) against an annual capacity of 356,000 meters on a single shift

54 TRANSACTIONS WITH RELATED PARTIES

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

The details of transactions with related parties not disclosed else where in these consolidated financial statements are as follows:

	2023	2022
	--------- (Rupees in '000) --------	
Government related entities - various		
- Purchase of fuel and lubricant	**115,298**	55,763
- Sale of gas and allied charges inclusive of sales tax	**67,189,022**	142,733,163
- Mark-up expense on short term finance	**241,121**	134,331
- Markup expense on long term finance	**15,760**	266,103
- Income from net investment in finance lease	**5,054**	15,927
- Gas purchases - Indigenous gas	**173,809,896**	125,941,054
- Gas purchases - RLNG	**82,623,752**	118,288,914
- Sale of gas condensate	**30,592**	87,825
- Sale of gas meter spare parts inclusive of sales tax	**14,020**	8,700
- Rent of premises	**21,549**	14,443
- Insurance premium	**192,032**	186,236
- Royalty	**1,276**	1,768
- Telecommunication	**1,451**	1,156
- Electricity	**244,891**	202,048
- Interest income	**1,893,126**	1,518,965
- Subscription	**1,771**	2,052
- RLNG transportation income	**13,001,000**	9,726,000
- LPG purchases	**1,181,214**	1,005,970
- Income against LNG service agreement	**1,458,221**	1,044,608
- Dividend income	**21,728**	14,485

	Basis of Relationship	2023	2022
		--------- (Rupees in '000) --------	
Karachi Grammar School	Associated undertaking		
- Sale of gas and allied charges inclusive of sales tax		**59**	59
Key management personnel			
- Remuneration		**288,869**	286,892
Engro Fertilizers Limited	Associated company		
- Sale of gas and allied charges inclusive of sales tax		**24,740**	34,706
Pakistan Institute of Corporate Governance	Associated company		
- Subscription / Trainings		**876**	284
Indus Hospital & Health Network			
- Sale of gas and allied charges inclusive of sales tax		**2,339**	3,627
Staff Retirement Benefit Plans	Employee benefit plan		
- Contribution to provident fund		**449,879**	355,097
- Contribution to pension fund		**513,818**	538,646
- Contribution to gratuity fund		**418,082**	616,981

Contribution to the defined contribution and benefit plans are in accordance with the terms of the entitlement of the employees and / or actuarial advice. Balance payable to / receivable from these employees benefit plans are disclosed in notes 19, 28, 36 and 47 to these consolidated financial statements.

Remuneration to the executive officers of the Group (disclosed in note 52 to these consolidated financial statements) and loans and advances to them (disclosed in notes 11 and 16 to these consolidated financial statements) are determined in accordance with the terms of their employment. Mark-up free security deposits for gas connections to the executive staff of the Group is received at rates prescribed by the Government of Pakistan.

The details of amount due (to) / from related parties not disclosed elsewhere in these consolidated financial statements are as follows:

	Basis of Relationship	2023	2022
		--------- (Rupees in '000) --------	
Government related entities - various			
- Sale of gas and allied charges		**87,003,363**	76,775,417
- Investment		**42,714**	56,354
- Mark up accrued on borrowings		**(1,499,874)**	(1,653,309)
- Net investment in finance lease		**1,611,868**	1,228,430
- Gas purchases - Indigenous gas		**(598,571,594)**	(433,823,800)
- Gas purchases - RLNG		**(106,680,422)**	(120,734,221)
- Sale of gas condensate		**4,365**	66,712
- Gas meters and spare parts		**47,014**	35,709
- Uniform cost of gas		**15,818,845**	15,818,845
- Cash at bank		**(19,957)**	35,011
- Stock Loan		**-**	1,740
- Payable to insurance		**(7,893)**	(1,899)
- Gas supply deposit		**(80,954)**	(51,263)
- Interest expense accrued - late payment surcharge on gas bills		**(15,832,411)**	(15,832,411)
- Interest income accrued - late payment on gas bills		**17,951,015**	16,057,889
- Contingent rent		**10,338**	10,315
- Differential tariff		**4,284,080**	4,284,080
- Capacity and utilisation charges of RLNG		**54,076,191**	55,656,646
- RLNG transportation income		**39,266,184**	34,843,282
- LSA Margins		**2,991,015**	3,071,808
- Advance for Sharing Right of Way		**(18,088)**	(18,088)
- Advance against LPG purchases		**71,288**	145,638
- Long term deposits		**11,041**	9,541
- Prepayment		**8,443**	8,400
- Dividend receivable		**4175**	-
Karachi Grammar School	Associated undertaking		
- Sale of gas and allied charges		**5**	5
- Gas supply deposit		**(22)**	(22)
Engro Fertilizers Limited	Associated company		
- Sale of gas and allied charges		**541**	2,748
- Gas supply deposit		**(2,851)**	(2,851)
Indus Hospital	Associated company		
- Sale of gas and allied charges		**267**	352
- Gas supply deposit		**(1,261)**	-

54.1 Maximum aggregate outstanding balance from related parties at the end of any month is as below:

Included in Trade Debts Government related entities	2023	2022
	--------- (Rupees in '000) --------	
- K-Electric Limited	**58,725,022**	48,060,474
- Water and Power Development Authority	**3,197,239**	3,195,441
- Pakistan State Oil Company Limited	**44**	1,102
- Pakistan International Airlines Corporation Limited	**2,268**	1,834
- Pakistan Steel Mills Corporation (Private) Limited	**25,169,851**	25,311,722
- National Bank Of Pakistan	**3,954**	7,711
- State Bank of Pakistan	**3,442**	2,168
- State Life Insurance Corporation of Pakistan	**42**	30
- Pakistan National Shipping Corporation	**263**	1,210
- Pakistan Machine Tool Factory	**3,471**	15,156
- Pakistan Railways	**781**	516
- Pakistan Navy	**128,207**	189,356
- Pakistan Engineering	**8**	8
- Pakistan Security Printing Corporation (Private) Limited	**16,124**	18,184
- National Investment Trust Limited	**22**	12
- Hydrocarbon Development Institute of Pakistan	**84**	162
- Security Papers Limited	**34,848**	30,519
- Pakistan Stock Exchange Limited	**24**	39
- Mari Petroleum Company Limited	**32**	-
- National Insurance Company Limited	**475**	516
- Pakistan Refinery Limited	**97,770**	131,626
Other Associated Companies		
- Karachi Grammar School	**10**	5
- Engro Fertilzers Limited	**3,574**	3,565
- Indus Hospital & Health Network	**432**	672

54.2 The aging of related party balances at the reporting date is as follows:

Past due 1 month	**17,141,515**	20,451,228
Past due 2-3 months	**6,834,354**	6,626,000
Past due 4-12 months	**17,179,816**	3,813,705
Past due over 12 months	**177,720,273**	177,126,625
	218,875,958	208,017,558

55 FINANCIAL RISK MANAGEMENT

The objective of Group's overall financial risk management is to minimize earnings volatility and provide maximum return to shareholders. The Board of Directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management frame work and policies.

- Credit risk
- Liquidity risk
- Market risk

55.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. Credit risk arises from trade debts, net investment in finance lease, loans and advances, trade deposits, bank balances, interest accrued and other receivables.

To reduce the exposure toward the credit risk, comprehensive customer category wise credit limits and terms have been established. Gas supply deposits of industrial, commercial and domestic customers equivalent of three months estimated gas consumption as per the OGRA notification are taken to reduce credit exposure. The Group continuously monitors the credit given to customers and interest accrued thereon and has established a dedicated recovery department for follow-up, recovery or disconnection of gas supply as the case may be.

Loans and advances given to employees are secured against retirement benefits of the employees and title deed of properties of employees. Balances are maintained with banks of sound credit rating. The Group attempts to control credit risk in respect of other receivables by monitoring credit exposures of counterparties.

The maximum exposure to credit risk before any credit enhancement at year end is the carrying amount of the financial assets as set out below:

	2023	2022
	--------- (Rupees in '000) --------	
Trade debts	**118,296,349**	102,219,864
Net investment in finance lease	**-**	73,321
Loans and advances	**460,095**	467,975
Deposits	**43,557**	33,875
Bank balances	**544,020**	961,740
Interest accrued	**18,078,304**	16,185,178
Other receivables	**119,459,852**	115,435,533
	256,882,177	235,377,486

55.1.1 Collateral and other credit enhancements obtained

Security against supply of gas to industrial, commercial and domestic customers is taken on the basis of average three months gas consumption as per OGRA notification. These collaterals are adjusted / called following on disconnection of gas supply. Details of security held at year end is as follows:

	2023	2022
	--------- (Rupees in '000) --------	
Cash deposits	**28,694,971**	24,915,225
Bank guarantee / irrevocable letter of credit	**50,525,209**	53,026,883

55.1.2 Credit Quality

The Group monitors the credit quality of its financial assets with reference to historical performance of such assets and where available external credit ratings. The carrying values of all financial assets which are neither past due nor impaired are given in the note 55.1.3 to these consolidated financial statements.

The credit quality of the Group's major bank accounts is assessed with reference to external credit ratings which are as follows:

Bank	Rating Agency	Rating	
		Short Term	Long Term
National Bank of Pakistan	PACRA- VIS	A-1+	AAA
Allied Bank Limited	PACRA	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	AA+
Dubai Islamic Bank (Pakistan) Limited	VIS	A-1+	AA
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA
Faysal Bank Limited	PACRA - VIS	A-1+	AA
MCB Bank Limited	PACRA	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
Habib Bank Limited	VIS	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+
The Bank of Punjab	PACRA	A-1+	AA+
First Women Bank Limited	PACRA	A-2	A-
Summit Bank Limited	VIS	A-3	BBB-
Bank Al-Habib Limited	PACRA	A-1+	AAA
Bank Islami Pakistan Limited	PACRA	A-1	A+
Al Baraka Bank (Pakistan) Limited	PACRA-VIS	A-1	A+
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
Meezan Bank Limited	VIS	A-1+	AAA
Samba Bank Limited	VIS	A-1	AA
Silk Bank Limited	VIS	A-2	A-
Soneri Bank Limited	PACRA	A-1+	AA-
Telenor Micro Finance Bank Limited	PACRA- VIS	A-1	A
Citi Bank N. A.	Moody's	F-1	Aa3
Deutsche Bank A.G,	Moody's - S & P -Fitch	A-2, F-2	A-2,A-,BBB+
Industrial and Commercial Bank of China	Moody's - S & P	P-1	A-2
Sindh Bank Limited	VIS	A-1	A+

55.1.3 Past due and impaired financial assets

Industrial and commercial customers

The age analysis of trade debt balances relating to industrial and commercial customers at year end is as follows:

	2023		2022	
	Gross carrying amount	Impairment	Gross carrying amount	Impairment
Not due balances	**25,667,346**	**-**	31,718,228	-
Past due but not impaired	**76,923,019**	**-**	58,517,999	-
Past due and impaired	**4,521,663**	**4,122,934**	4,717,481	4,383,109
Disconnected customers	**2,268,247**	**2,268,245**	1,774,937	1,774,933
Total	**109,380,275**	**6,391,179**	96,728,645	6,158,042

Past due but not impaired balances include aggregate overdue balances of K-Electric, PSML and WAPDA amounting to Rs. 72,324 million (2022: Rs. 52,051 million) and are subject to inter corporate circular debt of government entities and K-Electric.

The Group has collateral / security against industrial and commercial customers amounting to Rs. 65,913 million (2022: Rs. 65,497 million) and replenishes such collateral based on gas consumption and requirement of the customers. When recovery is not made within one month, such customers balances are generally considered past due. In case of past due balances the Group starts recovery process through recovery department and where the amount is in excess of collateral and is not recovered by recovery department, then disconnection of meter (disconnected customers) is considered. Receivables which are past due and against which recoveries are not made or which are disconnected are considered as impaired debts.

Domestic customers

The age analysis of trade debt balances relating to domestic customers at year end is as follows:

	2023		2022	
	Gross carrying amount	Impairment	Gross carrying amount	Impairment
Not due balances	**2,921,143**	**-**	2,584,022	-
Past due but not impaired:				
Past due 1 - 3 month	**4,061,212**	**-**	1,873,211	-
Past due and impaired:				
Past due 4 - 6 months	**2,962,452**	**396,481**	2,590,805	779,630
Past due 7 - 9 months	**1,427,430**	**438,105**	1,620,905	492,000
Past due 10 - 12 months	**1,027,144**	**509,039**	1,052,234	519,000
Over 12 months	**7,798,512**	**3,547,015**	6,593,714	2,875,000
	13,215,538	**4,890,640**	11,857,658	4,665,630
Disconnected customers	**14,249,851**	**14,249,851**	12,800,053	12,800,053
Total	**34,447,744**	**19,140,491**	29,114,944	17,465,683

The Group has collateral / security against domestic customers amounting to Rs. 13,307 million (2022: Rs. 12,445 million) and replenishes such collateral based on gas consumption and requirement of the customers. When recovery is not made within one month, such customers balances are generally considered past due.

Interest accrued

As at June 30, 2023, interest accrued net of provision was Rs. 18,566 million (2022: Rs. 16,673 million). Interest is mainly accrued on customer balances which are past due. Interest on past due balances includes receivable from WAPDA and SNGPL amounting to Rs. 17,951 million (2022: 16,058 million), recovery of which is subject to inter corporate circular debt of Government entities.

Other receivables

As at June 30, 2023, other receivable financial assets amounted to Rs. 119,460 million (2022: Rs. 115,436 million). Past due other receivables amounting to Rs. 111,758 million (2022: Rs. 107,884 million) include over due balances of SNGPL amounting to Rs. 109,256 million (2022: Rs. 105,382 million) and JJVL amounting to Rs. 2,502 million (2022: Rs. 2,502 million).

55.1.4 Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry. Concentration of credit risk is determined with references to the individual customers / counter parties, type as well as geographical distribution of customers / counterparties. Concentration of credit risk in financial assets of the Group is as follows:

Trade debts

Customer category wise concentration of credit risk in respect of trade debts at year end is as follows:

	2023	2022
	--------- (Rupees in '000) --------	
Industrial customers		
Power generation companies	**56,719,578**	45,856,211
Cement industries	**1,057,654**	1,057,654
Fertilizer and steel industries	**26,044,496**	25,842,662
Other industries	**16,751,501**	15,772,961
	100,573,229	88,529,488
Commercial customers	**2,415,867**	2,040,643
Domestic customers	**15,307,253**	11,649,733
	118,296,349	102,219,864

At year end the Group's most significant receivable balances were K-Electric, PSML, and WAPDA which amounted to Rs. 58,725 million (2022: Rs. 48,060 million), Rs. 24,936 million (2022: Rs.25,312 million), and Rs. 3,197 million (2022: Rs. 3,195 million) respectively. These balances have aggregated due to inter corporate circular debt.

Geographical region wise concentration of credit risk in respect of trade debts at year end is as follows:

Karachi	**99,023,167**	83,442,676
Sindh (excluding Karachi)	**14,418,037**	13,208,574
Balochistan	**4,855,145**	5,568,614
	118,296,349	102,219,864

Net investment in finance lease

The Group's most significant investment in finance lease amounted to Rs. Nil (2022: Rs. 73,321 million) in respect of SNGPL

Interest accrued

Most significant counter parties of the Group in respect of interest accrued are disclosed in note 18 to these consolidated financial statements.

Other receivables

Most significant other receivables of the Group are in respect of lease rental, lease service cost, contingent rent and uniform cost of gas agreement with SNGPL as disclosed in note 19 to these consolidated financial statements. These balances are subject to inter corporate circular debt.

55.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Due to nature of the business, the Group maintains flexibility in funding by maintaining committed credit lines available. The Group's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfill its obligation, monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Carrying amount	Contractual cash flows	Not later than six months	Later than six months but not later than 1 year	Later than one year but not later than 2 years	Later than 2 years
	(Rupees in '000)					
As at June 30, 2023						
Long term finance	**32,189,312**	**(52,163,064)**	**(5,818,993)**	**(5,669,297)**	**(18,540,271)**	**(22,134,504)**
Payable against transfer of pipeline	**684,981**	**(916,191)**	**(67,866)**	**(67,866)**	**(135,732)**	**(644,727)**
Short term borrowings	**34,981,575**	**(34,091,917)**	**(34,091,917)**	**-**	**-**	**-**
Trade and other payables	**890,404,915**	**(890,404,915)**	**(890,404,915)**	**-**	**-**	**-**
Interest accrued	**19,510,174**	**(19,510,174)**	**(19,510,174)**	**-**	**-**	**-**
Deposits	**28,694,971**	**(79,220,180)**	**-**	**-**	**-**	**(79,220,180)**
Lease liability	**86,854**	**(81,988)**	**-**	**(53,295)**	**-**	**(28,693)**
Employee benefits	**7,479,525**	**(7,479,525)**	**-**	**-**	**-**	**(7,479,525)**
Unclaimed dividend	**285,340**	**(285,340)**	**285,340**	**-**	**-**	**-**
	1,014,317,647	**(1,084,153,294)**	**(949,608,525)**	**(5,790,458)**	**(18,676,003)**	**(109,507,629)**

	Carrying amount	Contractual cash flows	Not later than six months	Later than six months but not later than 1 year	Later than one year but not later than 2 years	Later than 2 years
	(Rupees in '000)					
As at June 30, 2022						
Long term finance	23,680,374	(30,060,503)	(5,599,823)	(3,603,260)	(12,871,744)	(7,985,677)
Payable against transfer of pipeline	755,645	(1,051,922)	(67,866)	(67,866)	(135,732)	(780,458)
Short term borrowings	23,878,298	(23,878,298)	(23,878,298)	-	-	-
Trade and other payables	643,964,927	(643,964,927)	(643,964,927)	-	-	-
Interest accrued	17,957,484	(17,957,484)	(17,957,484)	-	-	-
Deposits	24,915,225	(77,942,108)	-	-	-	(77,942,108)
Lease liability	95,455	(95,455)	(59,301)	-	-	(36,154)
Employee benefits	7,724,066	(7,724,066)	-	-	-	(7,724,066)
Unclaimed dividend	285,373	(285,373)	285,373	-	-	-
	743,256,847	(802,960,136)	(691,242,326)	(3,671,126)	(13,007,476)	(94,468,463)

The contractual cash flows relating to the above financial liabilities have been determined on the basis of latest available market rates. The rates of mark-up have been disclosed in notes 26 and 27 to these consolidated financial statements. Contractual cash flows of the long term deposits are determined on the assumption that adjusted / refund of these deposits will not be required before expiry of 40 years from reporting date.

55.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The market risk comprises of currency risk, interest rate risk and other price risk (equity price risk).

55.3.1 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Group is exposed to currency risk on creditors for gas that are denominated in a currency other than functional currency of the Group. The currency in which these transactions primarily are denominated is US Dollars. The Group's exposure to foreign currency risk is as follows:

	2023		2022	
	Rupees in '000	US Dollars in '000	Rupees in '000	US Dollars in '000
Creditors for gas	**164,928,840**	**574,465**	68,461,531	332,338
Estimated forecast gas purchases	**140,867,053**	**505,262**	164,928,840	574,465
	305,795,893	**1,079,727**	233,390,371	906,803

Above net exposure is payable by the Group in Rupees at the rate on which these are settled by the Group. Currently, the Group does not obtain forward cover against the gross exposure as exchange loss / gain on purchases of gas and supplies is recovered from / paid to Government of Pakistan as part of guaranteed return.

The following significant exchange rates applied during the year:

Average rates		Reporting date rate	
2023	2022	2023	2022
278.80	287.10	**287.10**	206.00

Sensitivity analysis

A ten percent strengthening / (weakening) of the Rupee against US Dollar at June 30, 2023 would have (decreased) / increased trade creditors by Rs. 16,493 million (2022: Rs. 6,846 million). There is no effect of strengthening / (weakening) of US dollar on consolidated equity and consolidated statement of profit or loss of the Group as exchange loss / gain on purchases of gas and store and supplies is recovered from / paid to Government of Pakistan as part of tariff adjustments. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments were as follows:

	2023	2022
	(Rupees in '000)	
Fixed rate instruments		
Financial assets		
Net investment in finance lease	**73,321**	73,321
Loan and advances	**59**	81
Cash and bank balances	**206,438**	209,222
Receivable against asset contribution	**337,646**	337,266
	617,464	619,890
Financial liabilities		
Long term deposits	**(14,367,284)**	(11,959,002)
Government of Sindh loan	**(801,039)**	(793,549)
Payable against transfer of pipeline	**(684,981)**	(755,645)
Lease liability	**(86,854)**	(95,455)
	(15,940,158)	(13,603,651)
Variable rate instruments		
Financial assets		
Other receivables	**18,320,669**	18,320,669
Financial liabilities		
Long term loan except Government of Sindh loan	**(26,721,016)**	(16,408,823)
Short term borrowings	**(34,981,575)**	(23,878,298)
Trade and other payables	**(588,195,344)**	(424,266,938)
	(649,897,935)	(464,554,059)
	(631,577,266)	(446,233,390)

Fixed rate instruments bear fixed interest rate while all other borrowings bear variable interest rate and are indexed to KIBOR. Borrowing is generally determined on the basis of business needs. The Group analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through consolidated statement of profit or loss. Therefore, a change in interest rates at the reporting date would not affect the consolidated statement of profit or loss and the equity of the Group.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have net increased or (net decreased) the consolidated statement of profit or loss of the Group as at June 30, 2022 by Rs. 6,316 million (2022: Rs.4,462 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2022.

Equity price risk

Equity price risk is the risk of changes in the fair value of equity securities as the result of changes in the levels of KSE-100 Index and the value of individual shares. The equity price risk exposure arises from the Group's investments in listed equity securities. This arises from investments held by the Group for which prices in the future are uncertain. The fair value of listed equity investments of the Group that are exposed to price risk as at June 30, 2023 is Rs. 152 million (2022: Rs. 152 million).

A ten percent increase / decrease in the prices of listed equity securities of the Group at the reporting date would have increased / (decreased) long term investment and consolidated equity by Rs. 15.2 million (2022: Rs. 15.2 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

Fair value of financial assets and liabilities

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

The carrying values of all financial instruments reflected in these consolidated 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, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices.

Level 3: Inputs for the asset or liability that are not based on observable market data (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.

	2023			
	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**
Financials assets - through OCI				
Quoted equity securities	**151,704**	**-**	**-**	**151,704**

	2022			
	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
Financials assets - through OCI				
Quoted equity securities	152,363	-	-	152,363

There have been no transfers during the year (2022: no transfers in either direction).

Financial instruments by categories

	Financial assets		
	Amortized cost	FVTOCI	Total
	-------------------- (Rupees in '000) --------------------		
As at June 30, 2023			
Trade debts	**118,296,349**	**-**	**118,296,349**
Net investment in finance lease	**-**	**-**	**-**
Loans and advances	**460,095**	**-**	**460,095**
Deposits	**43,557**	**-**	**43,557**
Cash and bank balances	**553,746**	**-**	**553,746**
Interest accrued	**18,078,304**	**-**	**18,078,304**
Other receivables	**119,459,852**	**-**	**119,459,852**
Long term investments	**-**	**151,704**	**151,704**
	256,891,903	**151,704**	**257,043,607**

	Financial assets		
	Amortized cost	FVTOCI	Total
	-------------------- (Rupees in '000) --------------------		
As at June 30, 2022			
Trade debts	102,219,864	-	102,219,864
Net investment in finance lease	73,321	-	73,321
Loans and advances	467,975	-	467,975
Deposits	33,875	-	33,875
Cash and bank balances	969,582	-	969,582
Interest accrued	16,185,178	-	16,185,178
Other receivables	115,435,533	-	115,435,533
Long term investments	-	152,363	152,363
	235,385,328	152,363	235,537,691

	Financial liabilities at amortised cost	
	2023	2022
	-------------- (Rupees in '000) --------------	
Long term finance	**32,189,312**	23,680,374
Payable against transfer of pipeline	**684,981**	755,645
Short term borrowings	**34,981,575**	23,878,298
Trade and other payables	**890,404,915**	643,964,927
Interest accrued	**19,510,174**	17,957,484
Long term deposits	**28,694,971**	24,915,225
Lease liability	**86,854**	95,455
	1,006,552,782	735,247,408

Capital risk management

The objective of the Group when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the shareholders or issue new shares.

The Group is not subject to externally imposed regulatory capital requirements.

	2023	2022
	(Rupees in '000)	
The gearing ratio as at June 30 is as follows:		
Total borrowings		
Long term finance	**27,335,388**	17,015,705
Short term borrowings	**34,981,575**	23,878,298
Current portion of long term finance	**4,853,924**	6,664,669
	67,170,887	47,558,672
Less: Cash and bank balances	**(553,746)**	(969,582)
Net debts	**66,617,141**	46,589,090
Capital employed	**66,153,538**	43,984,224
Gearing ratio	**1.01**	1.06

56 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)

56.1 Segment revenue and results

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

	2023	2022
	Segment Profit / (loss)	
	--------- (Rupees in '000) ----------	
Return on Assets net of UFG disallowance		
Gas transmission	**12,153,804**	8,486,570
Gas distribution and marketing		
- Lower Sindh	**2,721,960**	(2,097,342)
- Upper Sindh	**495,575**	(1,453,603)
- Balochistan	**(19,572,351)**	(13,057,012)
Meter Manufacturing	**18,361**	7,891
Total segment results	**(4,182,651)**	(8,113,496)
Unallocated		
Finance Cost	**(8,640,565)**	(5,196,036)
Other income - net	**12,381,801**	5,668,354
Loss before tax	**(441,415)**	(7,641,178)

The accounting policies of the reportable segments are same as disclosed in note 4.23 to these consolidated financial statements.

	2023	2022
	--------- (Rupees in '000) ----------	
Segment assets and liabilities		
Segment assets		
Gas transmission	**252,824,175**	211,254,930
Gas distribution and marketing		
- Lower Sindh	**570,353,735**	431,030,465
- Upper Sindh	**120,206,375**	84,625,627
- Balochistan	**108,273,978**	48,864,237
Meter manufacturing	**1,593,590**	1,108,125
Total segment assets	**1,053,251,853**	776,883,384
Unallocated		
- Loans and advances	**460,095**	467,975
- Taxation - net	**15,041,933**	16,600,280
- Interest accrued	**487,739**	487,739
- Cash and bank balances	**553,746**	3,284,797
	16,543,513	20,840,791
Total assets as per consolidated statement of financial position	**1,069,795,366**	797,724,175
Segment Liabilities		
Gas transmission	**134,914,345**	120,648,252
Gas distribution and marketing		
- Lower Sindh	**601,864,007**	461,928,422
- Upper Sindh	**125,799,502**	90,537,349
- Balochistan	**208,054,816**	127,923,669
Meter manufacturing	**180,045**	260,931
Total liabilities as per consolidated statement of financial position	**1,070,812,715**	801,298,623

57 **EVENTS AFTER THE REPORTING DATE**

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

58 **NUMBER OF EMPLOYEES**

	2023	2022
	Number of employees	
Total number of employees as at the reporting date	**6,638**	6,849
Average number of employees during the year	**6,744**	6,885

59 **CORRESPONDING FIGURES**

Corresponding figures have been re-arranged and reclassified to reflect more appropriate presentation of events and transaction for the purpose of comparison, which are as follow:

Description	(Rupee in 000)	Reclassified	
		From	To
Receivable from GPO against gas bill	**2,315,215**	Cash and Bank	Other receivable
Receivable against GID Cess	**6,876,666**	Trade debts	Other receivable

60 **DATE OF AUTHORISATION**

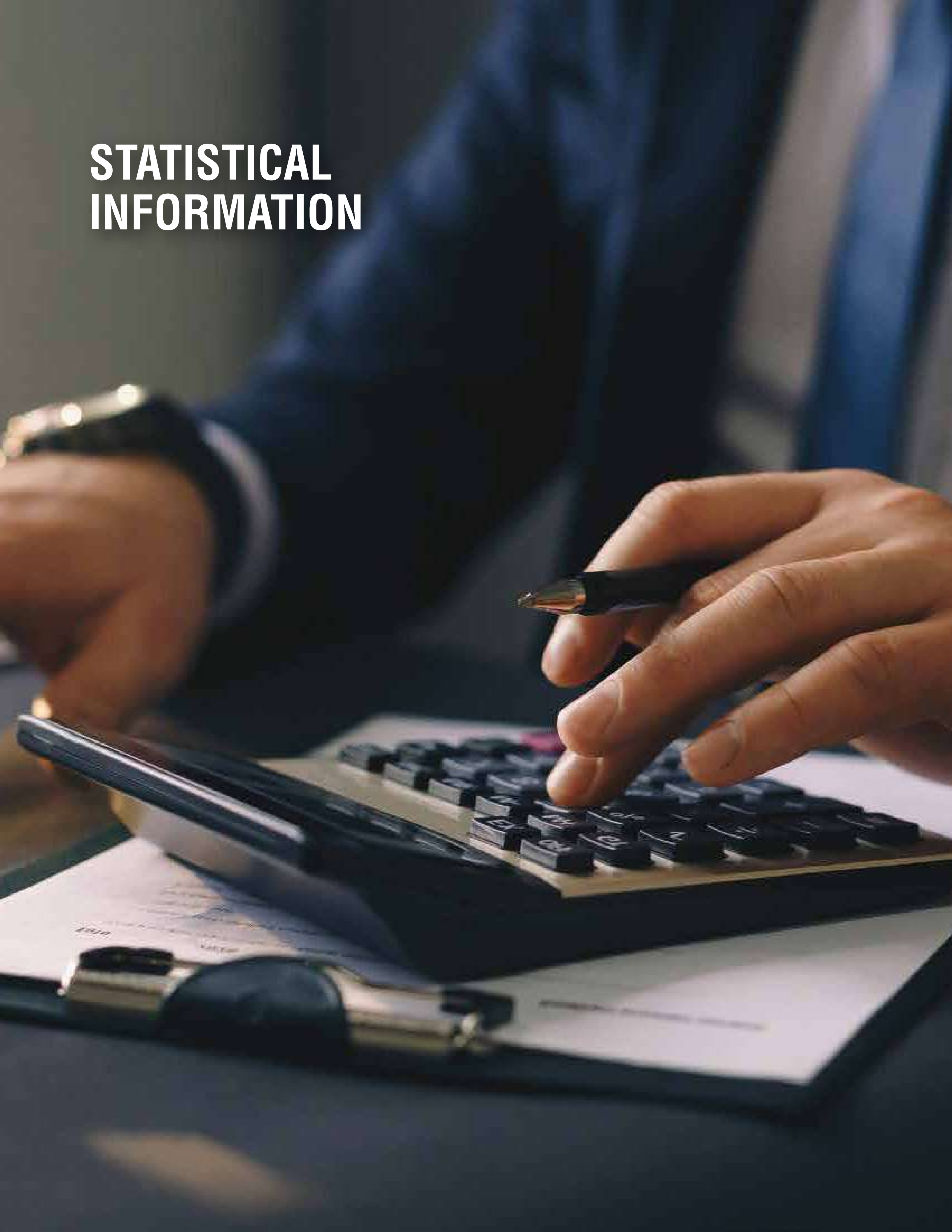
These consolidated financial statements were authorised for issue in Board of Directors meeting held on November 5, 2024.

61 **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

STATISTICAL INFORMATION



TEN YEARS SUMMARY

Key Statistical Data											
For the year ended 30 June	**Unit**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Gas purchased	MMCF	**313,132**	373,624	415,005	429,144	454,530	445,604	438,389	469,381	434,871	423,760
Gas sold	MMCF	**253,606**	305,667	343,664	337,096	363,081	361,824	362,313	384,989	362,510	356,628
Mains - transmission	KM	**4,175**	4,143	4,143	4,126	4,054	4,054	3,997	3,614	3,551	3,551
Mains & services - distribution - additions	KM	**376**	649	929	528	784	689	758	871	801	673
New connections	Each	**434**	76,349	129,947	97,128	116,087	89,398	86,359	95,353	96,366	81,411
LPG air mix sales	MMBTU	**234,557**	254,140	224,956	222,381	163,596	216,015	156,242	108,963	90,966	80,853
Gas meters - produced / assembled	Each	**291,050**	430,908	453,014	452,670	582,590	503,840	444,850	491,799	614,680	851,460
Income statement						Rs. Million					
Revenue from Contracts with Customers - Gas Sales		**283,804**	351,906	317,401	295,722	251,645	184,015	187,028	214,637	182,792	176,545
GST		**(43,066)**	(52,277)	(45,914)	(43,922)	(32,381)	(25,252)	(25,666)	(31,234)	(23,939)	(24,004)
Sales excluding GST		**240,738**	299,629	271,487	251,800	219,264	158,763	161,362	183,403	158,853	152,541
Tariff adjustments		**208,763**	75,930	24,642	38,440	77,903	18,641	(4,689)	(44,787)	3,730	742
Net sales		**449,501**	375,559	296,129	290,240	**297,167**	**177,404**	**156,673**	**138,616**	**162,583**	**153,283**
Cost of gas		**(395,917)**	(352,354)	(280,595)	(284,344)	(274,794)	(168,464)	(140,658)	(147,285)	(154,261)	(150,516)
Transmission and distribution costs		**(20,661)**	(12,620)	(12,651)	(15,216)	(13,198)	(11,842)	(11,277)	(11,306)	(10,281)	(7,836)
Administrative and selling expenses		**(5,698)**	(4,818)	(4,237)	(4,513)	(4,484)	(4,163)	(4,049)	(3,616)	(3,514)	(3,212)
Depreciation		**(7,099)**	(3,133)	(8,842)	(8,011)	(7,464)	(7,187)	(5,839)	(5,075)	(4,698)	(4,128)
Other operating expenses		**(36,657)**	(22,459)	(2,693)	(5,399)	(21,535)	(5,512)	(3,293)	(2,356)	(1,588)	(2,181)
Other income		**23,559**	17,280	18,643	15,429	14,248	14,002	13,451	25,799	12,686	16,196
Profit / (loss) before interest and taxation		**7,028**	(2,545)	5,754	(11,813)	**(10,062)**	**(5,762)**	**5,008**	**(5,222)**	**927**	**1,606**
Finance cost		**(8,619)**	(5,190)	(4,619)	(7,235)	(6,758)	(5,064)	(1,692)	(2,618)	(9,696)	(7,416)
Profit / (loss) before taxation		**(1,591)**	(7,735)	1,135	(19,048)	**(16,820)**	**(10,826)**	**3,316**	**(7,840)**	**(8,769)**	**(5,810)**
Taxation		**(10)**	(3,709)	820	(2,344)	(1,575)	(4,022)	(1,980)	1,725	3,378	2,057
Profit / (loss) for the year		**(1,601)**	(11,444)	1,955	(21,392)	**(18,395)**	**(14,848)**	**1,336**	**(6,115)**	**(5,391)**	**(3,753)**
Balance Sheet											
As at 30 June											
Capital work in progress		**12,583**	14,931	11,538	11,862	11,527	11,071	8,726	23,433	9,536	8,134
Operating tangible fixed assets		**174,831**	160,332	124,449	122,484	118,193	109,453	106,267	73,278	64,406	62,031
Property, plant & equipment		**187,414**	175,263	135,987	134,346	129,720	120,524	114,993	96,711	73,942	70,165
Intangible assets		**196**	226	111	2	21	49	74	25	36	89
Right of use assets		**74**	85	149	221	-	-	-	-	-	-
Long term financial assets		**1,947**	2,847	3,248	1,510	1,628	1,821	2,051	1,776	1,913	1,866
Deferred tax		**8,366**	2,823	2,592	-	-	-	2,476	2,669	292	-
Non-current assets		**197,997**	181,244	142,087	136,079	131,369	122,394	119,594	101,181	76,183	72,120
Stores spares & loose tools		**3,664**	3,646	3,455	2,717	2,364	2,015	2,472	2,147	1,821	2,174
Stock in trade		**3,445**	2,304	1,576	2,106	1,799	1,125	1,139	802	860	889
Trade debts		**118,245**	102,209	92,134	91,809	84,157	76,761	82,137	86,285	90,352	78,906
Other receivables		**708,847**	471,897	360,783	340,071	275,146	151,970	80,194	58,047	81,831	61,253
Interest and mark-up accrued		**18,595**	16,692	15,154	15,113	13,110	11,691	10,594	9,191	7,661	6,292
Taxation - net		**13,844**	16,079	17,609	19,192	19,536	19,549	18,867	19,987	17,443	10,475
Trade deposits & prepayments		**593**	976	1,131	699	202	172	147	482	282	137
Cash & bank balances		**384**	763	574	700	338	410	897	954	984	1,200
Current assets		**867,617**	614,566	492,416	472,406	396,653	263,693	196,447	177,895	201,234	161,326
Total Assets		**1,065,614**	795,810	634,503	608,485	528,023	386,087	316,041	279,076	277,417	233,446
Share capital		**8,809**	8,809	8,809	8,809	8,809	8,809	8,809	8,809	8,809	8,809
Reserves		**(71,332)**	(67,395)	(55,328)	(56,847)	(37,875)	(19,076)	(4,455)	(6,391)	(234)	4,806
Surplus on revaluation of fixed assets		**59,835**	54,107	24,347	24,347	21,043	13,673	11,728	11,728	10,252	10,252
Total Equity		**(2,688)**	(4,479)	(22,172)	(23,691)	**(8,022)**	**3,406**	**16,082**	**14,146**	**18,827**	**23,867**
Deferred tax		**-**	-	-	-	-	-	-	-	-	3,321
Employees post-retirement benefits		**7,472**	7,724	5,603	5,096	5,847	5,935	4,886	4,704	4,688	3,470
Long term deposits & advances		**31,118**	28,478	26,027	23,308	20,629	18,331	16,429	13,555	11,411	9,379
Payable against transfer of pipeline		**608**	685	756	820	879	933	983	1,028	1,069	-
Deferred credit		**5,199**	4,304	4,593	4,605	4,844	6,038	5,321	5,842	7,115	5,449
Contract liabilities		**9,767**	9,517	7,786	6,197	4,402	-	-	-	-	-
Lease liability		**13**	19	43	105	-	-	-	-	-	-
Long term financing		**27,335**	17,016	21,235	29,088	36,920	44,722	48,790	22,573	17,493	20,860
Non-current liabilities		**81,512**	67,743	66,043	69,219	73,522	75,959	76,409	47,702	41,776	42,479
Current portion of long term financing		**4,854**	6,665	8,081	8,086	9,838	11,574	7,045	5,756	8,146	4,046
Short term borrowings		**34,096**	23,878	23,751	14,980	16,294	9,760	2,901	4,860	989	3,141
Trade payables		**876,467**	632,570	500,257	478,933	376,881	234,616	168,177	143,782	145,975	114,771
Other payables		**50,934**	50,644	40,577	42,715	41,013	32,923	28,060	45,829	27,167	18,311
Current portion of payable against transfer of pipeline		**77**	71	65	59	54	49	45	41	38	-
Current portion of deferred credit		**510**	443	442	432	395	571	423	428	430	-
Current portion of contract liabilities		**297**	263	232	192	167	-	-	-	-	-
Current portion lease liability		**53**	55	84	117	-	-	-	-	-	-
Interest and mark-up accrued		**19,502**	17,957	17,143	17,442	17,881	17,229	16,899	16,532	34,069	26,831
Taxation - net			-	-	-	-	-	-	-	-	-
Current liabilities		**986,790**	732,546	590,608	562,957	462,523	306,722	223,550	217,228	216,814	167,100
Total equity and liabilities		**1,065,614**	795,810	634,503	608,485	528,023	386,087	316,041	279,076	277,417	233,446
Earning Per share	(Rupees)	**(1.82)**	(12.99)	2.22	(24.28)	(20.88)	(16.86)	1.52	(6.94)	(6.12)	(4.26)

TEN YEARS OF PROGRESS

Gas Customers	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Industrial										
Karachi	**3,442**	3,490	3,482	3,572	3,566	3,503	3,497	3,474	3,457	3,457
Sindh (Interior)	**571**	637	650	643	645	646	640	643	639	643
Balochistan	**196**	201	205	57	59	58	59	57	57	56
Sub - total	**4,209**	4,328	4,337	4,272	4,270	4,207	4,196	4,174	4,153	4,156
Commercial										
Karachi	**15,226**	16,048	16,446	17,119	17,520	15,810	15,898	16,064	16,366	16,763
Sindh (Interior)	**3,420**	3,672	3,859	4,170	4,297	4,171	4,206	4,393	4,527	4,617
Balochistan	**2,927**	2,821	2,836	2,765	2,780	2,714	2,660	2,624	2,515	2,360
Sub - total	**21,573**	22,541	23,141	24,054	24,597	22,695	22,764	23,081	23,408	23,740
Domestic										
Karachi	**1,993,283**	2,009,584	1,980,884	1,928,823	1,867,962	1,807,559	1,760,001	1,720,164	1,692,138	1,667,817
Sindh (Interior)	**919,307**	925,163	902,533	874,483	847,207	813,107	793,123	772,925	742,712	710,844
Balochistan	**299,881**	305,464	301,315	282,303	275,142	265,556	259,087	253,113	248,174	240,145
Sub - total	**3,212,471**	3,240,211	3,184,732	3,085,609	2,990,311	2,886,222	2,812,211	2,746,202	2,683,024	2,618,806
Total										
Karachi	**2,011,951**	2,029,122	2,000,812	1,949,514	1,889,048	1,826,872	1,779,396	1,739,702	1,711,961	1,688,037
Sindh (Interior)	**923,298**	929,472	907,042	879,296	852,149	817,924	797,969	777,961	747,878	716,104
Balochistan	**303,004**	308,486	304,356	285,125	277,981	268,328	261,806	255,794	250,746	242,561
Grand Total	**3,238,253**	3,267,080	3,212,210	3,113,935	3,019,178	2,913,124	2,839,171	2,773,457	2,710,585	2,646,702
Gas Sales in million cubic feet										
Industrial										
Karachi	**118,073**	160,800	193,563	186,010	198,435	190,169	191,842	207,654	206,459	209,704
Sindh (Interior)	**29,919**	34,181	37,719	36,298	50,633	52,860	52,756	74,164	52,215	46,058
Balochistan	**5,919**	6,986	3,402	1,854	7,705	9,099	9,010	8,379	9,648	9,118
Sub - total	**153,911**	201,967	234,684	224,162	256,774	252,127	253,608	290,197	268,322	264,880
Commercial										
Karachi	**5,272**	6,318	6,709	6,991	7,962	7,847	7,825	7,772	7,869	7,843
Sindh (Interior)	**1,040**	1,223	1,242	1,401	1,642	1,621	1,618	1,641	1,645	1,737
Balochistan	**866**	957	913	951	984	905	901	843	773	736
Sub - total	**7,178**	8,498	8,864	9,343	10,588	10,373	10,344	10,256	10,287	10,316
Domestic										
Karachi	**55,675**	55,787	59,557	61,785	56,713	61,236	61,459	52,938	52,829	52,127
Sindh (Interior)	**26,031**	25,142	26,065	26,874	24,025	24,681	25,527	22,151	21,538	19,995
Balochistan	**10,811**	14,274	14,494	14,933	14,981	13,406	11,375	9,447	9,534	9,310
Sub - total	**92,517**	95,202	100,116	103,591	95,719	99,323	98,361	84,536	83,901	81,432
Total										
Karachi	**179,020**	222,904	259,829	254,785	263,110	259,252	261,126	268,364	267,157	269,674
Sindh (Interior)	**56,991**	60,546	65,026	64,573	76,300	79,162	79,901	97,956	75,398	67,790
Balochistan	**17,595**	22,217	18,809	17,737	23,670	23,410	21,286	18,669	19,955	19,164
Grand Total	**253,606**	305,667	343,664	337,096	363,081	361,824	362,313	384,989	362,510	356,628

PATTERN OF SHAREHOLDINGS

AS AT JUNE 30, 2023

# OF SHAREHOLDERS	SHAREHOLDINGS' SLAB			TOTAL SHARES HELD
5735	1	to	100	151,446
3490	101	to	500	1,104,275
1968	501	to	1000	1,712,101
9123	1001	to	5000	17,093,340
1120	5001	to	10000	8,618,162
403	10001	to	15000	5,248,599
241	15001	to	20000	4,432,402
150	20001	to	25000	3,532,833
89	25001	to	30000	2,542,227
63	30001	to	35000	2,078,999
56	35001	to	40000	2,167,183
40	40001	to	45000	1,718,212
83	45001	to	50000	4,097,133
24	50001	to	55000	1,279,710
20	55001	to	60000	1,176,069
17	60001	to	65000	1,065,291
17	65001	to	70000	1,164,162
13	70001	to	75000	953,500
20	75001	to	80000	1,573,121
11	80001	to	85000	914,957
6	85001	to	90000	529,497
7	90001	to	95000	650,562
38	95001	to	100000	3,788,934
11	100001	to	105000	1,124,899
10	105001	to	110000	1,090,409
4	110001	to	115000	455,188
7	115001	to	120000	823,250
12	120001	to	125000	1,495,184
5	130001	to	135000	658,500
3	135001	to	140000	417,000
2	140001	to	145000	290,000
11	145001	to	150000	1,648,500
2	150001	to	155000	305,250
2	155001	to	160000	320,000

PATTERN OF SHAREHOLDINGS
AS AT JUNE 30, 2023

# OF SHAREHOLDERS	SHAREHOLDINGS' SLAB			TOTAL SHARES HELD
3	160001	to	165000	488,060
3	165001	to	170000	502,425
2	170001	to	175000	345,187
3	175001	to	180000	538,475
3	180001	to	185000	546,062
3	190001	to	195000	579,956
5	195001	to	200000	1,000,000
4	200001	to	205000	812,771
1	205001	to	210000	206,000
3	210001	to	215000	638,749
1	215001	to	220000	216,000
2	220001	to	225000	448,500
3	225001	to	230000	683,932
2	230001	to	235000	465,300
3	235001	to	240000	715,125
1	240001	to	245000	240,139
7	245001	to	250000	1,750,000
1	255001	to	260000	255,019
2	265001	to	270000	538,500
3	270001	to	275000	820,800
2	275001	to	280000	552,181
1	280001	to	285000	280,353
1	290001	to	295000	292,500
7	295001	to	300000	2,100,000
2	300001	to	305000	606,000
5	305001	to	310000	1,543,000
1	320001	to	325000	325,000
1	330001	to	335000	331,632
2	340001	to	345000	685,864
1	345001	to	350000	350,000
1	350001	to	355000	352,937
1	355001	to	360000	358,571
1	370001	to	375000	374,272
1	380001	to	385000	385,000

PATTERN OF SHAREHOLDINGS
AS AT JUNE 30, 2023

# OF SHAREHOLDERS	SHAREHOLDINGS' SLAB			TOTAL SHARES HELD
4	395001	to	400000	1,599,000
1	420001	to	425000	423,000
2	425001	to	430000	858,500
1	435001	to	440000	440,000
1	450001	to	455000	455,000
1	455001	to	460000	457,371
3	470001	to	475000	1,425,000
1	480001	to	485000	484,187
4	495001	to	500000	2,000,000
1	500001	to	505000	500,251
1	515001	to	520000	516,008
1	540001	to	545000	543,500
1	575001	to	580000	580,000
3	595001	to	600000	1,797,751
1	625001	to	630000	626,835
1	690001	to	695000	690,500
1	695001	to	700000	700,000
1	720001	to	725000	722,500
1	740001	to	745000	741,500
2	745001	to	750000	1,495,500
1	750001	to	755000	752,000
1	760001	to	765000	762,741
1	775001	to	780000	778,000
2	795001	to	800000	1,600,000
1	810001	to	815000	811,500
1	825001	to	830000	826,233
1	855001	to	860000	860,000
1	870001	to	875000	873,500
1	895001	to	900000	900,000
1	910001	to	915000	915,000
3	995001	to	1000000	3,000,000
1	1010001	to	1015000	1,011,000
2	1015001	to	1020000	2,038,000
1	1060001	to	1065000	1,062,801

PATTERN OF SHAREHOLDINGS
AS AT JUNE 30, 2023

# OF SHAREHOLDERS	SHAREHOLDINGS' SLAB			TOTAL SHARES HELD
1	1700001	to	1705000	1,702,000
1	1760001	to	1765000	1,764,000
1	1845001	to	1850000	1,849,000
2	1875001	to	1880000	3,755,113
1	1890001	to	1895000	1,893,918
1	3105001	to	3110000	3,108,500
1	3315001	to	3320000	3,318,000
1	3645001	to	3650000	3,648,750
1	3680001	to	3685000	3,683,500
1	3735001	to	3740000	3,735,679
1	4160001	to	4165000	4,161,500
1	4165001	to	4170000	4,167,938
1	4495001	to	4500000	4,500,000
1	6895001	to	6900000	6,900,000
1	8190001	to	8195000	8,192,028
1	8245001	to	8250000	8,249,823
1	10940001	to	10945000	10,941,554
1	12015001	to	12020000	12,017,700
1	12690001	to	12695000	12,694,227
1	13345001	to	13350000	13,349,674
1	14310001	to	14315000	14,314,772
1	14800001	to	14805000	14,805,000
1	18260001	to	18265000	18,262,824
1	57750001	to	57755000	57,754,179
1	63880001	to	63885000	63,882,029
1	468465001	to	468470000	468,468,218
22962				**880,916,309**

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2023

CATEGORIES OF SHAREHOLDERS	SHAREHOLDERS	SHARES HELD	PERCENTAGE
Government			
THE PRESIDENT ISLAMIC REPUBLIC OF PAKISTAN	1	468,468,218	53.18
GOP	1	597,751	0.07
SSGC EMPLOYEES EMPOWERMENT TRUST	1	63,882,029	7.25
Associated Companies, undertakings and related parties	2	969,000	0.11
Mutual Funds	9	28,454,272	3.23
Directors and their spouse(s) and minor children			
MR. ZUHAIR SIDDIQUI	1	5,000	0.00
AYAZ DAWOOD	3	246,597	0.03
MOHAMMAD RAZIUDDIN MONEM	1	1,000	0.00
GHAZALA MONEM	1	200,000	0.02
Executives	2	5,500	0.00
Public Sector Companies and Corporation	12	98,657,166	11.20
Banks, Development Finance Institutions, Non-banking Finance Companies, Insurance Companies, Takaful Companies, and Modarabas	32	10,284,372	1.17
General Public			
a. Local	22,536	125,628,821	14.26
b. Foreign	171	1,163,142	0.13
Foreign Companies	16	403,463	0.05
Others	173	81,949,978	9.30
Totals	22,962	880,916,309	100.00

CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
THE PRESIDENT ISLAMIC REPUBLIC OF PAKISTAN	468,468,218	53.18
SSGC EMPLOYEES EMPOWERMENT TRUST	63,882,029	7.25
STATE LIFE INSURANCE CORP. OF PAKISTAN	57,754,179	6.56

مستقبل کا منظر نامہ

سوئی سدرن اپنے اسٹیٹ آف دی آرٹ میٹر مینوفیکچرنگ پلانٹ میں مسلسل سرمایہ کررہی ہے اور گیس یوٹیلیٹی انڈسٹری میں اپنی لیڈرشپ کو مزید تقویت دینے کیلئے پرعزم ہے۔ جدید ترین ٹیکنالوجی اور مستحکم اقدام کے اشتراک اور مقامی انڈسٹری پر توجہ مرکوز کرکے، سوئی سدرن مہارت، جدت اور ماحولیاتی ذمہ داری کی ادائیگی کا مظاہرہ کررہی ہے۔ پروڈکشن کی بڑھتی ہوئی گنجائش، برآمدات میں اضافے کے امکانات اور معیار پر توجہ کے ساتھ سوئی سدرن کا میٹر مینوفیکچرنگ پلانٹ بلاشبہ پاکستان کے انرجی کے شعبہ میں ترقی کی علامت ہے۔

میٹر مینوفیکچرنگ پلانٹ

پاکستان کی صف اوّل کی یوٹیلٹی کمپنی ہونے کی حیثیت سے سوئی سدرن گیس کمپنی کو اس بات پر فخر ہے کہ یہ پاکستان میں گھریلو گیس میٹر تیار کرنے کی سہولت کی حامل ہے جسے وہ خود آپریٹ کررہی ہے۔ ہمارا میٹر مینوفیکچرنگ پلانٹ (MMP) جدید ترین ٹیکنالوجی اور تنوع پر مبنی ہے اور بین الاقوامی معیارات، خاص طور پر EN1359 کے اعلیٰ معیار کے مطابق G-1.6 اور G-4 میٹر تیار کیئے جاتے ہیں۔ یہ میٹر پاکستان اور بیرون ملک دونوں کے لاکھوں صارفین کیلئے درستی، تحفظ اور بھروسے کے لئے اہم ہیں۔

ٹیکنالوجی کی منتقلی اور مقامی سطح پر کامیابی

درآمدات میں کمی اور مقامی صنعت کے فروغ کی پیروی میں، سوئی سدرن نے کامیابی کے ساتھ ٹیکنالوجی ٹرانسفر اینڈ لائسنس ایگریمنٹ پر بات چیت کی ہے جس کے تحت سوئی سدرن کے برانڈڈ "کمپنی میٹرز" کی تیاری کا کام شروع ہوا۔ اس اہم ایگریمنٹ سے G-4 گیس میٹرز کی مقامی طور پر تیاری سے ملکی پروڈکٹ کا حصہ 53% سے بڑھ کر 97% ہوگیا۔ اسی طرح مقامی G-1.6 میٹر کی ملکی پروڈکشن کا استعمال پہلے ہی نمایاں طور پر 98% تک ہونے لگا ہے۔ یہ منتقلی نہ صرف پاکستان کی مقامی معیشت میں مددگار ہوگی بلکہ بیرونی درآمدت پر بھروسے میں کمی آئے گی جس سے ملک کے لئے قیمتی زرمبادلہ کی بچت ہوگی۔

برآمدات کے امکانات

مقامی پیداوار کو فروغ دینے کا سب سے اہم نتیجہ G-4 میٹرز کی پیداواری لاگت میں نمایاں کمی آنا ہے، جس سے برآمدات کے نئے مواقع کھل رہے ہیں۔ سوئی سدرن نہایت سرگرمی کے ساتھ بین الاقوامی مارکیٹ میں برآمدات کے مواقع تلاش کررہی ہے اور عالمی میٹر انڈسٹری میں اہم کردار ادا کرنے میں کوشاں ہے۔

استحکام اور ماحولیات کی ذمہ داری

ٹیکنالوجی اور پروڈکشن میں پیش رفت کے ساتھ ساتھ سوئی سدرن استحکام کیلئے بھی پرعزم ہے۔ کمپنی نے پہلی بار المونیم ری سائیکلنگ کا قدم اٹھایا ہے جو استعمال شدہ گیس میٹرز سے حاصل شدہ المونیم کی ری پروسیسنگ پر مبنی ہے۔ ماحولیاتی شعور پر مبنی پروسیس میں پرانے میٹرز کو توڑنے، پگھلانے اور اس کے المونیم کو ان گوٹس میں ڈھالنے کا عمل شامل ہے؛ جو گیس میٹرز کے نئے ڈائی کاسٹنگ پارٹس تیار کرنے میں استعمال ہوں گے۔ 2.0 ملین کلوگرام المونیم الائے کے ہدف کے ساتھ، یہ اقدام نہ صرف ویسٹ میں کمی لانے کا سبب ہوگا بلکہ کمپنی کیلئے بھاری مالیاتی بچت بھی فراہم کرے گا۔

- ماضی میں اوور ہیڈ لیک سروے کا کام نہیں کیا گیا۔ CRD اور HSE&QA کی ٹیموں نے مالی سال 2022-23 کے دوران میں اوور ہیڈ لیکیج کی شکایات کو دور کیا اور 2,423 کمرشل میٹرز تبدیل کئے۔

واجبات کی وصولی

ریکوری سیکشن کا بنیادی کام گیس بلوں کی مد میں زیادہ سے زیادہ ممکنہ رقم کی وصولی کیلئے ضروری اقدام اٹھانا ہوتا ہے۔ مالی سال 2022-23 میں، ریکوری ٹیم کو "305,820" نادہندگان کے خلاف کارروائی کرنے کا ہدف دیا گیا جس میں گھریلو، سرکاری، بلک اور کمرشل صارفین شامل تھے۔ ریکوری ٹیم نے سخت گیر مہم کے ذریعے سندھ اور بلوچستان میں "244,342" نادہندگان کا ہدف کامیابی سے حاصل کیا جس میں کنکشن منقطع کرنا اور دوسرے طریقے اور ٹیکنک شامل ہیں۔ ان کی تفصیل درج ذیل ہے:

a) نوٹسز / ریمائنڈرز کا اجراء

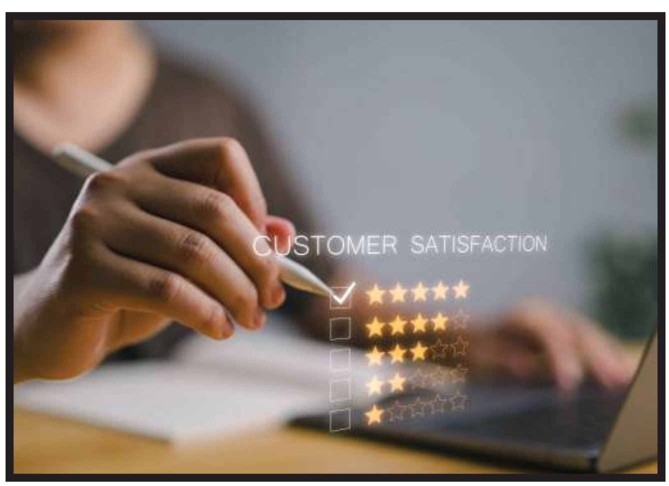
800,000 کے ہدف کے مقابلے میں نادہندہ صارفین کو 874,315 نوٹسز / ریمائنڈرز جاری کئے گئے تاکہ انہیں ان کی اخلاقی/قانونی ذمہ داریوں کی یاددہانی کرائی جائے۔

b) ہائی ویلیو نادہندگان کو ترغیب

سرکاری/ بلک/ گھریلو صارفین سے ریکوری سیکشن نے ذاتی طور پر رابطہ کیا اور ان کو ادائیگی کی ترغیب دی۔

c) نادہنگان کے کنکشن منقطع کرنا/ترغیب دینا

244,342 گھریلو اور کمرشل نادہندہ صارفین کو ہدف بنایا گیا جن کے ذمے کمپنی کے 7,244 ملین روپے تھے جس میں سے 1,769 ملین روپے کی رقم وصول پائی اور 2,390 ملین روپے engage کئے گئے ہیں۔



کسٹمر ریلیشنز ڈپارٹمنٹ (CRD)

سوئی سدرن کا کسٹمر ریلیشنز ڈپارٹمنٹ، سندھ اور بلوچستان کے فرنچائز ایریاز میں 3.2 ملین صارفین کو مخلصانہ خدمات فراہم کرنے میں ہمیشہ پیش پیش رہتا ہے۔ مالی سال 23-2022 کے دوران میں CRD کی بعض اہم کامیابیوں کی تفصیل درج ذیل ہے:

- CFC نے اقساط، بلنگ کے استفسارات، ڈپلیکیٹ بلز، ری کنکشن، ان لوکنگرز اور دیگر مسائل کے حل کے سلسلے میں تقریباً 1,124,425 صارفین کی خدمات انجام دیں۔
- کال سینٹر (1199) کو میسرز پاک ٹیلی کام موبائل (لمیٹڈ) کو 12 اپریل 2024 سے آؤٹ سورس کر کے ان کے حوالے کر دیا گیا۔
- CRD کے رسک رجسٹر کو ماہانہ بنیادوں پر اپ ڈیٹ کیا گیا۔
- لیک سروے/چوری کی فزیکل ری چیکنگ کرنے اور کنکشن منقطع کرنے اور ربر پائپ ہٹانے کے کام، روزمرہ کی بنیاد پر کئے گئے۔
- اس وقت CRD کے تھیفٹ کنٹرول سیکشن کے ملازمین، PMDU، وفاقی محتسب، 1199 سے چوری کی شکایات، علاقے کے رہائشیوں یا صارفین سے تحریری درخواستیں بذریعہ ای میل یا بلنگ اور CGTO ڈپارٹمنٹ کی جانب سے موصول ہونے والی شکایات کے لیے خدمات انجام دے رہے ہیں۔

مالی سال 23-2022 کے دوران میں CRD کے گیس تھیفٹ کنٹرول سیکشن نے 9,290 رجسٹرڈ صارفین کے کنکشن منقطع کئے جن کی گیس کی استعمال کی مقدار/پیمائش 392 MMCF تھی جبکہ غیر رجسٹرڈ صارفین کی استعمال کی مقدار/پیمائش 12 MMCF تھی۔

مالی سال 23-2022 کے دوران میں 9,584 صارفین کے کنکشن منقطع کئے گئے جن کے گیس کی استعمال کی مقدار 404 MMCF تھیفٹ کنٹرول ٹیمیں ان صارفین کی نگرانی اور مانیٹرنگ بھی کر رہی ہیں جن کے کنکشن منقطع کئے گئے تھے۔

- UCG فریم ورک (گیس کے غیر رجسٹرڈ صارف) کے تحت 624 فلیٹ سائٹس کے 10,187 اور دو کالونیز/سوسائٹیز کے 423 یونٹس میں چیک/بلک میٹرز نصب کئے اور 97,099,280 روپے کے چوری کے کلیم جمع کرائے۔ اس میں سے 43,663,370 روپے وصول ہو گئے جن میں 206.64 MMCF گیس استعمال ہوئی۔ CRD نے 267 فلیٹ سائٹس میں 2,974 فلیٹس/صارفین کے انفرادی میٹرز بھی نصب کئے اور 20,165,407 روپے کے چوری کے کلیمز داخل کئے۔ 2,547 فلیٹس سے صارفین کے خلاف چوری کے کلیمز سے 56.02 MMCF کی مقدار کے 15,010,820 روپے کے کلیم وصول کئے گئے۔

6. سوئی سدرن کے RoA میں 31,274 ملین روپے سالانہ کا اضافہ

LPG ائیر مکس پلانٹ ڈپارٹمنٹ نے مالی سال 23-2022 میں 179,426 ملین روپے کی سرمایہ کاری کی جو 17.43% اضافے کے ساتھ اس کے سالانہ ریٹرن آن ایسیٹ (RoA) کے 31.2 ملین روپے کے علاوہ ہے۔

ایس ایس جی سی ایل پی جی لمیٹڈ

SLL نے مالی سال 23-2022 میں تاریخی سنگ میل عبور کئے جب LPG کی ریکارڈ سیل کی اور مارکیٹ شیئر بے مثال ٹرن اوور حاصل کیا۔ LPG اور ٹرمینل کاروبار دونوں میں منافع، والیومز اور مارکیٹ شیئرز میں نمایاں اضافہ سامنے آیا۔ LPG سیلز کا والیوم 98,700 MT تک بڑھ گیا جبکہ مارکیٹ شیئر 7.7% تک پہنچ گیا۔ ٹرمینل والیوم بھی بڑھ کر 164,204 MT ہوا بشمول کمپنی کی اپنی درآمدات 91,519 MT رہیں۔ ہائیڈروکاربن ڈیولپمنٹ انسٹی ٹیوٹ آف پاکستان کی رپورٹ کے مطابق مجموعی طور پر LPG مارکیٹ کی طلب گزشتہ سال کے 1,276,949 MT سے 8% اضافے کے ساتھ 1,384,514 MT ہوگئی۔

SLL نے، جو زیادہ تر درآمدات پر تکیہ کرتی ہے، اپنے سپلائی کے ذرائع کو تنوع دی ہے اور نئے سپلائرز کے ساتھ کاروبار کر کے سمندری درآمدات میں مارکیٹ لیڈرشپ حاصل کرلی ہے۔ کمپنی نے 770 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جبکہ بنیادی اور تحلیل شدہ فی شیئر آمدنی 7.70 روپے ہوئی۔

مستقبل کے منصوبے:

آئندہ کیلئے SLL کا مقصد ٹرمینل کاروبار اور LPG کی والیوم، دونوں میں مارکیٹ شیئر میں مزید اضافہ کرنا ہے جو ملک کی توانائی کی طلب کو پورا کرنے اور LPG کی مسابقتی قیمتیں پیش کرنے میں مدد ملے گی۔ اس سلسلے میں وزارت توانائی (پیٹرولیم ڈویژن) اور دیگر SOEs کے ساتھ سپلائی چین، بڑے پیمانے پر معیشت میں اضافے اور حتمی صارفین کیلئے LPG کی قیمت کم کرنے کیلئے اشتراک پر گفت وشنید جاری ہے۔ مستقبل میں وسعت کی حکمت عملی کے حصے کے طور پر SLL کو پرائیویٹ لمیٹڈ کمپنی سے پبلک لمیٹڈ کمپنی میں تبدیل کیا جائے گا۔ کمپنی مستقبل میں شیئرنگ میں مثبت ڈیولپمنٹ کے لئے پرامید ہے۔

بہتری کیلئے کوشاں ہے۔ادارے نے OGDCL کو کنٹریکٹ ایگریمنٹ کے معاہدے کے تصفیے اور فائنل کرنے پر زور دیا اور بے شمار کاوشوں کے نتیجے میں فروری 2022 میں کنٹریکٹ فائنل ہوگیا۔کنٹریکٹ ایگریمنٹ پر دستخط کے فوراً بعد سوئی سدرن نے او جی ڈی سی ایل کے ساتھ LPG میں اضافے کے مساوی دائیگی کے لئے مفاہمت کے پروسیس کا آغاز کردیا۔LPG ائیر مکس پلانٹ ڈپارٹمنٹ کی کامیاب کوششوں کے نتیجے میں سوئی سدرن کو فروری 2023 میں او جی ڈی سی ایل سے 11.43 ملین روپے کی وصولی ہوئی۔

2. LPG ائیر مکس پلانٹ بیلہ

LPG ائیر مکس پلانٹ نے 3,000 سے زیادہ متوقع صارفین کو گیس کی فراہمی کے سلسلے میں ائیر مکس پلانٹ بیلہ کو آن لائن لینے کی بے پناہ کوششیں کیں۔جس کے نتیجے میں 24 جون 2023 کو بیلہ پلانٹ نے کام کا آغاز کردیا۔

3. LPG ائیر مکس پلانٹ آواران پر سولر سسٹم کی تنصیب کیلئے اقدام

LPG ائیر مکس پلانٹ ڈپارٹمنٹ نے آواران میں SNG پلانٹ پر 20 Kilo Watt کا سولر فوٹو وولٹیک سسٹم نصب کیا جو ایریا میں گرڈ الیکٹریسٹی نہ ہونے کے باعث رہائش مع دفتر کیلئے بجلی کی فراہمی کا واحد ذریعہ ہے۔اس کے نتیجے میں جنریٹر آپریشنز کیلئے فیول کی لاگت میں کمی آئی۔گیس جنریٹر میں مالی سال 23-2022 میں 2,900 رننگ آورز کے ساتھ 18 میٹرک ٹن LPG استعمال ہوئی جو تقریباً 3.3 ملین پاکستانی روپے کے برابر ہے۔آنے والے سالوں میں اس لاگت کی بچت ہوگی۔

4. بلوچستان اور سندھ میں ائیر مکس پلانٹس کو LPG کی اور صارفین کو SNG کی فراہمی

سوئی سدرن نے مالی سال 23-2022 میں بلوچستان اور سندھ میں واقع اپنے تمام LPG ائیر مکس پلانٹ کو 1.32 بلین روپے کی 7,179 میٹرک ٹن LPG کی ترسیل کی تاکہ صارفین کو نارمل گیس سپلائی کے اوقات کے علاوہ تقریباً زیرو وقفے کے ساتھ بلا تعطل گیس کی کامیابی کے ساتھ فراہمی کی جاسکے۔

5. SNG۔نئی ہاؤسنگ سوسائٹیز کیلئے گیس کا متبادل

LPG ائیر مکس پلانٹ نے نئی ہاؤسنگ سوسائٹیز کی گھریلو گیس کی ضروریات پوری کرنے کیلئے SNG کے پروویژن کے سلسلے میں ابتدائی فزیبلٹی تجزیہ کا اہتمام اور مجوزہ بزنس فریم ورک تیار کیا ہے۔

تصدیق ہو۔ یہ JMC فارمز کے نتائج کے طور پر انتہائی اہم ہے جو سوئی سدرن کی جانب سے گیس کی خریداری کی انوائسز کی پروسیسنگ کیلئے بنیادی حیثیت رکھتے ہیں۔ مالی سال 23-2022 کے دوران میں PODs کے کل 812 مشترکہ میٹر اور خام میٹرنگ کی کامیابی کے ساتھ چیکنگ کی گئی۔

ڈپارٹمنٹ متعدد میٹرنگ اسٹیشنز پر گیس کی مقدار کی درست پیمائش کے سلسلے میں مدد کرتا ہے۔ ان میں سندھ اور بلوچستان کے فرنچائز ایریاز میں کل 127 سیلز میٹرنگ اسٹیشنز اور 25 چیک میٹرنگ اسٹیشن شامل ہیں۔ یہ میٹرنگ اسٹیشنز مختلف فلومیژ رمنٹ ایکویپمنٹ، گیس کروماٹوگرافس اور انالائزر کے ساتھ نصب کئے گئے ہیں۔ پورے سسٹم میں کثیر تعداد میں آن لائن گیس کروماٹوگرافس کو چلانے اور ان کی دیکھ بھال کے علاوہ، ڈپارٹمنٹ کراچی ٹرمینل میں قائم گیس کوالٹی انالائسس لیب کے انتظامات بھی کرتا ہے جس کے تحت اسٹیٹ آف دی آرٹ گیس کروماٹوگراف ایکویپمنٹ کے ذریعے قدرتی گیس اور سنتھیٹک قدرتی گیس (LPG Air Mix) کے معیار پر خصوصی توجہ دی جاتی ہے۔

مالی سال 23-2022 کے دوران میں ٹرانسمیشن سسٹم کے مختلف ڈیلیوری پوائنٹس سے قدرتی گیس کے 1,200 سیمپلز اور LPG ایئر مکس پلانٹس سے SNG کے سیمپلز لئے گئے اور گیس کی کمپوزیشن/ کوالٹی کے تعین کیلئے ان کا لیب میں تجزیہ کیا گیا۔ GC سسٹمز کی موثر کارکردگی اور لیب کے تجزیئے درست بلنگ کیلئے انتہائی اہمیت رکھتے ہیں کیونکہ سوئی سدرن کے صارفین کو انرجی کی بناء پر بلنگ کی جاتی ہے۔

مستقبل کا منصوبہ

مستقبل میں میژ رمنٹ ٹرانسمیشن کے منصوبوں میں گیس کروماٹوگرافی لیب کی تشکیل نو اور لیب کیلئے ISO-17025 لیبارٹری مینجمنٹ سسٹم سٹینڈرڈ کی ایکریڈیٹیشن کے حصول کے لئے ضروری اقدامات شامل ہیں تاکہ اسٹیک ہولڈرز کیلئے لیبارٹری کی ساتھ اور اعتماد میں اضافہ ہوسکے۔

LPG ایئر مکس پلانٹس (سنتھیٹک نیچرل گیس) پلانٹس

SNG فرنٹ پر ہماری بعض نمایاں کامیابیاں درج ذیل ہیں:

1. OGDCL سے 11.43 ملین روپے کی وصولی

LPG پالیسی 2016 کے تحت سوئی سدرن نومبر 2018 سے OGDCL کے KPD فیلڈ سے اپنے LPG ایئر مکس پلانٹس کی

LNGڈپارٹمنٹ نے خدشات (کنٹریکٹ اورٹرمینل آپریشنز) کی فعال شناخت کرنے اوران کے متعلقہ تدارک کی حکمت عملی تیارکرنے اوردانشمندانہ فیصلہ سازی کی سہولت کی ذمہ داری لی ہے، جب معاملہ ایسا ہو:

1) کارگوز کی ری شیڈولنگ

2) سوئی ناردن کی جانب سے RLNG کے کم حصول یاٹرمینل پرٹیکنیکل مسائل یا LNG ویسل کی برتھنگ میں تاخیر یاکسی اورغیرمتوقع صورتحال کے سبب کسی ناخوشگوارصورتحال سے نمٹنے کیلیئے ری گیس کے ریٹس پرنظرثانی کرنا جوسوئی سدرن کے مفادکے تحفظ کی بھی ہو۔

اس کے نتیجے میں سال کے دوران میں سوئی سدرن کی جانب سے وقت میں تاخیرکیلیئے کوئی ایک بھی نقصان نہیں ہوا۔

اس کےعلاوہ، مالی سال میں 7 سالہ کنٹریکٹ برقراررکھنے کا آڈٹ ختم ہوگیا۔

LNG.ڈپارٹمنٹ نے گزرے سال(2023) کے لئے سالانہ ڈیلیوری پروگرام (ADP)فائنل کرلیا جس میں LSAاور ہمارے صارف سوئی ناردن کی طلب کے مطابق تمام متعلقہ اسٹیک ہولڈرزکوشامل کیا گیا۔

درج بالا کےعلاوہ LNG ڈپارٹمنٹ نے مالی سال 23-2022 کے دوران میں LSA مارجن کی صورت میں تقریباً 5.77 ملین یوایس ڈالر(0.025یوایس ڈالرفی MMBTU) کی آمدنی حاصل کی۔

مستقبل کامنصوبہ

LNG ڈپارٹمنٹ کاعزم ہے کہ وہ آنے والے مالی سال کے دوران میں کنٹریکٹ کی تمام ذمہ داریاں پوری کرتے ہوئےٹرمینل آپریشنز کی استعدادکےتمام اہداف حاصل کرے گااوراس بات کویقینی بنایاجائے گا کہ کنٹریکٹ کے ہرپہلوکی باقاعدہ نگرانی کی جائے تاکہ کسی مسئلے یانقصان کاامکان نہ رہےاورمزیدیہ کہ کمپنی کی پالیسیزاورطریقہءکارپرمکمل عمل درآمد ہو۔

میژرمنٹ ٹرانسمیشن

میژرمنٹ ٹرانسمیشن اصولی طورپرقدرتی گیس کی مقداراورمعیار کا ذمہ دار ہے جومختلف PODs کے ذریعے سوئی سدرن کے وسیع وعریض نیٹ ورک اوراس سے آگے گیس کی ڈسٹری بیوشن کیلیئے سیلز میٹرنگ اسٹیشنز(SMS) پرپہنچائی جاتی ہے۔ڈپارٹمنٹ اس بات کو یقینی بنانے میں بھی اہم کرداراداکرتاہے کہ گیس کی مقدارکادرست ترین ناپ ہواوروہ گیس کی کوالٹی معیارات کے عین مطابق ہوتاکہ پائپ لائن سسٹم اورمیژرنگ اسٹیشنز کی سالمیت برقراررہےاورمیژرمنٹ کی غلطیاں کم سےکم ہوں۔

ٹرانسمیشن نیٹ ورک کےفرنٹ لائن ڈپارٹمنٹ ہونے کی بناءپرمیژرمنٹ ٹرانسمیشن کویقینی بنایاجاتاہے کہ ہر POD اورکسٹڈی ٹرانسفر اسٹیشن (CTS) کاماہانہ مشترکہ میٹرچیک ہوتاکہ کسٹڈی ٹرانسفرمیژرمنٹ سسٹمز کی درستی،مقدارکی ریکارڈنگ اوروصول شدہ انرجی کی

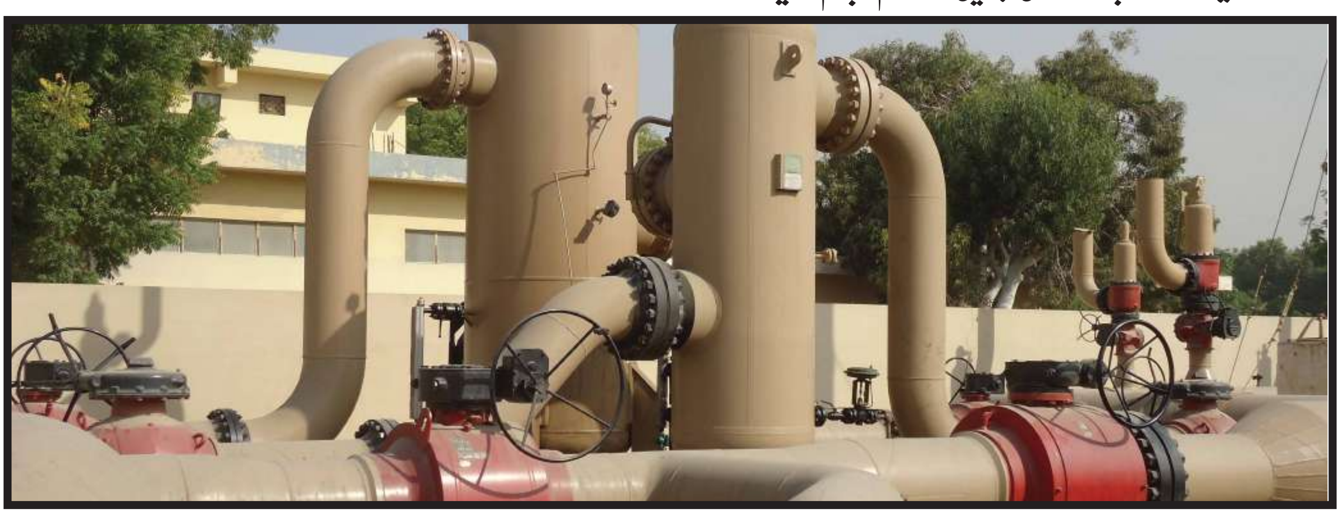
لیکویفائیڈ نیچرل گیس

LNG ڈپارٹمنٹ بنیادی طور پر کارآمد کنٹریکٹ LSA (LNG آپریشنز اینڈ سروسز ایگریمنٹ) کے تحت موثر اور مستعدEETPL LNG امپورٹ ٹرمینل آپریشنز کے ذریعے حتمی صارف کوRLNG کی فراہمی کیلئے مستحکم ٹرمینل آپریشنز کویقینی بنانے کا ذمہ دار ہے۔
گزشتہ برسوں کی طرح LNG ڈپارٹمنٹ نے حتمی صارف کو RLNG کی بلاتعطل فراہمی کویقینی بنانے کیلئے متعدد چیلنجز کا مقابلہ کیا لیکن متفقہ تاریخوں کے دوران میں ڈریجر کی عدم دستیابی اور بائیپر جوائے سائیکلون کے بڑھتے ہوئے خطرات کے سبب پیش رفت بڑا چیلنج تھا۔ ان غیر متوقع حالات کے پیش نظر کارگوز کی کیثر ری شیڈ ولنگ (پیش رفت/التوا) کی ضرورت تھی تاکہ ری گیسیفکیشن کے آپریشنز روانی سے جاری ہونے کویقینی بنایا جاسکے۔LNG ڈپارٹمنٹ نے غیر متوقع حالات کا کامیابی کے ساتھ مقابلہ کرتے ہوئےLNG سپلائی چین آپریشنز کم سے کم خلل کے ساتھ جاری رکھااور سوئی ناردن کو RLNG کی خدمات بلاتعطل فراہم کیں۔
گزشتہ برسوں کے دوران میں LNG ٹرمینل آپریشن کو منظّم کرنے کیلئے موثر انوینٹری کے انتظامات اور کارگوز کی محفوظ ہینڈلنگ کے ذریعے مستحکم ری گیسیفکیشن آپریشنز ہمارے طریقہء کار کا عکاس ہے،جو LNG ڈپارٹمنٹ کے اپنے قیام سے کامیابیوں کیلئے ہمارا طرہء امتیاز ہے۔آپریشنل ریکارڈ کے مطابق جون 2023 تک کل LNG 534 ویسلز ٹرمینل پر بغیر کسی حادثے کے کامیابی کے ساتھ آف لوڈ کئے گئے جس کی مقدار تقریباً 32.42 ملین میٹرک ٹن یعنی تقریباً 15.87 BCF تھی۔درج ذیل گراف میں شروع سے مالی سال 2022-23 تک فراہم کی جانے والی اشیاء دکھائی گئی ہیں۔

ٹرانسمیشن ڈویژن

زیرِ جائزہ سال کے دوران میں ٹرانسمیشن ڈویژن نے درج ذیل پروجیکٹس / فنکشنز پر کام کیا:

1. مزارانی نالہ پر "12 قطر کی مہر پائپ لائن کو نیچے کرنے کا کام جو شدید سیلاب کی وجہ سے ایکسپوز ہوگئی تھی۔
2. SMS گڑھی خدا بخش میں لوڈ کی ضروریات پوری کرنے کیلئے اپ گریڈیشن کے کام کی انجام دہی۔
3. KMP-25 اور KMP-40 برساتی نالہ پر "12 قطر کی رحمٰن پائپ لائن کی حفاظت کیلئے CC اسٹرکچر کی کاسٹنگ کے ذریعے انجام دہی۔
4. HQ-3 گھریلو گیس پائپنگ نیٹ ورک کی بحالی کے کام کی انجام دہی۔
5. LHF کی آپریشنل مضبوطی کا جائزہ لیا گیا اور ری بوائلرز، ریٹرن پمپ، سرکولیٹنگ پمپ، اسٹیبلائزر گیٹ والو، سمپ پمپ، MCC پینل اور HQ-3 پر ری بوائلر پر لگی شیٹ کی تھرمل انسولیشن کے ساتھ مرمت کی گئی۔
6. ٹرانسمیشن نیٹ ورک پر 261 MVAs اور 128 عدد SMSs کے لیک سروے کے ساتھ لیکیج کی درستی کے کام کی انجام دہی
7. کوئٹہ سیکشن میں KMP-342 پر QPL "12 قطر کی زرغون پائپ لائن پر سلیونگ کے کام کی انجام دہی۔
8. RLNG کی ترسیل کیلئے HQ2 کمپریشن اسٹیشن کے برتھ B پر سولر T60 انجن کو نئے انجن سے تبدیل کر دیا گیا جو 30K رننگ آورز پورے کر چکا تھا۔
9. HQ-2 پر پاور کی بلاتعطل فراہمی کیلئے C 1 MW FGLD 560 گواسکو گیس جنریٹر کے 15 ہزار گھنٹے پورے ہونے پر کی ان ہاؤس شیڈولڈ مینٹننس کی انجام دہی کی گئی۔
10. مالی سال 23-2022 کے دوران میں 11.5 کلومیٹر طویل قطر "12 and "8 , "6 , "4 کی پائپ لائن کی پرانی، بوسیدہ اور خراب کوٹنگ کی تبدیلی کے کام انجام دیئے گئے۔



کرنے کیلئے سال 09 - 2008 میں جھل مگسی پائپ لائن پروجیکٹ کی منصوبہ بندی کی لیکن امن وامان کی صورتحال کے سبب اس پر عمل درآمد نہیں ہوسکا تھا۔ ملک میں گیس کی فراہمی کے موجودہ منظرنامے میں یہ پروجیکٹ نمایاں طور پر اہمیت رکھتا ہے اور اب اس کو سال 2023-24 میں مکمل کرنے کی منصوبہ بندی کی گئی ہے۔

2. کوٹری سے کراچی تک کلومیٹر 116 x "30 قطر ٹرانسمیشن لائن پائپ لائن:

سال 1955 میں سوئی سے کراچی تک "16 قطر کی پائپ لائن بچھائی گئی تھی۔ یہ اپنی ڈیزائن کی لائف (یعنی 40 سال) کی حد پار کرچکی ہے اور اسے تبدیل کرنے کی ضرورت ہے۔ اس پس منظر میں اور ILBP سسٹم کی بڑی مقدار کو مطابقت سے شامل کرنے کیلئے مذکورہ پائپ لائن کے بقیہ فیز ز کو 247 MMSCFD تک گنجائش کی پلاننگ کی گئی ہے۔

3. کراچی ویسٹ ریجن کو گیس کی فراہمی کیلئے ٹرانسمیشن لائن:

کراچی ویسٹ ریجن میں گیس کی بڑھتی ہوئی طلب پورا کرنے اور ہائی پریشر انڈسٹریل صارفین کو لو پریشر گھریلو صارفین سے الگ کرنے کیلئے، SMS ACPL سے SMS سرجانی تک کلومیٹر 31 x "24 قطر پائپ لائن کا منصوبہ تیار کیا گیا ہے۔ اس پائپ لائن کی گنجائش تقریباً 270 MMSCFD ہوگی۔

4. نوابشاہ میں نئے کمپریسر کی تنصیب:

HQ-2 کمپریسر اسٹیشن کی اسٹینڈ بائی گنجائش کو بڑھانے اور مضبوط اور بھروسہ مند بیک اپ انتظام قائم کرنے کیلئے، موجودہ یونٹس کے متوازی 200 MMSCFD کے ایک نئے کمپریسر کی تنصیب کی منصوبہ بندی کی گئی ہے۔ یہ یونٹ جون 2025 تک پایہ تکمیل کو پہنچانے کا شیڈول ہے۔

5. سبی میں کمپریسر کے موجودہ 02 یونٹس کی بہتری:

کوئٹہ کو قدرتی گیس، خاص طور پر موسم سرما میں پہنچانے میں سبی کمپریسر اسٹیشن نہایت اہم کردار ادا کرتا ہے۔ سبی کمپریسر اسٹیشن کی موجودہ گنجائش 120 MMSCFD ہے جبکہ کوئٹہ ریجن کی زیادہ سے زیادہ طلب 200 MMSCFD تک پہنچ چکی ہے۔ اس لئے کمپریشن کی مناسب گنجائش کے ساتھ ساتھ اسٹینڈ بائی انتظامات کیلئے موجودہ دو (02) یونٹس میں بہتری لائی جائے گی اور ان کو 60 MMSCFD سے 120 MMSCFD فی یونٹ تک بڑھایا جائے گا۔

- بوستان اسپیشل اکنامک زون کو کلومیٹر 8.75 x "16 قطر کی بڑی توسیع اور "16 قطر کی سپلائی لائن (RLNG)۔
- مستونگ ۔قلات کیلئے کلومیٹر 6.4 x "16 قطر کی ری انفورسمنٹ ۔
- گوہر آباد اور زہری ٹاؤن، کوئٹہ کیلئے 3.8 کلومیٹر x "8 قطر کی ری انفورسمنٹ اسکیم۔
- کوئٹہ میں کلومیٹر 13x "16 قطر ری انفورسمنٹ اسکیم، مڈسٹی میں "16 قطر مڈسٹی لوپ لائن۔
- ضلع قلعہ عبداللہ میں ویلیج عنایت اللہ کاریز کو کلومیٹر 22 x "16 قطر گیس کی سپلائی۔

P&C ڈپارٹمنٹ کے سول ورکس سیکشن نے بھی کراچی ٹرمینل پر میژرمنٹ ٹرانسمیشن بلڈنگ کی پہلی منزل کی تعمیر، علاقائی دفتر سکھر میں موجودہ CFC کو منہدم کر کے دوبارہ تعمیر کرنے، علاقائی دفتر، حیدرآباد میں میڈیکل سینٹر کی پہلی منزل کی تعمیر، حیدرآباد کے علاقائی دفتر میں اسٹور/ورکشاپ کی تعمیر اور SI شاپ، سائٹ شیر شاہ میں ایکسی لنس سینٹر کے قیام کے کام انجام دیئے۔

ٹیکنیکل سروسز ڈویژن

مستقبل کے منصوبے

1. کلومیٹر 102 x"08 قطر جھل مگسی پائپ لائن پروجیکٹ:

ملک میں طلب و رسد کے خسارے پر قابو پانے اور سوئی سدرن ٹرانسمیشن سسٹم میں تقریباً 15 MMSCFD قدرتی گیس شامل

صورتحال سے نمٹنے کیلئے خدمات کی فراہمی کے وژن کے ساتھ ڈیولپ کیا گیا تھا۔ مالی سال 23-2022 کے دوران میں P&C ڈپارٹمنٹ نے درج ذیل پروجیکٹس مکمل کیے۔

تکمیل شدہ پروجیکٹس

ہائی پریشر ٹرانسمیشن پائپ لائن پروجیکٹس:

- MVA باران سے RS-4 تک کلومیٹر 32 x "12 قطر پائپ لائن پروجیکٹ۔
- "12 قطر کوئٹہ پائپ لائن بحالی پروجیکٹس۔
- بی بی نانی اور کنڈ لانی برج پر بارشوں کے دوران میں "12 قطر اور "24 قطر کی نقصان زدہ/ٹوٹی ہوئی QPL کی درستی۔
- (فیز-I اور II) میں بارشوں کے دوران میں "12 قطر کی نقصان زدہ/ٹوٹی ہوئی زرغون گیس پائپ لائن کی درستی۔
- IRBP گیس پائپ لائن کوریڈور: لتھ نالہ اور ہاریو نالہ کراسنگز پر قطر "42، RLNG اور 03 دیگر پائپ لائن کیلئے تحفظ کے کام۔
- CTS ساون پر الٹراسونک میٹرنگ سکڈ کی صفائی۔
- کراچی ٹرمینل پر نارتھ سٹی کیلئے علیحدہ میٹرنگ کے انتظامات۔

لو پریشر ڈسٹری بیوشن پائپ لائن پروجیکٹس (سندھ اور بلوچستان)

- کلومیٹر 3.5 x "12 قطر بن قاسم انڈسٹریل پارک پائپ لائن پروجیکٹ۔
- اولڈ سٹی ایریا کراچی پر کلومیٹر 05 x "12 قطر کی مین سپلائی لائن کی ری انفورسمنٹ۔
- DHA Phase II کراچی میں گیس ڈسٹری بیوشن نیٹ ورک کی بحالی۔
- سعید آباد، بلدیہ ٹاؤن کراچی کے سیکٹر 5/G اور 5/J میں گیس نیٹ ورک کی بحالی۔
- شاہ فیصل کالونی کراچی میں کینٹ بازار کے گیس نیٹ ورک کی بحالی۔
- بھٹائی کالونی کراچی، سیکٹر C پر گیس نیٹ ورک کی بحالی۔
- ضلع بدین، دادو اور سانگھڑ میں گیس فیلڈ (فیز II) کے گرد 5 کلومیٹر پر محیط دیہاتوں کو کلومیٹر 170 x "6 & "4 ,"2 قطر گیس کی فراہمی۔
- گولارچی سے بدین تک کلومیٹر 41 x "8 قطر کی ری انفورسمنٹ۔
- نواکلی، کوئٹہ میں کلومیٹر 17.3 x "12 قطر کی توسیع کا بڑا کیس۔

- 1,450 کلومیٹر طویل بحالی کی اسکیمز
- 19 کلومیٹر طویل سیگریگیشن کی اسکیمز
- 63 کلومیٹر طویل ری انفورسمنٹ اسکیمز

درج بالا منصوبوں کی کل لاگت 1.08 ارب روپے تھی۔

مستقبل کا منصوبہ

مالی سال 24 - 2023 میں کراچی ریجن کیلئے کل 29 گیس ڈسٹری بیوشن نیٹ ورک اسکیمز کی منصوبہ بندی کی گئی ہے تاکہ کراچی ریجن کے مختلف علاقوں میں یو ایف جی اور گیس کے کم پریشر کے مسائل پر قابو پایا جا سکے۔ ان کا بریک اپ درج ذیل ہے:

☆ 843 کلومیٹر طویل بحالی کی اسکیمز

☆ 2 کلومیٹر طویل سیگریگیشن کی اسکیمز

☆ 8 کلومیٹر طویل ری انفورسمنٹ اسکیمز

درج بالا منصوبوں کی کل لاگت 4.8 ارب روپے آئے گی۔

منصوبے اور تعمیرات (P&C)

سوئی سدرن کا پروجیکٹس اینڈ کنسٹرکشن (P&C) ڈپارٹمنٹ کمپنی کے فرنچائز ایریا میں گیس کی ٹرانسمیشن اور ڈسٹری بیوشن کے سلسلے میں اعلیٰ سطح کے پروفیشنل پروجیکٹ مینجمنٹ کی مہارت کے ساتھ پائپ لائن انفرااسٹرکچر کی بحالی، منسلک سہولتوں کے تعمیراتی کام اور ہنگامی

(SEZMC) نے دھابیجی SEZ کیلئے 13.5 MMCFD گیس کی ضروریات کی نشاندہی کی۔ اس مقدار میں گیس کی فراہمی کیلئے سوئی سدرن نے ایک پروجیکٹ کی منصوبہ بندی کی جس میں پاک لینڈ میں نیوسیلز میٹر اسٹیشن سے Sha TBS-DSEZ کے مجوزہ ٹاؤن بارڈر اسٹیشن تک 9 کلومیٹر x "12 قطر کی ڈسٹری بیوشن پائپ لائن بچھانا بھی شامل تھا۔ 23 جون 2023 کو یہ منصوبہ کامیابی کے ساتھ فعال ہوگیا۔

4. پہلے مرحلے میں MVA باران سے RS-4 تک کلومیٹر 32 x "30 قطر ٹرانسمیشن پائپ لائن (کلومیٹر 116x "30 قطر ٹرانسمیشن پائپ لائن پروجیکٹ):

سوئی سدرن کی انتظامیہ نے MVA باران سے RS-4 تک کلومیٹر 32 x "30 قطر ٹرانسمیشن پائپ لائن پہلے (مرحلے میں کلومیٹر 116 x "30 قطر ٹرانسمیشن پائپ لائن پروجیکٹ) پر کام شروع کرنے کی منظوری دے دی۔ 32 کلومیٹر کے حصے پر عمل درآمد کرنے کا مقصد "30 قطر پائپ لائن کو استعمال کرنا تھا جو پہلے سے سوئی سدرن کے پاس دستیاب تھی۔ اس کے علاوہ ٹرانسمیشن نیٹ ورک کی پائپ لائن کی گنجائش کو کلومیٹر 32 x "30 قطر کا حصہ شامل کرکے 68 MMSCFD کا اضافہ ہوگیا جس میں سرمایہ کاری کا تخمینہ 2,499 ملین پاکستانی روپے لگایا گیا ہے۔ پروجیکٹ کا پہلا مرحلہ جون 2023 میں کامیابی کے ساتھ مکمل اور فعال ہوگیا۔

5. OGDCL پروجیکٹ، NIM EAST-01 Wellhead کی تعمیر، کلومیٹر x12.5 "6 قطر اسمبلی، پائپ لائن بچھانا اور Tay GGS ضلع ٹنڈو الہ یار سے جوڑنا:

سوئی سدرن نے پائپ لائن کی تعمیر کے پروجیکٹ کیلئے OGDCL ٹینڈر میں شرکت کی، جس کا مقصد جاری اندرونی پروجیکٹس کے متوازی ان ہاؤس ذرائع کے استعمال سے نان آپریٹنگ انکم میں اضافہ کرنا تھا۔

کمپنی نے بطور کم ترین تجارتی مطابقت کے بولی دہندہ ہونے کی بنا پر کامیابی کے ساتھ یہ بولی جیت لی۔ اس سلسلے میں پروجیکٹ کامیابی کے ساتھ مکمل اور فعال ہوگیا۔ اس بیرونی پروجیکٹ کے آغاز کے نتیجے میں %25 منافع ہوا جو نمایاں طور پر ادارے کیلئے ایک اہم اضافہ ہے۔

پلاننگ اینڈ ڈیولپمنٹ – ساؤتھ ڈپارٹمنٹ

کراچی ریجن کیلئے گیس نیٹ ورک کی ڈسٹری بیوشن کی اسکیمز (ری ہیبلیٹیشن، ری انفورسمنٹ اور سیگریگیشن)

کراچی ریجن کے مختلف علاقوں میں UFG کے مسائل اور گیس کے کم پریشر کے مسئلے کے حل کیلئے مالی سال 23-2022 کے دوران میں 1,602 کلومیٹر پر پھیلی گیس نیٹ ورک ڈسٹری بیوشن اسکیمز کی منصوبہ بندی کی گئی۔ ان کا بریک اپ درج ذیل ہے:

آپریشنل جائزہ

سوئی سدرن اسٹیک ہولڈرز کے ساتھ اپنی بنیادی اقدار، دیانت، اعلیٰ مہارت، ٹیم ورک، شفافیت، تخلیق کاری اور ذمہ داری کی رہنمائی میں خدمات انجام دیتا ہے۔ کمپنی کے مشن کی مطابقت میں، ادارہ قدرتی گیس کی سہولت کی فراہمی میں کوشاں ہے اور اپنے صارفین کے دائرے کو مسلسل وسیع تر کرنے کیلئے پرعزم ہے۔ مالی سال 2022-23 کے دوران میں ہمارے پروجیکٹس اور کامیابیوں کی تفصیلات، ڈویژنز اور ڈپارٹمنٹس کے لحاظ سے ذیل میں دی جارہی ہیں:

ٹیکنیکل سروسز

پلاننگ اینڈ ڈیولپمنٹ

مالی سال 2022-23 کے دوران میں درج ذیل گیس پائپ لائن پروجیکٹس کا آغاز ہوا:

1. بن قاسم انڈسٹریل پارک (BQIP) کی دہلیز تک 13 MMCFD گیس کی فراہمی:

وزارت توانائی (پیٹرولیم ڈویژن) کی ہدایات کے مطابق، سوئی سدرن نے BQIP SEZ کو 13 MMCFD گیس کے پروجیکٹ کی منصوبہ بندی کی جونئی صنعتوں کے قیام کے بنیادی مقصد کیلئے گیس انفرااسٹرکچر بچھانے / تعمیر کرنے کیلئے نیشنل انڈسٹریل پارکس ڈیولپمنٹ اینڈ منیجمنٹ کمپنی (NIPDMC) کی ضروریات کے مطابق کی گئی۔ BQIP پروجیکٹ کیلئے کلومیٹر 3.5 x "12 قطر کی یہ پائپ لائن 17 مارچ 2023 کو کامیابی کے ساتھ فعال ہوگئی۔

2. بوستان اسپیشل اکنامک زون، بلوچستان کی دہلیز تک 10 MMCFD Gas / RLNG کی سپلائی:

وزارت توانائی (پیٹرولیم ڈویژن) کی ہدایت کے تحت، چائنا پاکستان اکنامک کوریڈور (CPEC) میں صنعتوں کے فروغ کیلئے انفرااسٹرکچر کی ڈیولپمنٹ کیلئے بوستان اسپیشل اکنامک زون (SEZ) اور TBS کو 10 MMCFD آر ایل این جی گیس کی فراہمی کیلئے 8.784 کلومیٹر x "16 قطر سپلائی مین ڈسٹری بیوشن پائپ لائن کیلئے پروجیکٹ کی منصوبہ بندی کی گئی۔ مذکورہ پروجیکٹ نے کامیابی کے ساتھ 10 مارچ 2023 کو کام شروع کردیا۔

3. دھابیجی اسپیشل اکنامک زون کی دہلیز تک 13.5 MMCFD گیس کی فراہمی:

اکنامک زونز کے آپریشنز شروع ہونے کیلئے اولین ضروریات میں سے ایک گیس کی دستیابی کا بھی ہے۔ سندھ اکنامک زونز منیجمنٹ کمپنی

اعتراف

ڈائریکٹرز اپنے شیئر ہولڈرز اور معزز صارفین کے مستقل تعاون اور سرپرستی پر ان کے شکرگزار ہیں۔ اس کے ساتھ ہم اپنے ملازمین کی محنت کا اعتراف کرتے ہیں جنہوں نے کمپنی کو درپیش بے شمار چیلنجز کے باوجود گہری لگن کے ساتھ خدمات انجام دیں۔ ہم حکومت پاکستان، وزارت توانائی اور آئل اینڈ گیس ریگولیٹری اتھارٹی کی مسلسل رہنمائی اور معاونت کیلئے ممنون ہیں۔ بورڈ اپنے رخصت ہونے والے تمام ڈائریکٹرز کا خصوصی شکریہ ادا کرتا ہے جنہوں نے پالیسی سازی اور گوں ناگوں مسائل کے حل میں اپنا کردار بحسن وخوبی ادا کیا۔

ازطرف بورڈ

ڈاکٹر شمشاد اختر
چیئرپرسن، بورڈ آف ڈائریکٹرز
5 نومبر، 2024

محمد امین راجپوت
مینجنگ ڈائریکٹر

ثالثی معاہدے پر دستخط/عملدرآمد کیا گیا ہے اور اس کے مطابق تمام فریقوں نے اپنے اپنے دعوے ثالث کو پیش کر دیئے ہیں، تاہم ثالثی کی کارروائی کا آغاز ابھی زیرالتوا ہے۔

توقع ہے کہ جیسے ہی حکومت پاکستان کی جانب سے یہ معاملہ مستقل طور پر حل ہو جائے گا کمپنی کی مجموعی مالی حالت میں بہتری آئے گی۔ 30 جون 2023ء تک کے الیکٹرک اور پی ایس ایم ایل کے خلاف ایل پی ایس سمیت کمپنی کا دعویٰ بالترتیب 176,412 ملین روپے اور 89,405 ملین روپے ہے۔

سوئی ناردن اور واپڈا سے قابل وصولی LPS

مجموعی طور پر گردشی قرضے کی وجہ سے کمپنی کو سوئی ناردن اور واپڈا کی جانب سے جمع شدہ قابل وصولی کی صورتحال کا سامنا ہے۔ تاہم باہمی متفقہ شرائط وضوابط کی بناء پر، کمپنی مجموعی زائد المعیاد رقم کے عوض کمپنی LPS بڑھا رہی ہے۔ کمپنی گردشی قرضوں کی اس صورتحال سے حکومتی اتھارٹیز کو روزانہ کی بنیاد پر باخبر کر رہی ہے اور توقع ہے کہ جیسے ہی گردشی قرضہ کو قومی سطح پر دیکھا جائے گا، یہ مسئلہ حل ہو جائے گا۔

معاملات پُر زور

درج بالا کے علاوہ بیرونی آڈیٹرز میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اپنی آڈٹ رپورٹ میں مالی سال مختتمہ 30 جون 2023 کیلئے بعض معاملات کی طرف توجہ دلائی ہے۔ ان معاملات پر تبصرے درج ذیل ہیں:

i. مختلف عدالتوں میں جاری مقدمات اور کلیمز کے نتائج غیر یقینی ہیں۔

ii. کمپنی کے مستقبل میں آپریشنز کا استحکام حکومت پاکستان کے تعاون کے خط پر ہے جس نے جاری صورتحال میں ضروری مالی معاونت دینے کی تصدیق کی گئی ہے۔

iii. سوئی سدرن نے یکم جولائی 2012 سے اس وقت تک حکومت کے زیر کنٹرول ای اینڈ پی کمپنیز (OGDCL, PPL اور GHPL) کو قابلِ ادائیگی LPS اخراجات تسلیم کرنا بند کر دیا ہے جب تک سوئی سدرن PSML اور KE سے LPS کی آمدنی حاصل نہیں کرتی۔

iv. جون 2020 سے پہلے سوئی ناردن کے ساتھ معاملات کے تصفیے کیلئے اوگرا نے کنسلٹنٹ مقرر کر لئے ہیں۔

غیرادا شدہ قرضہ جات کا پروویژن

اوگرا نے غیرادا شدہ قرضہ جات کی فراہمی کی اجازت دی ہے کیونکہ آپریٹنگ اخراجات صرف منقطع صارفین سے متعلق ہیں (پہلے سال 25 فیصد اور باقی اگلے سال)۔ تاہم، آئی ایف آر ایس -9 کو اپنانے کے بعد، متوقع کریڈٹ نقصان کی بنیاد پر فراہمی کی جارہی ہے یعنی آگے بڑھنے کا نقطہ نظر جس کے لئے براہ راست صارفین کے خلاف فراہمی کی بھی ضرورت ہوتی ہے، جس کے نتیجے میں، کمپنی کی نچلی سطح نمایاں طور پر متاثر ہوئی ہے۔ اوگرا نے گزشتہ سال کے 1741 ملین روپے کے مقابلے میں 254 ملین روپے کی فراہمی کی اجازت نہیں دی۔ اس کے علاوہ اوگرا نے سوئی سدرن کو متوقع کریڈٹ لاسز کی مد میں 922 ملین روپے کے پیشگی دعوے کی بھی اجازت دے دی ہے۔

مالیاتی لاگت

سوئی سدرن کو 8,619 ملین روپے کے مالیاتی چارجز برداشت کرنا پڑے جو بنیادی طور پر طویل المدت اور قلیل المدت قرضہ جات پر تھے جو سرمایہ کے اخراجات اور جاری سرمایہ کاری میں ٹیرف نوٹیفکیشن میں تاخیر کے سبب کمی کے لئے حاصل کئے گئے تھے۔ تاہم درج بالا کے علاوہ اوگرا کی جانب سے 5,469 ملین روپے کی رقم کی اجازت دی جو گزشتہ مرتبہ ٹیرف نوٹیفکیشن میں تاخیر کے اثرات کے ازالے اور RLNG کے جاری گیس بلز پر KE کی عدم ادائیگی پر جاری سرمایہ کاری کی ضرورت کیلئے حاصل کئے گئے تھے۔

بیرونی آڈیٹر رپورٹ کی قابلیت

بیرونی آڈیٹرز میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے مالی سال مختتمہ 30 جون 2023 کیلئے اپنی آڈٹ رپورٹ میں KE اور پاکستان اسٹیل ملز سے واجب الادا رقم اور سوئی ناردن واپڈا پر واجب الادا سرچارج (LPS) کیلئے اپنی ماہرانہ رائے کا اظہار کیا ہے۔

کے الیکٹرک اور پاکستان اسٹیل ملز پر واجب الادا

مالی سال 2022-23ء کے دوران کے الیکٹرک اور پاکستان اسٹیل ملز لمیٹڈ (پی ایس ایم ایل) کی نادہندہ واجبات کی صورتحال تقریبا وہی رہی جو گزشتہ سالوں میں تھی۔ انتظامیہ کے الیکٹرک اور پی ایس ایم ایل کے خلاف دائر ریکوری کیس کی بھرپور پیروی کررہی ہے۔ اس کے ساتھ ہی انتظامیہ کے الیکٹرک سے واجبات کی وصولی میں تیزی لانے کے لئے متعلقہ وزارت کے ساتھ مسلسل رابطے میں ہے۔ اس وقت کے وزیراعظم نے کے الیکٹرک سے متعلق مسائل/ تنازعات کو حل کرنے کے لئے ایک ٹاسک فورس تشکیل دی تھی۔ تمام اسٹیک ہولڈرز کے درمیان کے الیکٹرک کے وصولیوں اور واجبات کے مسائل کو حل کرنے کے لئے ایک کثیر فریقی ثالثی معاہدہ کیا گیا تھا۔ مذکورہ

UFG اور کمپنی کے ٹرن اراؤنڈ میں کمی لانے کی نمایاں کوششوں کے باوجود، بلوچستان ریجن میں بڑی مقدار میں UFG نے تمام کوششوں پر پانی پھیر دیا۔ زیر جائزہ مدت کے لئے بلوچستان میں UFG کی مقدار BCF 25.99 اور فیصد کے لحاظ سے 59.7 % رہی۔ (مالی سال 22-2021: BCF 25.08 اور 53.2%)

اس مسئلے کے حل کیلئے وفاقی حکومت کی سطح پر پالیسی فیصلے کی ضرورت ہے تاکہ بلوچستان کو تجارتی بنیاد پر گیس کی فراہمی کیلئے قابل عمل فیصلہ کیا جاسکے۔ UFG سے نجات کیلئے بھرپور کوششوں کے باعث، بلوچستان میں UFG میں اضافے کے باوجود، مجموعی طور پر پوری کمپنی نے مقدار کے لحاظ سے BCF 51.5 اور فیصد کے لحاظ سے 16.6 % تک محدود رکھی۔ (مالی سال 22-2021: BCF 59.99 اور 17.8%)

یہ واضح طور پر بتانا اہم ہے کہ اثاثہ جات پر آمدنی، اثاثہ جات کی پاکستانی روپے میں تاریخی لاگت کی بنیاد پر کی جاتی ہے جبکہ UFG پر جرمانہ (Weighted Average Cost of Gas (WACOG کی بنیاد پر وصول کیا جاتا ہے جو کہ عام طور پر امریکی ڈالر پر مبنی ہوتا ہے۔ حالیہ عرصے میں ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں تیزی سے کمی آنے سے منافع کے منفی میں آنے کی بڑی وجہ ہے۔ مالی سال 23-2022 میں WACOG 978.38 روپے فی MMCF رہا جو اس کے مقابلے میں گزشتہ سال میں 641.11 روپے فی MMCF تھا جو 53% کا نمایاں اضافہ ہے جس کے نتیجے میں UFG ڈس الاؤنس 9,542 ملین روپے زیادہ ہوا۔

کمپنی کی مالیاتی حیثیت کو متاثر کرنے والی بنیادی وجوہات درج ذیل پیراؤں میں واضح کی گئی ہیں:

RLNG بزنس میں UFG الاؤنس کی منظوری

سوئی سدرن وزارت توانائی (پیٹرولیم ڈویژن) کے علاوہ اسلام آباد ہائی کورٹ کے ذریعے بھرپور طریقے سے اوگرا سے درخواست کررہے ہیں کہ ڈسٹری بیوشن نیٹ ورک کے RLNG پر اصل UFG کی اجازت دی جائے، IHC کے پابندی کے آرڈر نتیجے میں، اوگرا نے RLNG ڈسٹری بیوشن نیٹ ورک پر اصل UFG کی اجازت دے دی ہے۔

تاہم ابھی بھی زیادہ UFG کی بڑی وجہ یہ حقیقت ہے کہ اوگرا سوئی سدرن کو منظور کئے گئے RLNG والیوم ہینڈلنگ کے فائدے کو منظور نہیں کررہا ہے جس کی اجازت سوئی سدرن کو اکنامک کوآرڈینیشن کمیٹی (ECC) نے اپنی 11 مئی 2018 کی سمری کے ذریعے دی تھی۔ سوئی سدرن انتظامیہ اور بورڈ آف ڈائریکٹرز کے بھرپور فالواپ کے ساتھ اوگرا نے RLNG پر UFG کی حد اور اس کے سوئی کمپنی بنام سوئی سدرن اور RLNG پر اثر کے تعین کیلئے ایک کنسلٹنٹ کی خدمات حاصل کی ہیں۔ اس کے حتمی نتیجے کا ابھی انتظار ہے۔

اگر سوئی سدرن کو یہ فائدہ حاصل ہوجاتا ہے تو سال کے لئے خالص UFG ڈس الاؤنس 21,573 ملین روپے کے قریب کم ہوجائے گا۔

مالیاتی جائزہ

زیرجائزہ مدت کے دوران کمپنی کی مالی حالت 22-2021 کے 11,444 ملین روپے بعدازٹیکس حسارے سے نمایاں طور پر بہتر ہوئی ہے اور 1,601 ملین روپے بعدازٹیکس نقصان رپورٹ کیا گیا ہے۔جبکہ فی حصص آمدنی بھی منفی 12.99 روپے سے بڑھ کر منفی 1.82 روپے ہوگئی ہے۔

مالیاتی سرخیوں کا خلاصہ درج ذیل ہیں:

	2022-23	2021-22	فرق
(ملین روپے میں)			
منافع / (نقصان) قبل از ٹیکس	(1,591)	(7,735)	6,144
ٹیکس	(10)	(3,709)	3,699
منافع / (نقصان) بعدازٹیکس	(1,601)	(11,444)	9,843
فی شیئر آمدنی (روپے)	(1.82)	(12.99)	11.17

سوئی سدرن کا منافع بخشی کا تعین اوگرا کے مقرر کردہ گارنٹیڈ ریٹرن فارمولا کے تحت کیا جاتا ہے جو Weighted Average Cost of Capital (WACC) کے مطابق حاصل ہوتا ہے۔سوئی سدرن کو اس کے خالص آپریٹنگ فکسڈ ایسیٹس پر قبل از مالیاتی چارجز اور ٹیکسز پر 23.45%(22-2021: 16.60%) کی شرح سے آمدنی ہوئی ہے۔تاہم اوگرا آمدنی کی ضروریات کا تعین کرتے وقت ڈس الاؤنسز/ایڈجسٹمنٹ بھی کرتا ہے جو استعداد کے لحاظ سے بنچ مارک کے ساتھ ساتھ غیر شمار شدہ گیس (UFG)، انسانی وسائل، بنچ پارک لاگت، مشتبہ قرضہ جات اور بعض دوسرے اخراجات / چارجز کے پروویژن پر مبنی ہوتے ہیں۔یہ ڈس الاؤنسز / ایڈجسٹمنٹس کمپنی کی بنیادی سطح کو متاثر کرتے ہیں۔

مالی سال 23-2022 کیلئے اوگرا کے یکم اکتوبر 2024 کے حتمی آمدنی کی ضروریات پر تعین کے تحت سوئی سدرن کو 23,496 ملین روپے کی آمدنی حاصل ہوئی۔اس حاصل شدہ آمدنی کے سلسلے میں UFG کی مد میں 27,679 ملین روپے، IFRS 9 پر عمل درآمد میں متوقع کریڈٹ کے نقصان، مالیاتی دستاویز کے پروویژن کے تحت 254 ملین روپے کی آمدنی نامنظور کی گئی ہے۔تاہم سوئی سدرن نے کامیابی کے ساتھ HR لاگت کو کنٹرول کیا جو مقررہ حد کے اندر رہی اور اس کے مطابق HR لاگت میں بچت کی کم ترین سطح 836 ملین روپے منظور ہوئی۔اوگرا نے سوئی سدرن نے متوقع کریڈٹ خساروں کی مد کے پروویژن میں 1,852 ملین روپے کے گزشتہ سال کے کلیم کی اجازت دی۔مالیاتی لاگت برائے سال 8,619 ملین روپے ہوئی۔

توانائی کا جائزہ

پاکستان کی بنیادی توانائی زمینی ایندھن سے حاصل ہوتی ہے جس میں قدرتی گیس اور تیل سب سے زیادہ استعمال ہونے والے ذرائع ہیں۔ ملک میں قدرتی گیس کے ذخائر (بشمول بنا پائپ لائن کوالٹی گیس) کا تخمینہ 20.95 ٹریلین کیوبک فٹ ہے، جو جنوبی ایشیاء میں دوسرا سب سے بڑا گیس پیدا کرنے والا خطہ ہے۔ پاکستان میں کل قابلِ حصول تیل کے ذخائر 249.05 ملین یو ایس بیرل ہیں۔ قدرتی گیس ملک میں توانائی کا سب سے نمایاں ذریعہ ہے، جو کل انرجی مکس کا سب سے بڑا حصہ یعنی 41% ہے۔ اس کے علاوہ لیکوئیفائیڈ نیچرل گیس (LNG) کی درآمد میں بھی اضافہ ہوا ہے اور اب یہ مجموعی بنیادی انرجی سپلائی کا 11.4% ہے۔

پاکستان کا گیس کا شعبہ اپ اسٹریم سیکٹر اور ڈاؤن اسٹریم سیکٹر پر مشتمل ہے۔ اپ اسٹریم سیکٹر میں 24 ایکسپلوریشن اور پروڈکشن (E&P) کمپنیاں ہیں جو ملکی تیل اور گیس کے ذخائر کی پیداوار کر کے ان کو سپلائی کرتی ہیں۔ 2022 میں آئل کی اوسط پیداوار 75,530 bpd ریکارڈ کی گئی جو 2015 میں 94,493 bpd کی بلندترین سطح تک پہنچنے کے بعد سے مسلسل کمی کا شکار ہے اسی طرح قدرتی گیس کی پیداوار میں بھی 2021 میں 3,504 mmcfd ریکارڈ ہوئی جس میں 2012 میں 4,259 mmcfd کی بلندترین سطح تک پہنچنے کے بعد سے مسلسل کمی کا رجحان دیکھنے میں آیا ہے۔

ڈاؤن اسٹریم گیس سیکٹر میں دو ریاستی ملکیتی ادارے سوئی سدرن اور سوئی نادرن نمایاں طور پر کام کر رہے ہیں۔ ان کمپنیز کا اپنا اپنا ٹرانسمیشن اور ڈسٹری بیوشن کا نیٹ ورک ہے جو ملک میں 205,000 کلومیٹر پر پھیلا ہوا ہے۔ پاکستان ایک بڑی گیس مارکیٹ ہے جس میں صارفین کی تعداد 11 ملین کے قریب ہے۔ چند دیگر E&P کمپنیاں بھی چھوٹی خصوصی پائپ لائنز کے ذریعے پاور اور فرٹیلائزر کمپنیز کو گیس فراہم کر رہی ہیں۔ گیس کے ڈاؤن اسٹریم سیکٹر میں شامل ہونے والے دو نئے ادارے اینگرو وپاک ٹرمینل لمیٹڈ اور پاکستان گیس پورٹ لمیٹڈ شامل ہیں جو لیکوئیفائیڈ نیچرل گیس امپورٹ ٹرمینل کے مالک ہیں اور وہی ان کو آپریٹ بھی کرتے ہیں۔ ان میں سے ہر ایک کی گنجائش 1,200 ملین کیوبک فٹ (mmcfd) روزانہ ہے۔ 2022 میں پاکستان نے ریکارڈ 9.9 mmtoe کی LNG درآمد کی جو ملکی تاریخ میں سب سے زیادہ ہے۔ 2022 میں قدرتی گیس کی مجموعی کھپت 31.2 mmtoe ریکارڈ کی گئی۔

ذریعہ: پیٹرولیم انسٹیٹیوٹ آف پاکستان

نوٹس:

1. چیئرپرسن کا ماہانہ اعزازیہ ایک لاکھ روپے تھا (چیئرپرسن کی حیثیت سے اعزازیہ کے طور پر انہیں 9 لاکھ 60 ہزار روپے کی رقم ادا کی گئی تھی) اس کے ساتھ ساتھ کمپنی کی جانب سے مینٹینڈ گاڑی اور فیول، مفت طبّی سہولیات بھی شامل ہیں۔
2. جناب فیصل بنگالی 02 جنوری 2023 تک ڈائریکٹر کے عہدے پر برقرار رہے۔
3. جناب حسن محمود یوسفزئی 15 دسمبر 2022 تک ڈائریکٹر کے عہدے پر برقرار رہے۔
4. ڈاکٹر عمران اللہ خان 15 فروری 2023 تک ڈائریکٹر کے عہدے پر برقرار رہے۔
5. جناب ساجد محمود قاضی 20 مئی 2023 تک ڈائریکٹر کے عہدے پر برقرار رہے۔
6. محترمہ سائرہ نجیب احمد نے 15 فروری 2023 سے سوئی سدرن کے بورڈ میں شمولیت اختیار کی۔
7. جناب ابرار احمد مرزا نے 12 جون 2023 سے سوئی سدرن کے بورڈ میں شمولیت اختیار کی۔

ڈائریکٹرز کو فی میٹنگ 100,000 روپے (بشمول ٹیکس) کی فیس ادا کی گئی۔ مقامی طور پر رہنے والے بورڈ ممبران کو میٹنگ کے دن ڈرائیور کے ساتھ پک اینڈ ڈراپ کی خدمات فراہم کی جاتی ہیں، جبکہ شہر سے باہر کے ممبروں کو ہوائی اڈے سے / تک کی منتقلی، ہوائی ٹکٹ، ہوٹل رہائش، اور ذاتی استعمال کے لئے ڈرائیور کے ساتھ مقامی ٹرانسپورٹ بھی فراہم کی جاتی ہے۔

چیف ایگزیکٹیو آفیسر، ڈائریکٹرز اور دیگر ایگزیکٹوز کے معاوضوں کی تفصیلات غیر مربوط مالیاتی گوشواروں میں نوٹ نمبر 51 پر ملاحظہ فرمائیں۔

ڈائریکٹر کا معاوضہ

ڈائریکٹرز کے نام	بعد از ٹیکس مشاہرہ (روپے میں)	بورڈ آف ڈائریکٹر			بورڈ ہیومن ریسورس اور نومینیشن کمیٹی			بورڈ آڈٹ کمیٹی			بورڈ فنانس اور پروکیورمنٹ کمیٹی		
		ممبر	میٹنگز کی کُل تعداد	میٹنگز کی تعداد جن میں شرکت کی	ممبر	میٹنگز کی کُل تعداد	میٹنگز کی تعداد جن میں شرکت کی	ممبر	میٹنگز کی کُل تعداد	میٹنگز کی تعداد جن میں شرکت کی	ممبر	میٹنگز کی کُل تعداد	میٹنگز کی تعداد جن میں شرکت کی
ڈاکٹر شمشاد اختر [1]	2,560,000	√	14	14	√	13	13				√	1	1
جناب محمد رضی الدین منیم	2,320,000	√	14	14	√	13	13						
جناب فیصل بنگالی [2]	1,200,000	√	6	5				√	5	5	√	5	5
جناب عبدالعزیز عقیلی	1,680,000	√	14	14	√	1	1						
جناب حسن محمود یوسف زئی [3]	1,120,000	√	5	5	√	7	7						
ڈاکٹر عمران اللہ خان [4]	1,200,000	√	7	4				√	6	6	√	6	5
ڈاکٹر سہیل رضی خان	3,120,000	√	14	14	√	13	12	√	9	9			
جناب منظور علی شیخ	2,320,000	√	14	14	√	13	13						
جناب زہیر صدیقی	2,320,000	√	14	14							√	9	9
جناب ایاز داؤد	2,560,000	√	14	14				√	9	9		9	9
جناب ساجد محمود قاضی [5]	1,040,000	√	6	6	√	4	4	√	1	1			
محترمہ سائرہ نجیب احمد [6]	1,120,000	√	7	7	√	2	2	√	3	3	√	3	3
جناب ابرار احمد مرزا [7]	160,000	√	2	2									

ڈائریکٹرز کے نام	بورڈ اسپیشل UFG کمیٹی			بورڈ رسک مینجمنٹ، لیٹیگیشن اور HSE & QA کمیٹی		
	ممبر	میٹنگز کی کُل تعداد	میٹنگز کی تعداد جن میں شرکت کی	ممبر	میٹنگز کی کُل تعداد	میٹنگز کی تعداد جن میں شرکت کی
ڈاکٹر شمشاد اختر [1]	√	4	4			
جناب محمد رضی الدین منیم				√	2	2
جناب فیصل بنگالی [2]						
جناب عبدالعزیز عقیلی	√	4	4	√	2	2
جناب حسن محمود یوسف زئی [3]	√	2	2			
ڈاکٹر عمران اللہ خان [4]						
ڈاکٹر سہیل رضی خان	√	4	4			
جناب منظور علی شیخ				√	2	2
جناب زہیر صدیقی	√	4	4	√	2	2
جناب ایاز داؤد						
جناب ساجد محمود قاضی [5]	√	2	2			
محترمہ سائرہ نجیب احمد [6]						
جناب ابرار احمد مرزا [7]						

ہیومن ریسورس ڈپارٹمنٹ

کمپنی کے پختہ عزم کے مطابق مضبوط تربیت اور صلاحیت سازی کے اقدامات کے ذریعے ملازمین کی ترقی کے لئے، سال کے دوران، کمپنی نے ایک جامع تربیتی فریم ورک نافذ کیا جو تنظیم بھر میں مہارت کے خلا کو پر کرنے کے لئے ڈیزائن کیا گیا ہے۔ سوئی سدرن لرننگ اینڈ ڈیولپمنٹ سینٹر (ایل ڈی سی) میں نمایاں اصلاحات کی گئیں، تمام ٹیکنیکل لیبز کو آپریشنل کیا گیا اور بہتر تعلیم کی فراہمی کے لئے کمپیوٹر کی سہولیات کو اپ گریڈ کیا گیا۔ قیادت، انتظامی اور تکنیکی پروگرامیوں سمیت کمپنی کے تربیتی شعبوں نے مسلسل سیکھنے کی ثقافت کو فروغ دیا ہے اور 23,000 انسانی دن کی تربیت فراہم کی ہے۔ قابل ذکر بات یہ ہے کہ کمپنی نے 270 غیر ہنرمند کارکنوں کو ہدف شدہ ان ہاؤس ٹریننگ اور تسلیم شدہ ٹریڈ سرٹیفکیٹس کے ذریعے تصدیق شدہ ہنرمند پیشہ ور افراد میں تبدیل کر دیا۔ ان کوششوں نے ملازمین کی تعداد میں اضافے کے بغیر کمپنی کی ہنرمند وسائل کی ضروریات کو کامیابی سے پورا کیا اور گیس ڈسٹری بیوشن پائپ لائنوں کی تعمیر، بحالی، مرمت اور دیکھ بھال میں کاریگری کے معیار میں نمایاں اضافہ کیا ہے، جو بے حساب گیس (یو ایف جی) کو روکنے کے لئے ضروری ہے۔

انسانی وسائل کی موثر منصوبہ بندی اس سال کی کامیابیوں کی بنیاد ہے۔ کمپنی اسٹریٹجک کیریئر کی ترقی اور سینئر مینجمنٹ/کاروباری اہم عہدوں پر اندرونی اور بیرونی ٹیلنٹ کی بھرتی کے ذریعے جانشینی کے خلا کو پر کرنے پر توجہ مرکوز کر رہی ہے۔ تقریباً 155 ایگزیکٹوز کو ان کی مستقل کارکردگی کی بنیاد پر ترقی دی گئی اور کمپنی کی آپریشنل ضروریات کو پورا کرنے کے لئے 250 ایگزیکٹوز کو بھرتی کیا گیا۔ ماتحت کیڈر میں 130 ہنرمند کارکنوں کو بہتر بھرتی فریم ورک کے ذریعے بورڈ میں شامل کیا گیا تاکہ اس بات کو یقینی بنایا جا سکے کہ صرف تصدیق شدہ تکنیکی افراد ہی سوئی سدرن افرادی قوت میں شامل ہو سکیں، جس سے معیار، بہترین کارکردگی اور پیشہ ورانہ مہارت کے عزم کو تقویت ملتی ہے۔ مزید برآں، کمپنی نے ایک نیا اپرنٹس شپ پروگرام متعارف کرایا، جس سے کمپنی کی کاروباری ضروریات کے مطابق ہنرمند جونیئر افرادی قوت کی مستقل اور پائیدار فراہمی کو یقینی بنایا گیا۔

کمپنی اپنے مشترکہ سودے بازی ایجنٹ (سی بی اے) کے ساتھ ایک مثبت اور باہمی تعاون کے تعلقات کو فروغ دینے میں پیش پیش ہے تاکہ کام کا سازگار ماحول پیدا کیا جا سکے اور کمپنی کے اندر صنعتی ہم آہنگی کو فروغ دیا جا سکے۔ انتظامیہ اور سی بی اے دونوں کی مشترکہ کوششوں کے ذریعے کمپنی نے فرنچائز ایریا میں صنعتی امن برقرار رکھتے ہوئے مالی سال 24-2022 پر کامیابی کے ساتھ بات چیت کی۔ بنیادی توجہ اس بات پر مرکوز تھی کہ ایک چیلنجنگ معاشی منظر نامے میں نچلے درجے کے کارکنوں کے معاوضے کو بہتر بنانا تھا، جبکہ غیر فائدہ مند مراعات/فوائد کو کم کرنا تھا جو کمپنی کی طویل مدتی قرضوں میں حصہ ڈال رہے تھے۔

سوئی سدرن مساوی مواقع فراہم کرنے والی کمپنی ہے جو یکسانیت پر یقین رکھتی ہے اور عمر، نسل، ذات پات، رنگ، جنس، مذہب، سیاسی وابستگی یا معذوری کی بنیاد پر تفریق نہیں کرتی۔ سوئی سدرن ہر قسم کی افرادی قوت اور مختلف پس منظر سے تعلق رکھنے والے افراد پر مشتمل ہے جو خواتین کو کیریئر کے بہترین مواقع فراہم کر کے انہیں آگے بڑھنے میں ان کی حوصلہ افزائی کرتی ہے۔ نئے ملازمین کو مسابقتی معاوضہ پیکج صرف ان کی قابلیت، تجربے اور داخلی مساوات کی وجہ سے ملازمت برقرار رکھنے کے لئے مہارت کی بنیاد پر فراہم کیا جاتا ہے۔ موجودہ ملازمین کی تنخواہوں میں اضافہ خالصتاً ملازم کی کارکردگی اور کیریئر کی ترقی پر مبنی ہے۔

صنفی تنخواہوں میں فرق ایس ایس جی سی کے غیر امتیازی رویے، تنوع اور ہمہ جہت کے عزم کی مزید توثیق کرتا ہے:		
کیڈر	اوسط صنفی تنخواہ کا فرق	درمیانی صنفی تنخواہ کا فرق
ایگزیکٹو	8.09 فیصد	21 فیصد
ماتحت	19.17 فیصد	21 فیصد

*بلیو کالر/فیلڈ ورک میں خواتین کی کم شمولیت کی وجہ سے۔

سوئی سدرن کے ماتحت ادارے اور دیگر منصوبے

ایس ایس جی سی ایل پی جی لمیٹڈ (ایس ایل ایل): SLL نے مالی سال 2022-23 میں تاریخی کامیابیاں حاصل کیں، جو ایک سنگِ میل کی حیثیت رکھتی ہیں جس میں LPG کی فروخت اور مارکیٹ شیئر میں نمایاں اضافہ اور بے مثال کاروباری حجم شامل ہیں۔ منافع، فروخت کے حجم اور مارکیٹ شیئر میں LPG اور ٹرمینل کاروبار دونوں میں نمایاں ترقی ہوئی۔ LPG کی فروخت کے حجم میں 98,700 میٹرک ٹن کا اضافہ ہوا اور مارکیٹ شیئر 7.7 فیصد تک پہنچ گیا۔ ٹرمینل کے حجم میں بھی اضافہ ہوا، جو کہ 164,204 میٹرک ٹن تک پہنچا، جس میں کمپنی کی اپنی 91,207 میٹرک ٹن درآمدات شامل ہیں۔ اوگرا (OGRA) کی رپورٹ کے مطابق مجموعی LPG مارکیٹ کی طلب 6 فیصد بڑھ کر 1,271,212 میٹرک ٹن ہوگئی۔ SLL نے اپنی ضروریات کو پورا کرنے کے لیے زیادہ تر درآمدات پر انحصار کیا، مگر ساتھ ہی اس نے اپنے رسد کے ذرائع کو متنوع بنایا، نئے سپلائرز سے رابطہ کیا اور سمندری درآمدات میں پاکستان کی تاریخ کے سب سے بڑے پارسلز درآمد کر کے مارکیٹ میں لیڈرشپ کا مقام حاصل کیا۔

کمپنی نے 770 ملین روپے کا بعد از ٹیکس خالص منافع حاصل کیا، اور فی شیئر بنیادی اور مخلوط آمدنی 7.70 روپے رہی۔ SLL نے PPRA سے کچھ استثنیٰ حاصل کیا تاکہ LPG کی قیمتوں میں اتار چڑھاؤ کا سامنا کر سکے، جس سے بروقت فیصلے، زیادہ مقدار میں درآمدات، لاگت میں بچت اور منافع میں اضافہ ممکن ہوا۔

مستقبل میں SLL کا عزم ہے کہ وہ ٹرمینل اور LPG دونوں کاروباری شعبوں میں اپنے مارکیٹ شیئر میں مزید اضافہ کرے گی، ملک کی توانائی کی ضروریات کو پورا کرے گی اور مناسب قیمتوں پر LPG فراہم کرے گی۔ اس مقصد کے لیے SLL وزارتِ توانائی (پٹرولیم ڈویژن) اور دیگر سرکاری اداروں کے ساتھ مل کر کام کر رہی ہے تاکہ سپلائی چین کو مزید بہتر بنایا جائے، بڑے پیمانے پر فوائد حاصل کیے جائیں اور صارفین کے لیے LPG کی قیمتوں میں کمی کی جا سکے۔ کمپنی مستقبل میں مزید مثبت پیشرفت کی امید کا اظہار کر رہی ہے۔

ایس ایس جی سی آلٹرنیٹ انرجی (پرائیویٹ) لمیٹڈ (ایس ایس جی سی-اے ای): ایس ایس جی سی-اے ای توانائی کے متبادل ذرائع تلاش کر رہا ہے۔ بی او او کی بنیاد پر ممکنہ پیداوار کرنے والوں سے بائیوگیس/ بائیومیتھین کی خریداری کے لئے مکمل ویلیو چین تیار کی گئی ہے۔ تفصیلی فیڈ سٹاک پوٹینشل اسٹڈی، فرنٹ اینڈ انجینئرنگ ڈیزائن اور پالیسی ڈرافٹ تیار کیا گیا ہے۔ اسی طرح مشکل گیس کے ذخائر کو مارکیٹ میں لانے کا بنیادی کام بھی مکمل کر لیا گیا ہے۔

تھرکول کو گیس اور مائع میں تبدیل کرنے کے مواقع تلاش کرنے کے لئے خطے میں کام کرنے والے دو ممتاز کاروباری گروپوں کے ساتھ مفاہمت کی یادداشتوں پر دستخط کیے گئے ہیں۔ جبکہ پاکستان میں گرین ہائیڈروجن کی پیداوار اور نقل و حمل کو اجاگر کرنے کے لیے کوششیں کی جا رہی ہیں۔

اسٹیک ہولڈرز کی توقعات کے مطابق بہتر نتائج حاصل کرنے کے لئے اعلیٰ معیار کی کارکردگی کی تشخیص اور نتائج پر مبنی احتساب کو ادارہ جاتی بنایا گیا ہے۔
اپنے مقصد کو حاصل کرنے کے لیے انتظامیہ نے کارکردگی کی بنیاد پر تشخیص کے نئے معیار پر عمل درآمد کرنے کیلیے سخت کے پی آئیز کا نفاذ کیا گیا ہے۔
کمپنی اسٹریٹجک کیریئر میں ترقی اور سینئر مینجمنٹ/ اہم عہدوں پر اندرونی اور بیرونی دونوں صلاحیتوں کی بھرتی کے ذریعے جانشینی کے خلا کو پر کرنے پر توجہ مرکوز کرتی ہے۔تقریباً 155 ایگزیکٹوز کو ان کی مستقل کارکردگی کی بنیاد پر ترقی دی گئی اور کمپنی کی آپریشنل ضروریات کو پورا کرنے کے لئے 250 ایگزیکٹوز کو بھرتی کیا گیا۔
کمپنی نئی ایمپلائمنٹ ہینڈ بک کی ضروریات کے مطابق اپنے ایچ آر فنکشن کا جائزہ لے رہی ہے اور رواں سال کے دوران ایچ آر فنکشن میں مطلوبہ تبدیلیاں بھی کی جائیں گی۔

میٹر مینوفیکچرنگ پلانٹ (ایم ایم پی)

ایس ایس جی سی کا میٹر مینوفیکچرنگ پلانٹ (ایم ایم پی) گیس میٹر کی پروڈکشن کو مقامی بنانے کے لئے کمپنی کے عزم کا ایک اہم جزو ہے۔ اس سال ایک اہم پیش رفت میں سوئی سدرن نے اگلے 16 ماہ کے دوران سوئی ناردن کو 1.3 ملین G-1.6 گیس میٹر یونٹ فراہم کرنے کے لئے کامیابی کے ساتھ ٹینڈر حاصل کیا، جس سے پلانٹ کی ملکی اور بین الاقوامی دونوں ضروریات کو پورا کرنے کی صلاحیت کا مظاہرہ ہوتا ہے۔

سوئی سدرن کے میٹرز مصر، عراق اور ترکی کو برآمد کرنے کے سلسلے میں ٹریڈ ڈیولپمنٹ اتھارٹی آف پاکستان (ٹی ڈی اے پی) کے ساتھ وسیع رابطے کیے گئے ہیں۔ مسلسل کوششوں کے ذریعے، میٹر مینوفیکچرنگ پلانٹ اب مصر میں ایک اہم تیسری پارٹی فرم کے ساتھ بات چیت کر رہا ہے تاکہ برآمدات کو ہموار کیا جا سکے۔ ایس ایس جی سی میٹرز اور ترکی میں واقع میٹر پارٹس کے ممکنہ خریداروں کے ساتھ وسیع پیمانے پر تبادلہ خیال کیا گیا ہے۔

گیس چوری کی روک تھام میں ایک آپریشنل سائیکل تیار کر کے انقلاب برپا کیا گیا ہے جس کے تحت مجرموں کو پکڑا جا سکے گا، بامعنی کارروائیاں کی جائیں گی، اس کے بعد مؤثر قانونی چارہ جوئی کی جائے گی، مجرموں کو سزا دی جائے گی، گم شدہ گیس کے حجم کی بازیابی کی جائے گی۔ اہم اقدامات میں ممکنہ چوری کے خلاف ڈیٹرنس کا قیام، ری آرگنائزیشن اور تربیت یافتہ افرادی قوت، سندھ میں 27 اور بلوچستان میں 11 گیس چوری عدالتوں کا قیام، صنعت میں تکنیکی گیس چوری پر قابو پانے کے لیے خصوصی انتظامات بھی شامل ہیں۔
مذکورہ بالا کے باوجود، قدرتی گیس کی کمی اور بڑھتے ہوئے آپریشنل اخراجات کمپنی پر دباؤ برقرار رکھے ہوئے ہیں، جس میں ڈالر اور روپے کی منفی شرح تبادلہ کی وجہ سے گیس کی ویٹڈ کاسٹ (ڈبلیو اے سی او جی) متاثر ہوتی ہے۔

گیس ڈیولپمنٹ سرچارج (جی ڈی ایس) کا مسئلہ سوئی سدرن پر بدستور اثر انداز ہو رہا ہے۔ 30 جون 2023ء کو حکومت پاکستان سے قابل وصول ٹیرف ایڈجسٹمنٹ 498.8 ارب روپے تھی جو جون 2022ء کے 295.5 ارب روپے کے مقابلے میں نمایاں اضافہ ہے۔

کوئٹہ شہر میں بڑے منصوبے موثر انداز میں مکمل کیے گئے، مقررہ وقت میں 201 کلومیٹر پائپ لائن کامیابی سے نصب کی گئی، جس سے موسم گرما میں 38 فیصد گیس کی بچت اور سردیوں میں 24 فیصد بچت ممکن ہوئی۔ اس کے علاوہ، پرانے بنیادی ڈھانچے پر انحصار کو کم کر کے نیٹ ورک کو بڑھانے کے لئے 32 کلومیٹر ٹرانسمیشن پائپ لائن سیگمنٹ کی تعمیر مکمل کی گئی۔

آمدنی میں اضافہ اور اسٹریٹجک مالیاتی اقدامات

ان کوششوں کے ذریعے ایس ایس جی سی کے نیٹ ورک کیپٹلائزیشن میں مالی سال 22-2021 میں تقریباً 8 ارب روپے سے مالی سال 23-2022 میں 17.5 ارب روپے تک خاطر خواہ اضافہ دیکھا گیا۔ نئے وسائل، حکمت عملی اور نظام موجود ہیں تاکہ آئندہ سال مزید سرمائے میں اضافے کا ہدف 25 ارب روپے اور اگلے سال 40 ارب روپے سالانہ تک پہنچایا جاسکے۔
زونل مینجمنٹ اسٹرکچر کے ذریعے تنظیمی بہتری نے مختلف خطوں میں توجہ مرکوز کرنے کی اجازت دی ہے، جس سے بہتر احتساب اور لچک کی سہولت ملتی ہے۔ کراچی، حیدرآباد، کوئٹہ اور دیگر بڑے شہروں کو ڈسٹری بیوشن، بلنگ اور کسٹمر ریلیشنز کو یقینی بنانے کے لئے نظام تشکیل دیا گیا ہے۔

ٹیکنالوجی اور جدت

کمپنی نے آپریشنز کی نگرانی اور نیٹ ورک تجزیہ کی صلاحیتوں کو زیادہ سے زیادہ کرنے کے لئے جی آئی ایس اور مازک پلیٹ فارمز کا استعمال کرتے ہوئے تکنیکی انضمام کو بڑھانا جاری رکھا ہوا ہے۔ جی آئی ایس پلیٹ فارم اب بحالی کے منصوبوں اور غیر مجاز گیس کے استعمال سے براہ راست اعداد و شمار کو ضم کرتا ہے، جس سے گیس کی فراہمی کے انتظام اور منصوبہ بندی کو بہتر بنانے میں مدد ملتی ہے۔ صارفین کے استعمال کی خودکار نگرانی میں توسیع کی گئی، کراچی میں 50 ٹی بی ایس سائٹس کو اب ریموٹ کنٹرول کیا گیا ہے اور زیادہ آپریشنل کارکردگی کے لئے نگرانی کی جارہی ہے۔

ریگولیٹری تعمیل اور پیمائش کی درستگی

ایس ایس جی سی اوگرا کی جانب سے مقرر کردہ کلیدی مانیٹرنگ انڈیکیٹرز (کے ایم آئی) اہداف کو مسلسل پورا کرتا ہے۔ اتھارٹی کے ساتھ فعال ہونے کے بعد، ایس ایس جی سی نے 92 فیصد کے ایم آئی قبولیت کی شرح حاصل کی، جس سے کمپنی کا یو ایف جی الاؤنس 6.97 فیصد سے بڑھ کر 7.40 فیصد ہوگیا۔
پیمائش کی درستگی ایک اہم توجہ رہی ہے، جس میں تقریباً 1,500 کسٹمر میٹر کو تبدیل یا اپ گریڈ کیا گیا ہے اور گیس کی خریداری کو ریئل ٹائم مانیٹرنگ کے تحت لانے کی کوششیں جاری ہیں۔ یہ اقدامات ایس ایس جی سی کی اپنے فرنچائز ریجن کے اندر پیمائش کی درستگی کی نگرانی، تجزیہ اور بہتری کی صلاحیت میں اضافہ کرتے ہیں۔

ہیومن ریسورس

اپنے قیام کے بعد سے بورڈ نے ایچ آر اور ادارہ جاتی اصلاحات کے ایجنڈے پر مسلسل عمل کیا ہے کیونکہ یہ سوئی سدرن میں تبدیلی کی اہم وجہ ہے۔ اپنی پالیسیوں اور ضوابط کو بہترین طریقے سے ہم آہنگ کرنے کے لئے نیا ایچ آر مینوئل منظور اور نافذ کیا گیا ہے۔

یو ایف جی میں کمی کیلئے نمایاں کارکردگی

کمپنی یو ایف جی میں بھرپور اور مسلسل کمی کے ذریعے اپنی بنیادی سطح کو بہتر بنانے کے لئے وسیع پیمانے پر اقدامات کر رہی ہے۔ مالی سال 23-2022ء میں کوششوں کی وجہ سے بے حساب گیس (یو ایف جی) میں سال بہ سال کمی واقع ہوئی، جو یو ایف جی کی بہتری کا مسلسل چوتھا سال ہے۔ پوری کمپنی میں یو ایف جی کے اعداد و شمار پچھلے سال کے 59.99 بی سی ایف کے مقابلے میں کم ہو کر 51.15 بی سی ایف رہ گئے، اور یو ایف جی 17.84 فیصد سے کم ہو کر 16.56 فیصد ہو گئی، جو بی سی ایف میں 8.84 فیصد کمی اور یو ایف جی میں 1.28 فیصد کمی کی عکاسی کرتا ہے۔

گیس کی خریداری کو ایس ایم ایس اور ٹی بی ایس سطح پر بہتر بنانے پر مسلسل توجہ نے نظام کی اصلاح میں نمایاں اضافہ کیا، جس سے تمام شعبوں کو گیس کی بہتر سپلائی یقینی ہوئی ہے۔ کراچی میں یو ایف جی میں کمی کی بھرپور کوششیں کامیاب ثابت ہوئیں، اور اکتوبر 2022 سے سال کے آخر تک یو ایف جی کی سنگل ہندسوں کی شرح برقرار رکھی گئی۔ اس کے نتیجے میں سالانہ 7 بی سی ایف کی یو ایف جی کمی اور 8.28 فیصد کی شرح حاصل ہوئی، جو گزشتہ سال کی 10.73 فیصد سے بہتر ہے۔ مزید بہتری کے لیے گیس خریداری کو زیادہ طلب والے ریجن میں بہتر بنانے کا ایک جامع تین سالہ منصوبہ تیار کیا گیا ہے۔ اسی کے ساتھ، کراچی کے لیے ایک ماسٹر پلان بھی بنایا گیا ہے، جو صنعتی علاقوں میں دباؤ، قابل اعتماد سپلائی اور فراہمی کو بہتر بنانے میں مددگار ثابت ہوگا۔

اسی طرح بالائی سندھ ریجن نے یو ایف جی میں 2.8 بی سی ایف کی کمی ہوئی جبکہ یو ایف جی 16.3 فیصد سے کم ہو کر 13.3 فیصد رہ گیا۔ بالائی سندھ کے لئے 3 سالہ یو ایف جی ریڈکشن پلان پر عمل درآمد کیا گیا ہے، جس میں مضبوط آپریشنل کنٹرول اور مسلسل بہتری پر توجہ مرکوز کی گئی ہے۔

بلوچستان یو ایف جی میں کمی کے لئے ترجیحی بنیاد پر توجہ کا مرکز بنا ہوا ہے، جہاں موسمی اور سماجی و اقتصادی حالات متعدد چیلنجز کا سامنا کرتے ہیں۔ اگرچہ یو ایف جی کی سطح 25.9 بی سی ایف پر برقرار رہی، لیکن کمپنی نے مالی سال 24-2023 میں 8 بی سی ایف کو بچانے کے مقصد سے ایک مؤثر کمی کا منصوبہ پیش کیا ہے۔ یہ اقدام ایس ایس جی سی کی اس خطے میں ریگولیٹری تعمیل کے حصول اور طویل مدتی حل کے نفاذ کے عزم کی عکاسی کرتا ہے۔

آپریشنل کارکردگی اور نیٹ ورک کی بحالی

ایس ایس جی سی کی مستقبل کی کارکردگی کی بنیاد ایک منظم آپریشنل حکمت عملی پر منحصر ہے جو معیار کے انتظام، تیز رفتار پروجیکٹ مینجمنٹ اور تکنیکی ترقی کو ضم کرتی ہے۔ یہ کوششیں آپریشنل کنٹرول کو بہتر بناتی ہیں، انسانی سرمائے کے استعمال کو بہتر سے بہتر کرتی ہیں، اور کمپنی کی مجموعی کارکردگی میں اضافہ کرتی ہیں.
گیس ڈسٹری بیوشن پائیدار نیٹ ورک کو برقرار رکھنے کے لئے، خاص طور پر ان علاقوں میں جہاں بنیادی ڈھانچہ اپنی کارآمد لائف کے اختتام تک پہنچ گیا ہے، ایک بڑے پیمانے پر بحالی کا پروگرام شروع کیا گیا ہے۔ بنیادی طور پر کراچی اور بالائی سندھ پر توجہ مرکوز کرتے ہوئے، یہ پروگرام سسٹم لیکیج کو دور کرتا ہے اور نیٹ ورک کی سالمیت کو مضبوط بناتا ہے۔ کارکردگی کو بہتر بنانے کے لئے اہم تنظیمی ایڈجسٹمنٹ کرنا، اِن ہی کاوشوں کا حصہ ہے، جس کے نتیجے میں پچھلے سال کے مقابلے میں بحالی کی صلاحیت دوگنی ہوگئی ہے۔ بحالی کے اس اقدام کا ہدف اگلے تین سالوں میں 7,500 کلومیٹر نیٹ ورک ہے۔

ڈائریکٹرز کی رپورٹ

محترم شیئر ہولڈرز

ایس ایس جی سی کے بورڈ آف ڈائریکٹرز نے 30 جون 2023ء کو ختم ہونے والے مالی سال کے لئے کمپنی کی 69 ویں سالانہ رپورٹ پیش کرنے پر خوشی کا اظہار کیا ہے جس میں آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ شامل ہے۔
مالی سال 23-2022ء کے دوران ایس ایس جی سی نے آپریشنل کارکردگی اور مالی بحالی کی جانب نمایاں پیش رفت کی۔ کمپنی نے کامیابی کے ساتھ بے حساب گیس (یو ایف جی) کی سطح کو کم کیا، یو ایف جی میں مسلسل چوتھے سال کمی ہوئی اور آپریشنز، کاروبار اور تنظیمی ثقافت کے لئے زیادہ مستحکم حکمتِ عملی کا مظاہرہ کیا۔

مالی سال 22-2021 میں کمپنی کا خسارہ 11.444 ارب روپے سے کم ہو کر مالی سال 23-2022 میں 1.601 ارب روپے رہ گیا اور فی حصص آمدنی (ای پی ایس) منفی 12.99 روپے سے کم ہو کر منفی 1.82 روپے ہوگئی جو مالی کارکردگی میں خاطر خواہ بحالی کی نشاندہی کرتی ہے۔ یہ بحالی بورڈ کے اس عزم کو ظاہر کرتی ہے جب کمپنی نے نومبر 2019 سے کمپنی کے مفادات کو تحفظ کرتے ہوئے چیلنجز سے نمٹنے کیلئے عہدہ سنبھالا تھا۔

ایک چیلنجنگ ماحول میں کام کرنے کے باوجود، آپریشنل استعداد کو بڑھانے میں ایس ایس جی سی کی بھرپور حکمت عملی نے یو ایف جی میٹرکس کو بہتر بنایا ہے۔ مالی سال 19-2018ء سے مالی سال 23-2022ء کے عرصے کے دوران ایس ایس جی سی نے یو ایف جی میں تقریبا 21 بی سی ایف کی مجموعی کمی کی جو آپریشنل مسائل سے نمٹنے میں کمپنی کی مسلسل کوششوں کو ظاہر کرتی ہے۔

ایس ایس جی سی انتہائی منظّم ماحول میں کام کرتا ہے، اور مالیاتی گوشوارے درکار حتمی ریونیو پر اوگرا کے فیصلے کی بنیاد پر تیار کیے جاتے ہیں۔ مالی سال 21-2020 ایک منافع بخش سال رہا لیکن مالی سال 23-2022 میں نمایاں چیلنجز کا سامنا کرتا رہا جس کی بنیادی وجہ گیس کی اوسط لاگت (واکوگ) میں 641.11 روپے سے 978.38 روپے فی ایم ایم سی ایف تک 53 فیصد اضافہ ہے۔ بہر حال، کمپنی کے دائرہ اختیار خاص طور پر یو ایف جی میں کمی کی حکمت عملی نے نقصانات کو کم سے کم کرنے میں نمایاں کردار ادا کیا ہے۔

کمپنی اپنے مستقبل میں بہتری کیلئے پر امید ہے، جس کو آپریشنل کارکردگی اور مالیاتی انتظام میں نمایاں پیش رفت سے تقویت ملتی ہے۔ نیٹ ورک کی بحالی، زونل مینجمنٹ ڈھانچے کے نفاذ اور ٹیکنالوجی میں سرمایہ کاری جیسے اقدامات نے مستقبل میں ترقی اور استحکام کے لئے ایک ٹھوس بنیاد قائم کی ہے۔ یہ بہتری ایس ایس جی سی کے گیس ڈسٹری بیوشن نیٹ ورک کی قابل اعتماد اور پائیداری کو بڑھانے اور اپنے صارفین کے لئے بہترین سروس کو یقینی بنانے کے عزم کی عکاسی کرتی ہے۔ کمپنی اپنے مستقبل کے راستے کے بارے میں پر امید ہے، جس کو آپریشنل کارکردگی اور مالیاتی انتظام میں نمایاں پیش رفت سے تقویت ملتی ہے۔

SUI SOUTHERN GAS COMPANY LIMITED
69TH ANNUAL GENERAL MEETING FOR THE YEAR ENDED 2022 - 23
FORM OF PROXY

I / We ____
of ____
being a member of SUI SOUTHERN GAS COMPANY LIMITED holder of ____________________
Ordinary shares vide Registered Folio / CDC Account # ____________________ hereby appoint
Mr. / Mrs. / Miss. ____________________ of ____________________
Folio # / CDC Account # ____________holding CNIC # ____________ or failing whom
Mr. / Mrs. / Miss. ____________________of____________________
Folio # / CDC Account # ____________holding CNIC # ____________ as my / our proxy to vote for me / us and on my / our behalf at the 69th Annual General Meeting of the Company to be held on Friday, November 29, 2024, at 10:30 a.m., at Jade Hall, Arena, Habib Rehmatullah Road, Karsaz, Karachi as well as through electronic means / video conference facility and /or at any adjournment thereof.
Signed under my / our hand this ____________day of ______________, 2024.

Witness (1)	Witness (2)	
Name: ______________	Name: ______________	
Address:______________	Address:______________	______________________
______________________	______________________	______________________
______________________	______________________	Signature of Member
______________________	______________________	(Should match with the specimen signature in company's record)
CNIC / Passport #: ____________	CNIC / Passport #: ____________	

NOTES:

1. All members, entitled to attend and vote at the Annual General Meeting, are entitled to appoint another member in writing as their Proxy to attend and vote on their behalf. A legal entity, being a member, may appoint any person, regardless whether they are a member or not, as Proxy. In case of legal entities, a resolution of the Board of Directors / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the legal entity, shall be submitted to the Company. The Proxy holders are required to produce their original CNIC or original Passport at the time of the meeting.

2. The Proxy instrument must be complete in all respects and, in order to be effective, should be deposited at the Registered Office of the Company but not later than 48 hours before the time of holding the meeting.

FOR CDC ACCOUNT HOLDERS / LEGAL ENTITIES:
In addition to the above, the following requirements have to be met:

i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the Proxy form as per the requirements mentioned below.
ii. The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
iii. Attested copies of CNIC or the Passport of the beneficial owners and of the Proxy shall be furnished with the Proxy form.
iv. The Proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
v. In case of a legal entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with Proxy form to the Company.

سوئی سدرن گیس کمپنی لمیٹڈ

سال مختتمہ 2022-23 کے لئے 69واں سالانہ اجلاس عام

پراکسی فارم

میں/ہم۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ کے رکن ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ بحیثیت ممبر سوئی سدرن گیس کمپنی لمیٹڈ اور حامل ۔۔۔۔عمومی شیئرز بذریعہ رجسٹرڈ فولیو/سی ڈی سی

اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔اور CNIC نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔جناب / محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ کے ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

حامل CNIC نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کو اپنا پراکسی مقرر کرتا/کرتی ہوں یا ان کی عدم دستیابی کی صورت میں جناب/ محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ کے ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

حامل CNIC نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کو 29 نومبر 2024 کو دن 10:30 بجے جیڈ ہال، ارینا، حبیب رحمت اللہ روڈ، کراچی میں منعقد ہونے والے کمپنی کے 69ویں سالانہ اجلاس عام میں اور/ یا کسی ملتوی شدہ اجلاس میں بذریعہ الیکٹرونک موڈ/ ویڈیو کانفرنسنگ کی سہولت، شرکت کرنے اور ووٹ دینے کیلئے اپنا پراکسی مقرر کرتا ہوں/کرتی ہوں/کرتے ہیں۔

میں/ہم نے بتاریخ۔۔۔۔۔۔۔۔۔2024 خود اپنے ہاتھوں سے دستخط کئے۔

ممبر کے دستخط (دستخط لازمی طور پر کمپنی میں رجسٹرڈ نمونے کے دستخط کے مطابق ہونے چاہیئے)	گواہ (1) نام۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ پتہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ CNIC / پاسپورٹ نمبر ۔۔۔۔۔۔۔	گواہ (2) نام۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ پتہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ CNIC / پاسپورٹ نمبر ۔۔۔۔۔۔۔۔۔۔

نوٹ:

۱۔ تمام ممبران جو سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کے اہل ہیں، وہ اپنی جگہ شرکت کرنے اور ووٹ دینے کیلئے تحریری طور پر کسی دوسرے ممبر کو پراکسی مقرر کر سکتے ہیں۔ کوئی قانونی ادارہ، جو ممبر ہو، کسی بھی شخص کو، خواہ وہ ممبر ہو یا نہ ہو، پراکسی مقرر کر سکتا ہے۔ قانونی ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد شخص کے نمونے کے دستخط، قانونی ادارے کی نمائندگی کرنے اور ووٹ دینے کیلئے کمپنی کے پاس جمع کرانے ہوں گے۔ پراکسی ہولڈر کو اجلاس میں شرکت کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔

۲۔ پراکسی کی دستاویز ہر لحاظ سے مکمل ہونی چاہیئے اور اس کے موثر ہونے کیلئے، یہ کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے جمع کرائی جائے۔

CDC اکاؤنٹ ہولڈرز/ قانونی اداروں کیلئے

مندرجہ بالا کے علاوہ درج ذیل شرائط پوری ہونا بھی ضروری ہے۔

i. فرد واحد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا جس شخص کی سیکورٹیز گروپ اکاؤنٹ میں ہیں، اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ ہیں، وہ درج ذیل کے مطابق اپنا پراکسی فارم جمع کرائیں:

ii. پراکسی فارم پر دو گواہوں کے نام، پتے اور CNIC نمبر درج ہونا ضروری ہے۔

iii. بینیفشل اونرز اور پراکسی کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ مہیا کی جائیں۔

iv. اجلاس میں شرکت کے وقت پراکسی کو اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔

v قانونی ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نمونے کے دستخط، پراکسی فارم کے ساتھ کمپنی کے پاس جمع کرانا ہوں گے (اگر پہلے جمع نہ کرائے گئے ہوں)

SSGC
Sui Southern Gas
Company Limited

If undelivered, please return to Shares Department:
SSGC House, Sir Shah Suleman Road, Block 14,
Gulshan-e-Iqbal, Karachi-75300, Pakistan
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