Sui Northern Gas Pipelines Limited

SUSTAINABLE GROWTH

Annual Report 2018

COVER **STORY**

Over the period of 55 years, Sui Northern Gas Pipelines Limited has functioned spiritedly to provide the best quality of natural gas for a comfortable life for its customers and to sustain supreme growth for the stakeholders. Through the many years of hard work, the company has seen many highs but this year was historic in terms of achieving profit and being the lead providers of natural gas. Moving forward, the company aims to maintain the standard of success it has reached and to soar for higher goals and successes. Bigger dreams and brighter accomplishments await SNGPL!

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VISION & **MISSION**

Vision

To be the leading integrated natural gas provider in the region seeking to improve the quality of life of our customers and achieve maximum benefit for our stakeholders by providing an uninterrupted and environment friendly energy resource.

Mission

A commitment to deliver natural gas to all doorsteps in our chosen areas through continuous expansion of our network, by optimally employing technological, human and organizational resources, best practices and high ethical standards.

CORE **VALUES**

Commitment

We are committed to our vision, mission and to creating and delivering stakeholder value.

Courtesy

We are courteous - with our customers, stakeholders, and towards each other and encourage open communication.

Competence

We are competent and strive to continuously develop and improve our skills and business practices.

Responsibility

We are responsible - as individuals and as teams - for our work and our actions. We welcome scrutiny, and we hold ourselves accountable.

Integrity

We have integrity - as individuals and as teams - our decisions are characterized by honesty and fairness.

CORPORATE **PROFILE**

Sui Northern Gas Pipelines Limited (SNGPL) was incorporated as a private limited company in 1963 and converted into a public limited company in January 1964 under the Companies Act 1913, now the Companies Act, 2017 and is listed on Pakistan Stock Exchange Limited.

The Company took over the existing Sui – Multan System (217 miles of 16 inch and 80 miles of 10 inch diameter pipelines) from Pakistan Industrial Development Corporation (PIDC) and Dhulian – Rawalpindi – Wah system (82 miles of 6 inch diameter pipeline) from Attock Oil Company Limited. The Company's commercial operations commenced by selling an average of 47 MMCFD gas in two regions viz. Multan and Rawalpindi, serving a total number of 67 consumers.

SNGPL is the largest integrated gas company serving more than 6.296 million consumers in North Central Pakistan through an extensive network in Punjab, Khyber Pakhtunkhwa and Azad Jamu & Kashmir. The Company has over 55 years of experience in operation and maintenance of high-pressure gas transmission and distribution system. It has also expanded its activities as Engineering, Procurement and Construction (EPC) Contractor to undertake the planning, designing and construction of pipelines, both for itself and other organization.

Company Secretary

Miss Wajiha Anwar

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Shares Registrar

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

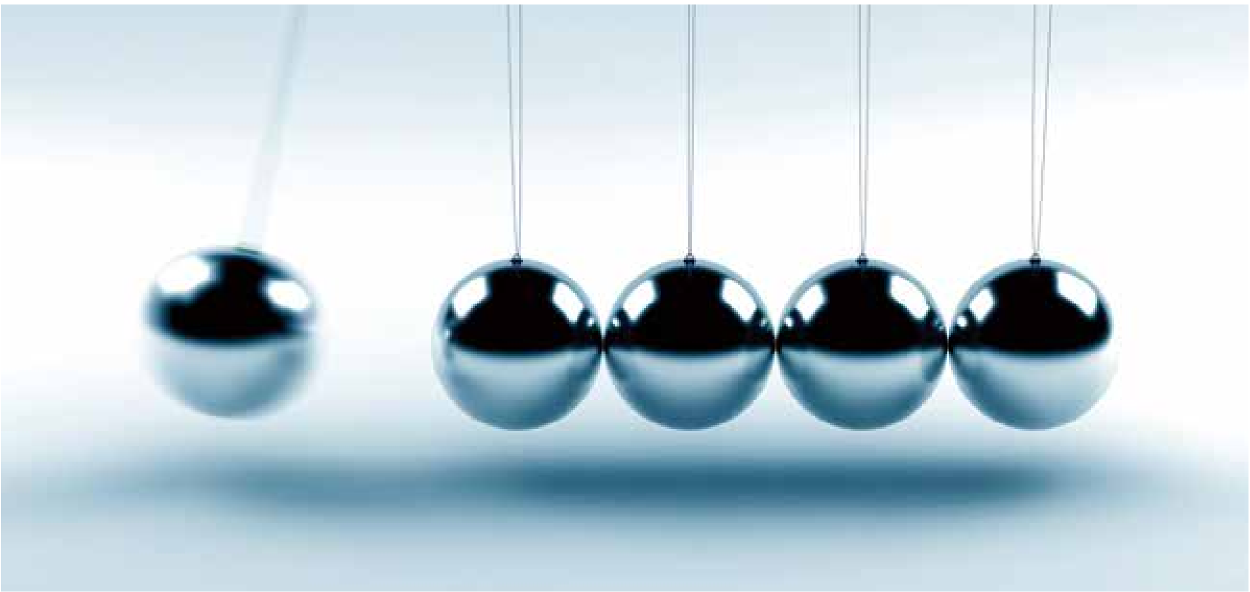
Legal Advisors

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

Registered Office

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

CODE OF **CONDUCT**



SNGPL requires its entire staff both executive staff and subordinate employees, the observance of the highest ethical standards in the conduct of its business activities to minimize the significant risk associated with non compliance. The policy on Business Principles and Ethical Risk is intended to assist SNGPL staff in meeting the standards of professional and personal integrity expected and required of them. SNGPL staff will act with integrity at all times, to protect and safeguard the reputation of the Company. Contravention of this policy will be regarded as misconduct.

SNGPL will ensure that, through this policy and through other means of communication, all its staff is aware of the required standards, rules and regulations.

Following are certain specific guidelines in respect of the above.

Conflict of Interest

Each staff member has a prime responsibility to the Company and is expected to avoid any activity that could interfere with that responsibility. Staff should not engage in activities or transactions which may give rise to, or which may be seen to be giving rise to conflict between their personal interests and the interest of Company. Such conflict could arise in a number of ways and a number of situations. The following paragraph outlines some specifically forbidden situations. This list is, however not exhaustive. In case of doubt the advice of the Managements should be sought.

- SNGPL purchase equipment, material and services for various aspects of its operations. SNGPL staff members are forbidden from holding any financial interest, directly or indirectly in any organization supplying goods or services to the Company;
- SNGPL staff should not participate in any external activity that competes, directly or indirectly, with the Company;
- SNGPL staff should not participate in any outside business or activity that might interfere with their duties and responsibilities to the Company;
- No staff member should sell, lease or buy equipment, material or services to or from the Company except when as an employee it may be necessary in the normal course of his/her duties;
- Staff members are not permitted to conduct personal business activities on the Company's premises or to use Company facilities for such purpose;
- If a staff member has direct interest, indirect interest or family connections, with an external organization that has business dealings with SNGPL, details of such connections and interest should be fully disclosed to the Management;
- Staff members should disclose to the Management the details in respect of any relationship (s) with other staff members; and
- Staff members shall not perform any act or get involved in any situation that potentially could conflict with the principles outlined above.

Confidentiality

Staff members should not keep or make copies of correspondence, documents, papers and records, list of suppliers or consumers without the consent of the Company. Company's information and records should be kept on Company premises only and unpublished information may be disclosed to external organization/ individuals only on "need to know" basis. In case of doubt in this regard, the Management's advice should be sought.

Contributions

No contribution shall be made to any organization or to any individual who either holds public office or is a candidate for public office.

Inducement Payments

Staff members should not give or receive payments that are intended to influence a business decision or to compromise independent judgment; nor should any staff member receive money for having given Company business to an outside agency. Payment of any nature to Government officials to induce them to perform their duties is strictly prohibited.

Proper Record of Funds, Assets, Receipts and Disbursements

All funds, assets, receipts and disbursements should be properly recorded in the books of the Company. In particular, no funds or accounts should be established or maintained for a purpose that is not fully and accurately reflected in the books and records of the Company. Funds and assets received or disbursement should be fully and accurately reflected in the books and the records of the Company. No false or fictitious entries should be made or misleading reports pertaining to the Company or its operations should be issued.

Relationships and Dealings with Government Officials, Media, Suppliers, Consultants and other Parties

SNGPL's relationships and dealings with Government officials, external agencies, parties and individuals should, at all times, be such the SNGPL's integrity and its reputation would not be damaged if details of the relationship or dealings were to become public knowledge.

It is the responsibility of each SNGPL staff member to exercise good judgment so as to act in a manner that will reflect favorably on the Company and the individual. Staff member should only make statements to the media, speeches in public forums, or publish articles in newspapers etc. with prior authorization. In a personal capacity also, due care should be taken while discussing the Company performance or plans with outsiders. Staff members having questions on how to comply with this requirement should consult with the Management.

Health and Safety

Every staff member should take reasonable care to ensure the health and safety of him/her self and others, who may be affected by his/her acts or omissions at work. Staff members should not tamper with or misuse any item provided by the Company to secure the safety, health and welfare of its staff and for the protection of the environment.

Environment

To preserve and protect the environment, all SNGPL staff members should;

- Design and operate the Company's facilities and processes so as to ensure the trust of adjoining communities;

- Promote resource conservations, waste minimization and the minimization of the release of chemicals/gas into the environment;
- Provide employees customers, supplies, public authorities and communities with appropriate information for informed decision making; and
- Strive continuously to improve environmental awareness and protection.

Alcohol, Drugs and Gambling

The use of alcohol in any form is prohibited on all company locations / premises. Similarly, the use of drugs, except under medical advice, is prohibited on all company locations / premises.

Any staff member arriving at a work place under the influence of alcohol or drugs will not be permitted to enter the premises and will be liable to disciplinary action.

All forms of gambling/betting on the Company's premises are forbidden.

Receiving Gifts

No employee shall seek accept or permit himself/herself or any member of his/her family to accept any gift or favor, the receipt of which will place him/her under form of official obligation to the donor. As part of building relationship with consumers, suppliers, etc. staff members may receive occasional gifts provided that the gift is of nominal value (e.g. pen, Notepads, calendars, diaries, key chains or such promotional material) and the gift is neither intended nor perceived by others to be intended to improperly influence business decision.

Work Place Harassment

SNGPL staff will maintain an environment that is free from harassment and in which all employees are equally respected. Workplace harassment is defined as any action that creates an intimidating, hostile or offensive work environment. Such actions include, but are not limited to, sexual harassment, disparaging comments based on gender, religion race or ethnicity.

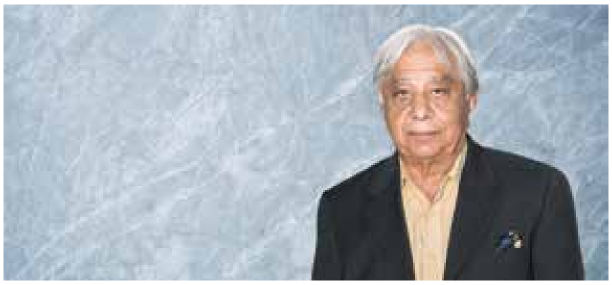
Regulatory Compliance and Corporate Governance

SNGPL co-operates fully with all governmental and regulatory bodies and is committed to high standards of corporate governance. We are fully compliant with our obligations as envisaged under the Regulations of the Pakistan Stock Exchange Limited of whom SNGPL is a listed member.

General

- All information and explanations supplied to the auditors must be complete and not misleading.
- SNGPL will not knowingly assist in fraudulent activities (e.g. tax evasion, etc.). If one has any reason to believe that fraudulent activities are taking place (whether within the company or by others with whom the company has business relations), one must report it to the concerned departmental head immediately.
- All the financial transactions will remain within the ambit of the company's Memorandum and Articles of Association.

BOARD OF **DIRECTORS**



Syed Dilawar Abbas
Chairman

Senator Syed Dilawar Abbas, Chairman Board of Directors of SNGPL has served in Pakistan's Oil & Gas Sector for over 45 years. After completing his BA from Government College, Lahore and L.L.B from Punjab University Law College, he embarked on his corporate career with the Attock Oil Group in Pakistan. Mr. Abbas took charge as Chief Executive Officer at the young age of 39and a year later was elevated to the position of Group Chief. He continued to perform this role from 1986 till 1995 before taking an early retirement.

As Managing Director of Attock Oil Co. Ltd. U.K,he served as a Director on the Board of Attock Oil Refinery;Pakistan Oilfields Ltd; Attock Chemicals; and Cap Gas (Pvt.) Ltd. He was also appointed Chief Executive and Managing Director of Attock Cement Pakistan Ltd., while balancing his role as board member of Pharos Holding Companies. During his corporate career he twice accompanied the Prime Minister of Pakistan to the World Economic Forum in Davos, Switzerland.Post retirement he formed his own Management Consultancy Group called Priority Group.

In 2003 he was elected as Member of the Upper House (Senate) of Pakistan from Punjab. He served as Chairman Senate Standing Committee on Petroleum & Natural Resources for 6 years, and was member of several other key committees including Defense & Defense Production; Industries & Production; Prime Minister task force on WTO; and Member of Parliamentary Committee on Water Resources of Pakistan. During the caretaker cabinet of Justice(retd.) Ijaz Nisaar he served as Minister of Irrigation & Power, Punjab.

Senator Abbas is an avid sportsman and has been playing tennis regularly for the last 40 years. He has served two terms as President of Pakistan Tennis Federation. He also served as a Board Member and Senior Vice President of Asian Tennis Federation for eight years. Currently he is Patron, Pakistan Tennis Federation; Honorary Life Time Senior Vice President, Asian Tennis Federation;Member Constitution Committee, International Tennis Federation; and Senior Vice President, Punjab Olympics Association. In his endeavour to promote tennis amongst the youth, he hosts an annual tournament inviting young players from around the world,under the banner of Syed Tajamul Abbas Memorial Tennis Championship.

Mr. Mahmood Zia Ahmad
Managing Director / CEO

Mr. Mahmood Zia Ahmad is a seasoned professional of the Company having an illustrious career of over 31 years in Distribution, Construction, Operations, and Maintenance of Natural Gas Pipeline Systems of the Company. During this span of time, he led several significant projects successfully and introduced several emerging methodologies in the Company. Prior to his present appointment, he has served in numerous key positions at SNGPL including Senior General Manager (Distribution- North), Senior General Manager (ES), General Manager of Gujranwala, Islamabad, Rawalpindi and Lahore Regions. He handled nine distribution Regions and five important departments, playing an important role in maintaining the integrity, quality of pipeline and giving a new direction to the planning and Development of SNGPL pipeline Construction. As a team leader in the Regions and as a member of senior Management at Head Office, he managed considerable UFG reduction facing awkward and difficult situations.

Mr. Zia is associated with National Management Foundation of LUMS in the capacity of Member- Board of Governors as well as with the Boards of Inter State Gas Systems (Pvt.) Limited, Petroleum Institute of Pakistan and National Power Parks Management Company (Pvt.) Limited as Director.
He is a PEC recognized professional engineer. He has attended numerous local as well as international courses on Energy Sector, Management, operations and administration during his career. Apart from holding distinction in M.Sc. (Chemical Engineering), Mr. Mahmood Zia did graduation in Chemical Engineering from University of Punjab, Lahore.

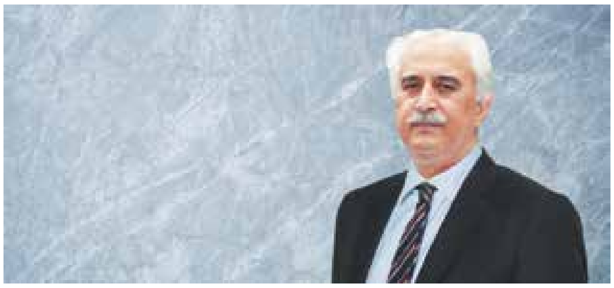
Mr. Ahmad Aqeel
Director

Mr. Ahmad Aqeel is a seasoned entrepreneur and business professional with over 15 years of experience mainly in Oil & Gas, Power, Financial, Automobile Sectors & Petroleum Industry. He has been serving a third term as a Director on the Board of Sui Northern Gas Pipelines Limited (SNGPL). He is the Chairman of Risk Management Committee & a member of the key Committees of the Board.

Mr. Aqeel is serving as a Director on the Board of National Investment Trust Limited (NITL) & a member of Audit & HR Committees of NITL. In addition, he is serving as an independent Director on the Board of Nishat Power Limited (NPL), where he is also the Chairman of Audit & HR Committees. Furthermore, Mr. Aqeel is a Director on the Board of Adamjee Life Assurance Company Ltd.

Mr. Aqeel is credited with setting up & managing retail business with Total PARCO Pakistan Limited and CNG retail business for more than a decade. In the past he was involved in the business of construction, high value building solutions & real estate.

Mr. Aqeel is a Ravian, a Law Graduate from Pakistan College of Law of the University of Punjab and a Certified Director from Pakistan Institute of Corporate Governance (PICG). Enrolled at the database of the SECP with Pakistan Institute of Corporate Governance (PICG) as an Independent Certified Director. He has been attending local and international workshops and seminars and is also a member of Lahore Gymkhana.



Mr. Himayat Ullah Khan
Director

Mr. Himayat Ullah Khan is Advisor / Minister to CM on Energy & Power, Khyber Pakhtunkhwa.

Throughout his career he worked at various key positions and has been responsible for policy formulation, regulatory and implementation levels for over 34 years with the Federal and Provincial Governments. Having diversified experience of strategic planning, managing organizational change, implementation of development projects/programs, leading large teams, working with Government and Non Governmental Organizations and Development Partners.

Mr. Himayat Ullah Khan has been Member National Electric Power Regulatory Authority (NEPRA); Secretary to President of Pakistan; Special Secretary, Ministry of Water & Power; Chief Executive Central Power Purchase Agency (CPPA); Additional Secretary, Economic Affairs Division; Senior Joint Secretary (Foreign Trade), Ministry of Commerce; Chief Negotiator Afghanistan Pakistan Transit Trade Agreement, 2010; Director General (International Relations), Auditor General of Pakistan; Accountant General, Khyber Pakhtunkhwa; Joint Secretary to the Cabinet, Government of Pakistan; Secretary to the Federal Cabinet, Council of Common Interests and the Secretaries' Committee; Director General, District Government Audit, Punjab; Secretary, Water & Power Development Authority, Lahore etc.

Mr. Himayat Ullah Khan has to his credit successful negotiations for US$ 840 million loan with the World Bank for 1410 Mega Watt Tarbela-IV Hydro Power Project. He also has been member Board of Governors, World Wide Fund for Nature (WWF) – Pakistan – July 2002 – 2008; Vice Chair, Executive Committee of Pakistan National Council of IUCN Members, 1997-98 and visiting Faculty of National institute of Management, Karachi and Peshawar.

Mirza Mahmood Ahmad
Director

Mirza Mahmood Ahmad is Director on the Boards of Sui Northern Gas Pipelines Limited (SNGPL), Sui Southern Gas Company Limited (SSGC) and Pakistan Engineering Company Limited (PECO). Mr. Ahmad is a partner of Minto and Mirza Advocates and Solicitors. He holds membership of Supreme Court Bar Association and Pakistan Bar Council and is also a fellow of the "Cambridge Commonwealth Society". Mr. Ahmad has diverse legal experience having representation a number of leading public and private enterprises including various banks and financial institutions. He has several publications and research projects in his name. Mr. Ahmad is an LLM graduate from Cambridge University, UK and LLB from University of the Punjab, Lahore.

Mr. Manzoor Ahmed
Director

Mr. Manzoor Ahmed is Chief Operating Officer (COO) of National Investment Trust Limited (NIT). As COO, since 8 years, he has been successfully managing the operations and investment portfolio worth Rs.85 billion approx. He has experience of over 29 years of the Mutual Fund industry and has been placed at many key positions within NIT that includes capital market operations, investments, research and liaising with the regulatory authorities. He is M.B.A. and also holds D.A.I.B.P. At present, he is a candidate for CFA Level III.

Mr. Ahmed has also attended various training courses organized by locally and internationally reputed institutions like London Business School (LBS) UK, Institute of Directors, London and Financial Markets World, New York (USA).

He represents NIT as Nominee Director on the Board of Directors of many leading national and multinational companies of Pakistan. Mr. Ahmed is also a Certified Director from Pakistan Institute of Corporate Governance

Mian Misbah-ur-Rehman
Director

Ex. Chairman, Sui Northern Gas Pipelines Limited, Chief Executive, Popular Chemical Works (Pvt.) Limited. Mr. Rehman has served as Chairman- Lahore Gymkhana Club in 1997, 2008 & 2010. Chairman - Pakistan Pharmaceutical Manufacturers Association (PPMA) during 1999-2000, President – The Lahore Chamber of Commerce and Industry (LCCI) during 2004-05 and Member Managing Committee- The Federation of Pakistan Chambers of Commerce and Industry. He is Member Governing Body – Workers' Welfare Fund (Ministry of Labour & Manpower, Government of Pakistan). As an active Ravian, he is Member - Board of Trustees and Member - Endowment Trust Fund of Government College University (GCU), Lahore. Mr. Rehman has rendered remarkable services for Social Welfare.

Qazi Mohammad Saleem Siddiqui
Director

Qazi Mohammad Saleem Siddiqui holds a degree in Mechanical Engineering with distinction and honors. He has obtained executive education from leading international institutes and is an alumnus of the CWC School of Energy Studies – UK, Canadian Petroleum Institute and London Management Centre.

He has vast experience related to petroleum regulation and industrial processing. Qazi has been associated with Ministry of Energy (Petroleum Division) for over 30 years in various important capacities and is currently heading the Petroleum Concessions Directorate as Director General. His previous appointments have inter-alia included Director General (Gas), Director General (Special Projects/Administration), Director (Exploration) and Director (Gas). He has played a prominent role in promoting foreign investment in E&P sector in Pakistan by arranging 51 bidding rounds of over 249 exploratory blocks in his capacity as Deputy Director (Concessions), Director (Exploration) and Director General Petroleum Concessions. Additionally, he has played a critical role in formulation of Petroleum Policy 2007, Petroleum Policy 2009 & Petroleum Policy 2012 and Petroleum Exploration & Production Rules 2013 which serve as the framework for much of the current and planned activity in the upstream sector. He has represented Pakistan in various international conferences, seminars, road shows and been an active member of the country's delegation for energy related bilateral dialogues. Further he has represented the Ministry of Energy at numerous high level meetings including Cabinet, ECC, ECNEC, CDWP, PDSP etc.

Qazi Saleem serves as a Director on the Board of Directors of Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited and Member Board of Management of Pakistan State Oil in addition to being a Member of Governing Board of SAARC Energy Centre representing Pakistan. He has previously also been Director on the Board of Directors at Pakistan Petroleum Limited and Member Board of Governors at Hydrocarbon Development Institute of Pakistan. From 2016 – 2018 he served as elected Chairperson of Governing Board of SAARC Energy Center.

Mr. Mohammad Younus Dagha
Director

Mr. Mohammad Younus Dagha, Secretary Finance Division, is a nominated Director, on PIACL, Board since March 22, 2019. He holds Masters Degree in Business Administration with specialization in Finance, Masters Degree in Economics and Bachelor Degrees in Law, and Commerce. He is a career Civil Servant having joined in 1985 with a diverse experience in the fields of energy, finance, commerce, trade diplomacy and public administration. Prior to the current assignment, he had served as Secretary Commerce Division; Secretary Water and Power Division; and Additional Secretary Finance. He has also served as Chief Secretary Gilgit-Baltistan. Mr. Dagha is an Ex-officio Chairman of PIACL Board and Finance Committee.

Mr. Mustafa Ahmad Khan
Director

Mr. Mustafa A. Khan has diversified experience of over 36 years in the gas industry. He has served at senior positions in Sui Northern Gas Pipelines Limited and carved a niche for himself as an expert in matters pertaining to Sales, Procurement, Law and Human Resource etc. Mr. Khan is a Masters in Business Administration from IBA, Karachi and is presently managing a 1,000 Acres family farm in District Mirpur Khas, Sindh.

Ms. Roohi Raees Khan
Director

Ms. Roohi R. Khan is an MBA from IBA, Karachi. She completed her B.A. (Economics & Mathematics) from Punjab University. She has over 35 years of experience in various banking segments like Development Banking, Lease Financing, Housing Finance, SME Financing, Islamic Banking, Investment Banking etc. She has over 15 years of experience at senior management level, as well as Chief Executive and Chief Operating Officer and Director on Boards of various Financial Institutions having dealt with policy making, strategic planning and systems refinement, implementation of control functions, revamping / restructuring and mergers.

Ms. Khan had served on Boards of Asian Leasing, Lahore Stock Exchange, International Housing Finance Limited, Mashreq Bank (now Samba Bank), PICIC and Safe Way Mutual Fund. She had also served at senior management level in various organizations. She had been Group Head, Textiles, in National Development Finance Corporation, Chief Executive Officer of Asian Leasing, Chief operating Officer of Trust Investment Bank and Zarai Taraqiati Bank Limited (ZTBL). She had also been acting President of ZTBL during 2011 / 2012.

Mr. Sher Afgan Khan
Director

Mr. Sher Afgan Khan got his preliminary education, culminating in Senior Cambridge, from Aitchison College, Lahore. After completing his High School Diploma from Lahore American School, he graduated from University of Santa Clara, California, USA with BSc.

He joined Civil Services of Pakistan in PAS/DMG Group in 1989. After completion of training he worked in various districts as Assistant Commissioner, Executive District Officer and District Coordination Officer and in the Secretariat as Deputy Secretary and Additional Secretary in the Departments of Housing, Irrigation and Environment. He also served as faculty/Instructor in Civil Services Academy (DMG Campus) and National School of Public Policy. Prior to joining Petroleum Division in April 2018, he worked as Additional Secretary, Ministry of Interior.

Currently he is serving as Additional Secretary Ministry of Energy Petroleum Division and director on the board of Pakistan LNG Terminal Limited (PLTL) and Pak Arab Refinery Limited (PARCO).

Mr. Saghir-ul-Hassan Khan
Chief Financial Officer

Mr. Khan took over the charge of Chief Financial Officer on April 19, 2016. Before this he has served as Senior General Manager (Audit), General Manager (Accounts) and General Manager (Billing).

He has over 38 years of experience including 28 years post qualification experience at various senior positions in pharmaceuticals, food and confectionery manufacturing public and private sector organizations.

Mr. Khan is a fellow member of the Institute of Cost and Management Accountants (ICMA) of Pakistan and had been the National Council Member (2015-17), Honorary Treasurer, Chairman Members' Welfare, Social Welfare and Career Development & Students Affairs Committee and Member Education and Examination Committees of ICMA Pakistan. He was also a Member of South Asian Federation of Accountants (SAFA) Committee on Professional Ethics and Independence.

Mr. Khan has completed the Directors Education Program from the Pakistan Institute of Corporate Governance (PICG) and he is a certified director by PICG.

Miss Wajiha Anwar
Company Secretary

Miss Wajiha Anwar has vast professional experience in the field of corporate / commercial and banking laws. She has been Legal Advisor, National Bank of Pakistan (NBP) and Legal Counsel, Corporate & Industrial Restructuring Corporation of Pakistan (CIRC), Ministry of Finance, Government of Pakistan.

She has a Bachelor of Laws (LL.B.) degree as well as a Masters in English Literature (M.A.) degree from the University of the Punjab. She has to her credit success in competitive exam of the Central Superior Services (CSS) of Pakistan.

CORPORATE **GOVERNANCE**

Good business is all about good corporate governance. This is the main philosophy based on which the Company's business has been successfully operated since 1964. The prime objective of the Company is to protect the interest of all stakeholders through fair, ethical and transparent business practices. The Board has ensured compliance to Code of Corporate Governance by adopting transparent procedures and methodologies which are constantly being monitored and reviewed through better internal controls. The Company also ensures compliance to the Companies Act, 2017, Public Sector Companies (Corporate Governance) Rules, 2013, Listed Companies (Code of Corporate Governance) Regulations, 2017 of Pakistan Stock Exchange Limited and Financial Reporting Framework of Securities and Exchange Commission of Pakistan.

The Board of Directors provides strategic guidance for sustainable growth alongwith effective management oversight in respect of comprehensive corporate governance. All periodic financial statements and working papers for consideration of the Board and its committees are circulated to the Directors well before the meetings (i.e. at least seven days before the meeting) except in case of an emergent meeting, in order to give sufficient time for informed and prudent decision making. The minutes of the meetings are circulated within fourteen days from the date of meetings, after due clarification from respective Chairman of the Board and its committees.

BOARD OF DIRECTORS

The Chairman of the Board and Audit Committee are Independent/Non Executive Directors. The Board members bring with them a wide range of relevant business, financial and international experience which carries significant weight while decision-making and managerial suggestions who fulfill a vital role of corporate accountability through the advocacy of fairness and transparency within all independent decisions. The Board has formed five committees viz Audit, Finance and Procurement, Human Resource and Nomination, Risk Management and Un-accounted for Gas (UFG) Control, comprising different Board Members, based on their areas of expertise. The Board committees give their best input and expert opinion on different strategic issues, for final approval by the Board as per its mandate.

The names and categories of the Board of Directors and their attendance at Board meetings during the year are given bellow:

Board Meetings					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
1	Mr. Muhammad Saeed Mehdi	Chairman	Independent/Non-Executive	19	19
2	Mr. Amjad Latif	MD / CEO	Executive	19	19
3	Mr. Ahmad Aqeel	Director	Non-Executive	19	19
4	Mr. Arif Ahmed Khan	Director	Non-Executive	6	6
5	Mirza Mahmood Ahmad	Director	Non-Executive	19	19
6	Mr. Manzoor Ahmed	Director	Independent/Non-Executive	19	18
7	Mian Misbah-ur-Rehman	Director	Non-Executive	19	18
8	Mr. Mohammad Aamir Qawi	Director	Independent/Non-Executive	19	18
9	Mr. Mohammad Jalal Sikandar Sultan	Director	Non-Executive	19	19
10	Mr. Mohammad Jehanzeb Khan	Director	Non-Executive	19	13
11	Qazi Mohammad Saleem Siddiqui	Director	Non-Executive	19	19
12	Mr. Mustafa Ahmad Khan	Director	Independent/Non-Executive	19	19
13	Mr. Naveed Kamran Baloch	Director	Non-Executive	7	7
14	Mr. Sajjad Hussain	Director	Independent/Non-Executive	19	17
15	Mr. Shahid Mahmood	Director	Non-Executive	13	11
16	Mr. Shoaib Mir	Director	Non-Executive	12	12

* Held during the period the concerned Director was member of the Board.

AUDIT COMMITTEE OF THE BOARD

The procedure alongwith responsibilities / functions of the Audit Committee would be as follows:

Number of Members: 08

Procedure:

1. The Committee shall meet at least once in each quarter.
2. Quorum will be three members.
3. The Secretary of the Audit Committee will circulate the agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.
4. The Chief Financial Officer, the Chief Internal Auditor, and a representative of the external auditors shall attend all meetings of the audit committee at which issues relating to accounts and audit are discussed.
5. At least once in year, the audit committee shall meet the external auditors without the presence of the Chief Financial Officer, the Chief Internal Auditor and other executives being present, to ensure independent communication between the external auditors and the audit committee.
6. At least once a year, the audit committee shall meet Chief Internal Auditor and other members of the internal audit function without the Chief Financial Officer and the external auditors being present.

Responsibilities:

The Audit Committee shall, among other things, be responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the Company in addition to audit of its financial statements. In the absence of strong grounds to proceed otherwise, the Board of Directors shall act in accordance with the recommendations of the Audit Committee in all these matters. However, the Board shall not be deemed to absolve itself of its overall responsibility for the functions delegated to the audit committee. The audit committee shall have full and explicit authority to investigate any matter within its terms of reference and shall be provided with adequate resources and access to all relevant information.

The terms of reference of the Audit Committee shall also include the following:

1. a) determination of appropriate measures to safeguard the Company's assets;

   b) review of financial results;

   c) review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

   - major judgment areas;
   - significant adjustments resulting from the audit;
   - the going-concern assumption;
   - any changes in accounting policies and practices;
   - compliance with applicable accounting standards; and
   - compliance with listing regulations and other statutory and regulatory requirements.

   d) facilitating the external audit and discussion with 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);

   e) review of management letter issued by external auditors and management's response thereto;

   f) ensuring coordination between the internal and external auditors of the Company;

   g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

   h) consideration of major findings of internal investigations and management's response thereto;

   i) ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;

   j) review of the Company's statement on internal control systems prior to endorsement by the Board of Director;

   k) recommending or approving the hiring or removal of the chief internal auditor;

l) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;

m) determination of compliance with relevant statutory requirements;

n) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

o) overseeing whistle-blowing policy and protection mechanism; and

p) consideration of any other issue or matter as may be assigned by the Board of Directors.

q) The audit committee shall also ensure that the external auditors do not perform management functions or make management decisions, responsibility for which remains with the Board and management of the Public Sector Company.

2. The Audit Committee shall be responsible for managing the relationship of the Company with the external auditors. In managing the Company's relationship with the external auditors on behalf of the Board, the Audit Committee's responsibilities include:-

a) suggesting the appointment of the external auditor to the Board, the audit fee, and any questions of resignation or dismissal;

b) considering the objectives and scope of any non-financial audit or consultancy work proposed to be undertaken by the external auditors, and reviewing the remuneration for this work;

c) discussing with the external auditors before the audit commences the scope of the audit and the extent of reliance on internal audit and other review agencies;

d) discussing with the external auditors any significant issues from the review of the financial statements by the Management, and any other work undertaken or overseen by the Audit Committee;

e) reviewing and considering the external auditors' communication with Management and Management's response thereto; and

f) reviewing progress on accepted recommendations from the external auditors.

3. The recommendations of the Audit Committee for appointment of retiring auditors or otherwise, as mentioned in sub-rule 2 above, shall be included in the Directors' Report. In case of a recommendation for change of external auditors before the lapse of three consecutive financial years, the reasons for the same shall be included in the Directors' Report.

The composition of the Audit Committee, category, detail of meetings and Directors' attendance are given below:

Audit Committee					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
1	Mr. Manzoor Ahmed	Chairman	Independent/Non-Executive	8	8
2	Mr. Ahmad Aqeel	Co-opted/ Member	Non-Executive	8	8
3	Mr. Mohammad Aamir Qawi	Member	Non-Executive	8	8
4	Mr. Mohammad Jehanzeb Khan	Member	Non-Executive	8	3
5	Mr. Mustafa Ahmad Khan	Member	Non-Executive	8	8
6	Qazi Mohammad Saleem Siddiqui	Member	Non-Executive	8	7
7	Mr. Naveed Kamran Baloch	Member	Non-Executive	2	2
8	Mr. Sajjad Hussain	Member	Independent/Non-Executive	8	8
9	Mr. Shoaib Mir	Member	Non-Executive	6	6
10	Mirza Mahmood Ahmad	Co-opted	Non-Executive	4	4
11	Mian Misbah-ur-Rehman	Co-opted	Non-Executive	1	1
12	Mr. Mohammad Jalal Sikandar Sultan	Co-opted	Non-Executive	1	1
13	Mr. Muhammad Saeed Mehdi	Co-opted	Independent/Non-Executive	3	3
14	Mr. Shahid Mahmood	Co-opted	Non-Executive	1	1

* Held during the period the concerned Director was member of the Committee.

FINANCE AND PROCUREMENT COMMITTEE OF THE BOARD

The procedure along with responsibilities / functions of the Finance and Procurement Committee would be as follows:

Number of Members: 08

Procedure:

1. The Committee shall meet as frequently as required.
2. Quorum will be three members.
3. The Secretary of the Finance and Procurement Committee will circulate the agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

Responsibilities:

1. To review strategic business/ investment proposals, policies prepared in pursuit of the corporate purpose of the Company by the Management and make recommendations to the Board for approval.
2. To review contracts of strategic nature that may have a material an impact on the Company's capital position and business and make recommendations to the Board for approval.
3. To ensure Board is aware of the matters which may significantly impact the financial condition or affairs of the business.
4. To examine the Capital and Revenue Budget of the Company and to make recommendations to the Board of Directors, thereon.
5. To examine the Budgetary and Operating limits of authority and recommend to the Board any deviation or any enhancement thereof.
6. 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.
7. To review the contracts or purchase orders exceeding the financial authority of the Finance and Procurement Committee of Directors and make recommendations to the Board for approval.
8. To approve/recommend major contracts of civil works along with cost benefit analysis thereof which also include purchase of land.
9. To lay down time limits/ parameters in respect of procurement of various materials and services.
10. To review the borrowing plans of the Company by assessing the requirements thereof and make recommendations to the Board for approval.
11. Any other matter entrusted by the Board of Directors.
12. Where there is a perceived overlap of responsibilities between the Finance and Procurement Committee, the Risk Management Committee and the Audit Committee, the respective Committee Chairmen shall have the discretion to agree the most appropriate Committee to fulfill any obligation.

The composition of the Finance and Procurement Committee, category, detail of meetings and Directors' attendance are given below:

Finance and Procurement Committee					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
1	Mirza Mahmood Ahmad	Chairman	Non-Executive	11	11
2	Mr. Amjad Latif	MD / CEO	Executive	11	11
3	Mr. Ahmad Aqeel	Member	Non-Executive	11	11
4	Mr. Arif Ahmed Khan	Member	Non-Executive	3	3
5	Mr. Jalal Sikandar Sultan	Member	Non-Executive	11	11
6	Mian Misbah-ur-Rehman	Member	Non-Executive	11	11
7	Mr. Naveed Kamran Baloch	Member	Non-Executive	4	4
8	Mr. Mohammad Jahanzeb Khan	Member	Non-Executive	11	7
9	Mr. Shahid Mahmood	Member	Non-Executive	8	6
10	Mr. Shoaib Mir	Member	Non-Executive	7	7
11	Mr. Manzoor Ahmed	Co-opted	Independent/Non-Executive	6	6
12	Mr. Muhammad Saeed Mehdi	Co-opted	Independent/Non-Executive	2	2
13	Mr. Mustafa Ahmad Khan	Co-opted	Independent/Non-Executive	11	11

* Held during the period the concerned Director was member of the Committee.

Corporate Governance

HUMAN RESOURCE & NOMINATION COMMITTEE OF THE BOARD

The procedures alongwith responsibilities/functions of the Human Resource & Nomination Committee would be as follows:

Number of Members: 09

Procedure:

1. Committee will meet at least once in a quarter.
2. Quorum will be three members.
3. The Secretary of the Human Resource & Nomination Committee will circulate the agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

Responsibilities:

The Committee will be responsible for making recommendations to the Board for maintaining:

1. A sound plan of organization for the Company;
2. An effective employees development programme;
3. Sound compensation and benefit and plans, policies and practices, designed to attract and retain the caliber of personnel needed to manage the business effectively.

Functions:

1) Review organization structure periodically to:
   - Evaluate and recommend for approval of changes in organization, functions, and relationships affecting Management positions equivalent in importance to those on the Management position schedule;
   - establish plans and procedure which provide an effective basis for Management control over company manpower;
   - determine appropriate limits of authority and approval procedures for personnel matters requiring decision at different level of Management.
2) Review the employees development system to ensure that it:
   - Foresees the Company's Senior Management requirement;
   - provides for early identification and development of key personnel;
   - brings forward specific succession plans for Senior Management positions;
   - training and development plans.
3) Compensation and Benefits:
   - review data of competitive compensation practices and review and evaluate policies and programmes through which the corporation/ Company compensates its employees;
   - review salary ranges, salaries and other compensation for CEO and Senior Management/Executive Directors reporting to the CEO.

The composition of the Human Resource & Nomination Committee, category, detail of meetings and Directors' attendance are given below:

Human Resource & Nomination Committee					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
1	Mr. Muhammad Saeed Mehdi	Chairman	Independent/Non-Executive	10	10
2	Mr. Amjad Latif	MD / CEO	Executive	10	10
3	Mr. Ahmad Aqeel	Member	Non-Executive	10	10
4	Mr. Arif Ahmad Khan	Member	Non-Executive	3	3
5	Mirza Mahmood Ahmad	Member	Non-Executive	10	9
6	Mr. Manzoor Ahmad	Member	Independent/Non-Executive	10	10
7	Mr. Mohammad Jalal Sikandar Sultan	Member	Non-Executive	10	10
8	Mian Misbah ur Rehman	Member	Non-Executive	10	10
9	Mr. Mustafa Ahmad Khan	Member	Independent/Non-Executive	10	10
10	Mr. Shahid Mahmood	Member	Non-Executive	7	5
11	Mr. Shoaib Mir	Co-opted	Non-Executive	5	5

* Held during the period the concerned Director was member of the Committee.

RISK MANAGEMENT COMMITTEE OF THE BOARD

The procedure alongwith responsibilities / functions of the Risk Management Committee would be as follows:

Number of Members: 08

Procedure:

1. The Committee shall meet as frequently as required.
2. Quorum will be three members.
3. The Secretary of the Risk Management Committee will circulate the agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

Responsibilities:

1. To review and approve the identification of Strategic; Compliance; Operational and Financial Risks (Principal Risks) to the Company by the Management.
2. To review and approve the strategy devised by the Management to mitigate the Principal Risks.
3. To review and approve the procedures laid down by the Management about risk assessment.
4. To review the Company's capability to identify and manage current and new Principal Risk Categories.
5. To oversee and advise the Board on the current risk exposures of the Company within and outside the Principal Risk Categories and advise on the Company's future risk strategy.
6. To consider reports on the nature and extent of the risks being faced by the Company, likelihood of their recurrence and their individual and cumulative impact on the Company's key performance matrix;
7. To assess whether the Company's current exposure to the risks it faces is acceptable and, if not, the ability to reduce such exposure by reference to risk treatment and mitigation options;
8. To identify internal and external risk trends and concentrations;
9. To review and approve the statements included in the Company's Annual Report and Accounts in relation to the Company's "Principal risks and uncertainties" and the internal controls and assurance in place within the Company for the identification and management of risk;
10. To advise the Board on the Company's overall risk appetite and tolerance/resilience within and outside Principal Risk Categories, taking account of the current and prospective macro-economic, financial, political, business and sector environments; and
11. Any other matter entrusted by the Board of Directors.
12. Where there is a perceived overlap of responsibilities between the Finance and Procurement Committee, the Risk Management Committee and the Audit Committee, the respective Committee Chairmen shall have the discretion to agree the most appropriate Committee to fulfill any obligation.

The composition of the Risk Management Committee, category, detail of meetings and Directors' attendance are given below:

Risk Management Committee					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
1	Mr. Ahmad Aqeel	Chairman	Non-Executive	10	10
2	Mr. Amjad Latif	MD / CEO	Executive	10	9
3	Mirza Mahmood Ahmad	Member	Independent/Non-Executive	10	9
4	Mr. Manzoor Ahmed	Member	Non-Executive	10	10
5	Mian Misbah-ur-Rehman	Member	Non-Executive	10	9
6	Mr. Mohammad Aamir Qawi	Member	Independent/Non-Executive	10	10
7	Qazi Mohammad Saleem Siddiqui	Member	Non-Executive	10	10
8	Mr. Sajjad Hussain	Member	Independent/Non-Executive	10	10
9	Mr. Mohammad Jehanzeb Khan	Co-opted	Non-Executive	1	1
10	Mr. Muhammad Saeed Mehdi	Co-opted	Independent/Non-Executive	1	1
11	Mr. Mustafa Ahmad Khan	Co-opted	Independent/Non-Executive	3	3
12	Mr. Naveed Kamran Baloch	Co-opted	Non-Executive	1	1
13	Mr. Shoaib Mir	Co-opted	Non-Executive	7	7
14	Mr. Naveed Kamran Baloch	Co-opted	Non-Executive	1	1

* Held during the period the concerned Director was member of the Committee.

UNACCOUNTED FOR GAS (UFG) CONTROL COMMITTEE OF THE BOARD

The procedure alongwith responsibilities of the Unaccounted for Gas (UFG) Control Committee of Directors would be as follows:

Number of Members: 07

Procedure:

1. The Committee shall meet at least once in a quarter/or as otherwise directed by the Board.
2. Quorum will be three members.
3. The Secretary of the UFG Control Committee will circulate the agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

Responsibilities:

The UFG Control Committee of Directors shall review strategic UFG issues as assigned by the Board of Directors and shall, inter alia,

- Review the Management's plan to minimize the UFG losses on periodic basis and present the same to the Board for approval along with its recommendations;
- Monitor the performance of Management in reduction of UFG;
- Review status of UFG of the Company;
- Recommend Company's position vis a vis Government and the Authority regarding different issues;
- Recommend incentive schemes, policies etc. for reduction of UFG;
- Review strategic issues pertaining UFG.

The composition of the Unaccounted for Gas (UFG) Control Committee , category, detail of meetings and Directors' attendance are given below:

UFG Control Committee					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
1	Qazi Mohammad Saleem Siddiqui	Chairman	Non-Executive	5	5
2	Mr. Amjad Latif	MD/CEO	Executive	5	4
3	Mr. Mirza Mahmood Ahmad	Member	Non-Executive	5	5
4	Mr. Mohammad Aamir Qawi	Member	Independent/Non-Executive	5	5
5	Mr. Mustafa Ahmad Khan	Member	Independent/Non-Executive	5	5
6	Mr. Naveed Kamran Baloch	Member	Non-Executive	2	0
7	Mr. Sajjad Hussain	Member	Independent/Non-Executive	5	5
8	Mr. Shoaib Mir	Member	Non-Executive	3	3
9	Mr. Ahmad Aqeel	Co-opted	Non-Executive	2	2
10	Mr. Manzoor Ahmed	Co-opted	Independent/Non-Executive	1	1
11	Mr. Muhammad Saeed Mehdi	Co-opted	Independent/Non-Executive	1	1

* Held during the period the concerned Director was member of the Committee.

STATEMENT OF **COMPLIANCE**

with the Public Sector Companies (Corporate Governance) Rules, 2013 And Listed Companies (Code Of Corporate Governance) Regulations, 2017

SCHEDULE I

Name of Company:	Sui Northern Gas Pipelines Limited
Name of the line Ministry:	Ministry of Energy (Petroleum Division)
For the year ended:	June 30, 2018

I. This statement is being presented to comply 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, 2017.

II. The company has complied with the provisions of the Rules in the following manner:

<table>
<tr><th>Sr. No.</th><th>Provision of the Rules</th><th>Rule No.</th><th>Y</th><th>N</th><th>Remarks</th></tr>
<tr><td></td><td></td><td></td><td colspan="2">Tick the Relevant Box</td><td></td></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><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, 2018 the Board includes:
<table>
<tr><th>Names</th><th>*Category</th><th>Date of appointment</th></tr>
<tr><td>1. Mr. Muhammad Saeed Mehdi</td><td>Independent/Non-Executive</td><td>26.06.2017</td></tr>
<tr><td>2. Mr. Amjad Latif**</td><td>Executive</td><td>07.03.2016</td></tr>
<tr><td>3. Mr. Arif Ahmed Khan</td><td>Non-Executive</td><td>16.03.2018</td></tr>
<tr><td>4. Mr. Mohammad Jalal Sikandar Sultan</td><td>Non-Executive</td><td>26.06.2017</td></tr>
<tr><td>5. Mr. Ahmad Aqeel</td><td>Non-Executive</td><td>26.06.2017</td></tr>
<tr><td>6. Mirza Mahmood Ahmad</td><td>Non-Executive</td><td>26.06.2017</td></tr>
<tr><td>7. Mr. Manzoor Ahmed</td><td>Independent/Non-Executive</td><td>26.06.2017</td></tr>
<tr><td>8. Mian Misbah-ur-Rehman</td><td>Non-Executive</td><td>26.06.2017</td></tr>
<tr><td>9. Mr. Mohammad Aamir Qawi</td><td>Independent/Non-Executive</td><td>26.06.2017</td></tr>
<tr><td>10. Mr. Mohammad Jehanzab Khan</td><td>Non-Executive</td><td>26.06.2017</td></tr>
<tr><td>11. Qazi Mohammad Saleem Siddiqui</td><td>Non-Executive</td><td>26.06.2017</td></tr>
<tr><td>12. Mr. Mustafa Ahmad Khan</td><td>Independent/Non-Executive</td><td>26.06.2017</td></tr>
<tr><td>13. Mr. Shoaib Mir</td><td>Non-Executive</td><td>11.11.2017</td></tr>
<tr><td>14. Mr. Sajjad Hussain</td><td>Independent/Non-Executive</td><td>26.06.2017</td></tr>
</table>
** The number of elected directors on the Board is thirteen (13) whereas the Managing Director is a "deemed director" under section 188(3) of the Companies Act, 2017.

At present the Board consists of Syed Dilawar Abbas-Chairman, Mr. Mahmood Zia Ahmad- Managing Director, Mr. Shef Afgan Khan, Mr. Mohammad Younus Dagha, Mr. Ahmad Aqeel, Mirza Mahmood Ahmad, Mr. Manzoor Ahmed, Mian Misbah-ur-Rehman, Qazi Mohammad Saleem Siddiqui, Mr. Mustafa Ahmad Khan, Ms. Roohi Raees Khan and Mr. Himayat Ullah Khan.</td><td>3(2)</td><td>√</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><td>Mr. Shoaib Mir, Mr. Mohammad Jehanzeb Khan and Mr. Manzoor Ahmed hold directorship of more than five listed companies. However, SECP has given dispensation in this regard.</td></tr>
<tr><td>4.</td><td>The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as board members under the provisions of the Act.</td><td>3(7)</td><td>√</td><td></td><td></td></tr>
<tr><td>5.</td><td>The chairman of the board is working separately from the chief executive of the Company.</td><td>4(1)</td><td>√</td><td></td><td></td></tr>
</table>

Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks
			Tick the Relevant Box		
6.	The chairman has been elected by the Board of Directors except where Chairman of the Board has been appointed by the Government.	4(4)	√		
7.	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, except where Chief Executive has been nominated by the Government.	5(2)	√		
8.	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.	5(4)	√		
	(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.sngpl.com.pk		√		
	(c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.		√		
9.	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)	√		
10.	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 interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	√		
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b)(vi)	√		
12.	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)	√		
13.	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)	√		
14.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	√		
15.	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)	√		
16.	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 has submitted its request for appropriate compensation to the Government for consideration.	5(8)			Not Applicable
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	√		

<table>
<tr><th>Sr. No.</th><th>Provision of the Rules</th><th>Rule No.</th><th>Y</th><th>N</th><th>Remarks</th></tr>
<tr><td></td><td></td><td></td><td colspan="2">Tick the Relevant Box</td><td></td></tr>
<tr><td>18.</td><td>(a) The board has met at least four times during the year.</td><td>6(1)</td><td>√</td><td></td><td></td></tr>
<tr><td></td><td>(b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.</td><td>6(2)</td><td>√</td><td></td><td></td></tr>
<tr><td></td><td>(c) The minutes of the meetings were appropriately recorded and circulated.</td><td>6(3)</td><td>√</td><td></td><td></td></tr>
<tr><td>19.</td><td>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.</td><td>8(2)</td><td>√</td><td></td><td></td></tr>
<tr><td>20.</td><td>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.</td><td>9</td><td>√</td><td></td><td></td></tr>
<tr><td>21.</td><td>(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.</td><td>10</td><td>√</td><td></td><td></td></tr>
<tr><td></td><td>(b) In case of Listed Public Sector Company, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.</td><td></td><td>√</td><td></td><td></td></tr>
<tr><td></td><td>(c) The Board has placed the annual financial statements on the Company's website.</td><td></td><td>√</td><td></td><td></td></tr>
<tr><td>22.</td><td>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.</td><td>11</td><td>√</td><td></td><td></td></tr>
<tr><td>23.</td><td>a) The Board has formed the requisite committees, as specified in the Rules except as specified in the Schedule–II of this statement.</td><td>12</td><td>√</td><td></td><td></td></tr>
<tr><td></td><td>b) The committees were provided with written term of reference defining their duties, authority and composition.</td><td></td><td>√</td><td></td><td></td></tr>
<tr><td></td><td>c) The minutes of the meetings of the committees were circulated to all the Board members.</td><td></td><td>√</td><td></td><td></td></tr>
<tr><td></td><td>d) The committees were chaired by the following non-executive directors:
<table>
<tr><th>Name of Committee</th><th>Number of Members</th><th>Name of Chair</th></tr>
<tr><td>1. Audit Committee</td><td>8</td><td>Mr. Manzoor Ahmed</td></tr>
<tr><td>2. Human Resource and Nomination Committee</td><td>9</td><td>Mr. Muhammad Saeed Mehdi</td></tr>
<tr><td>3. Finance and Procurement Committee</td><td>8</td><td>Mirza Mahmood Ahmad</td></tr>
<tr><td>4. UFG Control Committee</td><td>7</td><td>Qazi Mohammad Saleem Siddiqui</td></tr>
<tr><td>5. Risk Management Committee</td><td>8</td><td>Mr. Ahmad Aqeel</td></tr>
</table></td><td></td><td>√</td><td></td><td></td></tr>
<tr><td></td><td>e) The Board Committees have requisite proportionate strength of independent directors.</td><td>12(2)</td><td></td><td>√</td><td></td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Provision of the Rules</th><th>Rule No.</th><th>Y</th><th>N</th><th>Remarks</th></tr>
<tr><td></td><td></td><td></td><td colspan="2">Tick the Relevant Box</td><td></td></tr>
<tr><td>24</td><td>The board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment.</td><td>13</td><td>√</td><td></td><td></td></tr>
<tr><td>25.</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><td></td></tr>
<tr><td>26.</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><td></td></tr>
<tr><td>27.</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><td></td></tr>
<tr><td>28.</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><td></td></tr>
<tr><td>29.</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><td></td></tr>
<tr><td>30.</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><td></td></tr>
<tr><td>31.</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. Manzoor Ahmed</td><td>Independent/Non-Executive</td><td>COO(NIT)</td></tr>
<tr><td>Mr. Mohammad Aamir Qawi</td><td>Independent/Non-Executive</td><td>Management Consultant</td></tr>
<tr><td>Mr. Ahmad Aqeel</td><td>Non-Executive</td><td>Businessman</td></tr>
<tr><td>Mr. Mohammad Jehanzeb Khan</td><td>Non-Executive</td><td>Chairman - FBR</td></tr>
<tr><td>Mr. Mustafa Ahmad Khan</td><td>Independent/Non-Executive</td><td>Agriculturist</td></tr>
<tr><td>Mr. Shoaib Mir</td><td>Non-Executive</td><td>Chairman - SLIC</td></tr>
<tr><td>Qazi Mohammad Saleem Siddiqui</td><td>Non-Executive</td><td>Director General (PC)</td></tr>
<tr><td>Mr. Sajjad Hussain</td><td>Independent/Non-Executive</td><td>Retired Banker</td></tr>
</table>
The chief executive and chairman of the Board are not members of the audit committee.</td><td>21(1) and 21(2)</td><td>√</td><td></td><td></td></tr>
</table>

Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks
			Tick the Relevant Box		
32.	(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.	21(3)	√		
	(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.		√		
33.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.	22	√		
	(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.		√		
34.	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.	23(4)	√		
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	√		

Additional disclosures as required under Listed Companies (Code of Corporate Governance) Regulations, 2017:

a. The Total number of directors are 14 including Chief Executive Officer as per the following:

   i) Male: 14 members ii) Female: NIL

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. During the year, Mr. Amjad Latif, Mr. Mohammad Aamir Qawi and Mr. Sajjad Hussain have obtained Directors Training Certificates in compliance with the Rules and Regulations.

d. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and 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 Chairman and, in his 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:

Audit Committee	Human Resource and Nomination Committee	Finance and Procurement Committee	UFG Control Committee	Risk Management Committee
Mr. Manzoor Ahmed-Chairman	Mr. Muhammad Saeed Mehdi- Chairman	Mirza Mahmood Ahmad-Chairman	Qazi Mohammad Saleem Siddiqui- Chairman	Mr. Ahmed Aqeel-Chairman
Mr. Mohammad Aamir Qawi	Mr. Amjad Latif	Mr. Amjad Latif	Mr. Amjad Latif	Mr. Amjad Latif
Mr. Mohammad Jehanzeb Khan	Mr. Arif Ahmed Khan	Mr. Arif Ahmed Khan	Mirza Mahmood Ahmad	Mirza Mahmood Ahmad
Mr. Shoaib Mir	Mr. Mohammad Jalal Sikandar Sultan	Mr. Mohammad Jalal Sikandar Sultan	Mr. Mohammad Aamir Qawi	Mr. Manzoor Ahmed
Mr. Mustafa Ahmad Khan	Mian Misbah ur Rehman	Mian Misbah ur Rehman	Mr. Mustafa Ahmad Khan	Mian Misbah ur Rehman
Qazi Mohammad Saleem Siddiqui	Mr. Manzoor Ahmed	Mr. Mohammad Jehanzeb Khan	Mr. Sajjad Hussain	Mr. Mohammad Aamir Qawi
Mr. Sajjad Hussain	Mirza Mahmood Ahmad	Mr. Shoaib Mir	Mr. Shoaib Mir	Qazi Mohammad Saleem Siddiqui
Mr. Ahmed Aqeel	Mr. Mustafa Ahmad Khan	Mr. Ahmed Aqeel		Mr. Sajjad Hussain
	Mr. Ahmed Aqeel			

g. The frequency of meetings (yearly) of the Committee's were as per following:

Committee's Name	Frequency of Meetings (yearly)
Audit Committee	08
Human Resource and Nomination Committee	10
Finance and Procurement Committee	11
UFG Control Committee	05
Risk Management Committee	10

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 other material principles enshrined in the CCG have been complied with.

(Mahmood Zia Ahmad)
Managing Director/CEO

(Syed Dilawar Abbas)
Chairman

Lahore.
April 20, 2019

SCHEDULE II

See paragraph 2(3)
Explanations for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

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. No.	Rule/ Sub-rule No.	Reasons for Non-Compliance	Future Course of Action
1.	12 (2)	The Human Resource and Nomination Committee and the Finance and Procurement Committee do not have requisite proportionate strength of independent directors.	The compliance under the rule shall be ensured after next election of directors of the Company.
2.	21(1)	The Board shall establish an audit committee, whose members shall be financially literate and majority of them, including its chairman, shall be independent non-executive directors. However, the audit committee currently does not have majority of independent non-executive directors otherwise the proportion of independent directors on Audit Committee is 50%.	The compliance under the rule shall be ensured after next election of directors of the Company.

(Mahmood Zia Ahmad)
Managing Director/CEO

(Syed Dilawar Abbas)
Chairman

Lahore.
April 20, 2019

NOTICE OF THE 54TH ANNUAL GENERAL MEETING

The Notice is hereby given that the 54th Annual General Meeting of the Company will be held at Avari Hotel, Khorshed Mahal Hall, 87-Shahrah-e-Quaid-e-Azam, Lahore on Thursday, May 23, 2019 at 11:00 a.m. for the purpose of transacting the following business:

Ordinary Business:

1. To confirm the minutes of the last Annual General Meeting held on December 20, 2017.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2018 together with the Directors' and Auditors' Reports thereon.
3. To consider and approve payment of cash dividend to the shareholders at the rate of Rs. 5.55 per share of Rs.10/- each i.e. 55.5 % for the year ended June 30, 2018, as recommended by the Board of Directors. This is in addition to interim cash dividend at the rate of Rs. 1.5 per share of Rs. 10/- each i.e. 15% already paid for FY 2017-18.
4. To appoint External Auditors for the year ending June 30, 2019 and to fix their remuneration.
5. To transact any other ordinary business of the Company with the permission of the Chairman.

The share transfer books of the company will remain closed from Thursday, May 16, 2019 to Thursday, May 23, 2019 (both days inclusive). The members whose names appear in the register of members as at the close of business on Wednesday, May 15, 2019 will qualify for the payment of dividend.

By order of the Board

(WAJIHA ANWAR)
Company Secretary

Lahore.
April 20, 2019

NOTES:

1. Participation in Annual General Meeting

i) All members, entitled to attend and vote at the general meeting, are entitled to appoint another person 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 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.

ii) The proxy instrument must be completed 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.

iii) If any member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.

Further guidelines for CDC Account Holders:

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For attending the meeting

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 authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

ii) In case of legal entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies

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 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.

2. Submission of copy of CNIC/NTN Certificate (Mandatory):

Please provide valid copy of CNIC/NTN to our Shares Registrar, in case of physical shareholders and in case of CDC account to its Participant/ Investor Account Services.

In case of non-availability of CNIC/NTN of shareholders, the Company will be constrained to withhold payment of dividend to shareholders as per Section 243 of the Companies Act, 2017 and Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017.

3. Deduction of Income Tax from dividend:

Pursuant to the provision of Finance Act the income tax from dividend payment under section 150 of the Income Tax Ordinance, 2001 shall be deducted as per applicable rates:

- For filers-15%
- For non-filers-20%

All members may check their status from the Active Tax Payers list available on FBR website.

Please note that the Shares Registrar will check status of the members (Filer or Non Filer) from the Active Tax Payers list on the basis of valid CNIC/NTN numbers and would deduct tax as per provisions of the law. Furthermore, in case of Joint holder(s) according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Sui Northern Gas Pipelines Limited		
Folio /CDC Account No.		
Total No. of Shares held		
Principal Shareholder	Name & CNIC No.	
	Shareholding Proportion (No. of Shares)	
Joint Shareholder	Name & CNIC No.	
	Shareholding Proportion (No. of Shares)	

The above information must reach our Share Registrar by the close of business on Wednesday, May 15, 2019; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

4. Mandatory requirement of Bank Account Details for Electronic Credit of Cash Dividend Payment:

Section 242 of the Companies Act, 2017 stipulates that in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. It is requested to provide the information on following format duly signed along with a copy of valid CNIC to your respective CDC Participant / CDC Investor Account Services in case of Book Entry Form or to our Shares Registrar, in case of Physical Form at the earliest.

Name (IN CAPITAL LETTERS)	
Folio / CDS Account No.(SNGPL)	
CNIC /Passport / Incorporation No	
Title of Bank Account (IN CAPITAL LETTERS)	
International Bank Account Number (IBAN) (24 digits)	
Bank's Name	
Bank's Branch Address	

The e-dividend mandate form is also available on the Company's website: www.sngpl.com.pk.

5. Dissemination of Annual Audited Accounts for the year ended June 30, 2018 through CD/DVD/ USB:

The Securities and Exchange Commission of Pakistan vide SRO No. 470(I)/2016 dated May 31, 2016, has allowed listed companies to disseminate their Annual Audited Accounts (i.e. the Annual Balance Sheet and Profit and Loss Account, Auditors Report and Director's report) to its members through CD/DVD/USB at their registered address instead of sending them in hard copy.

Pursuant to the approval of shareholders, the Annual Audited Financial statements of the Company for the year ended June 30, 2018, are being circulated to the members through CD/DVD. However, a shareholder may ask through written request to provide a hard copy of Annual Audited Accounts.

6. Availability of Annual Audited Financial Statements on the Company's website:

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, 2018 are available on the Company's website i.e. www.sngpl.com.pk.

7. Transmission of Annual Audited Financial Statements and Annual General Meeting Notice through e-mail (optional):

In pursuance of the direction, Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive the Company's Annual Audited Financial Statements and Annual General Meeting Notices through e-mail are requested to fill the requisite form available on Company's website i.e. www.sngpl.com.pk.

8. Consent for Video Conference Facility

Pursuant to Section 132 (2) of the Companies Act, 2017, if Company receives consent form from members holding aggregate 10% or more shareholding residing in a city to participate in the meeting through video conference at least Seven (7) days prior to the date of meeting, the Company will arrange video conference facility in that city. To avail this facility please provide following information and submit to registered office of the Company:

I/We __________________ of ______________ being a member of Sui Northern Gas Pipelines Limited, holding __________ ordinary shares as per Register Folio/CDC Account No. ___________ hereby opt for video conference facility at _________.

Signature of Member(s)

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

Registered Office

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

Shares Registrar

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

TRANSMISSION **SYSTEM**
As at June 30, 2018

Sr. No.	SECTION	DIA (Inches)	MAINLINE (kilometers)	LOOPLINE (kilometers)
1	PIRKOH - SUI	24	70.50	-
2	LOTI - PESHBOGI	18	11.25	-
3	SUI - MULTAN	24	19.31	-
4	SUI - MULTAN	30		19.31
5	SUI-MULTAN	24	14.29	-
6	SUI-MULTAN	30		14.29
7	SUI-MULTAN	16	0.26	-
8	GUDDU TPS	4	2.41	-
9	GUDDU BARRAGE	24	1.81	-
10	GUDDU CROSSING	36		1.81
11	SAWAN - QADIRPUR	24	131.00	-
12	SAWAN CUSTODY TRANSFER POINT-SV1	24	2.85	-
13	SAWAN CUSTODY TRANSFER POINT- U/S OF SV1	42	-	2.73
14	SV1-SV2 LINE	42	-	25.12
15	SV2 - SV4 SEGMENT	42	-	55.33
16	SV4-SV5	42	-	20.92
17	SV5-QV1 SEGMENT	42	-	29.40
18	KAND KOT LINE	16	52.23	-
19	QADIRPUR LINE	30	53.13	-
20	QADIRPUR LINE	36	-	53.14
21	QADIRPUR LINE (LNG PHASE-II)	42	-	53.14
22	ENGRO FERTILIZER LINE	20	37.80	-
23	ENGRO ENERGY LINE	16	3.30	-
24	MARI DCPF - GENCO-II DEHYDRATION UNIT LINE	12	4.50	-
25	MARI DCPF - GENCO-II DEHYDRATION UNIT LINE	10	5.50	-
26	SUI - MULTAN	18	-	256.82
27	SUI - MULTAN	24	288.06	-
28	SUI - MULTAN	30	-	313.78
29	SUI - MULTAN	36	-	213.68
30	SUI - MULTAN	16	1.85	-
31	K1 – MP-37.88	20	-	20.68
32	SHER SHAH X-ING	36	-	2.20
33	AC1X – AV7 (RYK)	36	-	26.96
34	AC1X - AC2 (RLNG LINE)	36	-	44.62
35	AC2 - AV9 (RLNG LINE)	36	-	18.52
36	AV9 - AV10 (RLNG LINE)	36	-	20.78
37	AV10 - A4 (RLNG LINE)	36	-	30.1
38	A4 - AC4 (RLNG LINE)	36	-	29.51
39	AC4-AV15 (RLNG LINE)	36	-	25.348
40	AV15 - AV-20 (RLNG LINE)	36	-	5.74
41	AV20 - AV 21 (RLNG LINE)	36	-	38.09
42	AV21 - AV 22 (RLNG LINE)	36	-	27.79
43	AV22 - AC6 (RLNG LINE)	36	-	27.35
44	AC6 - AV29 (RLNG LINE)	36	-	23.16
45	AV29 - N2 (RLNG LINE)	24	-	68.16
46	N2 - SAHIWAL (RLNG LINE)	24	-	77.296

Sr. No.	SECTION	DIA (Inches)	MAINLINE (kilometers)	LOOPLINE (kilometers)
47	SAHIWAL - OKARA CANTT. (RLNG LINE)	30	-	24.250
48	OKARA CANTT. - AKHTARABAD (RLNG LINE)	30	-	42.450
49	AKHTARABAD - PHOOLNAGAR (RLNG LINE)	30	-	42.64
50	AV17 - AV 20	36	-	3.50
51	AV21 – AV 22	36	-	27.79
52	SUTLEJ CROSSING - 1	12	1.61	3.22
53	SUTLEJ CROSSING - 2	36	-	2.04
54	KHANPUR LINE	6	22.81	-
55	A5 - BAHAWALPUR	8	48.18	-
56	AV22 - KOT ADDU	16	69.65	-
57	AV22 - KOT ADDU	20	-	38.01
58	MP 37.33 V/A - CMS KAPCO	16	-	8.70
59	KOT ADDU - CHOWK SARWAR SHAHEED	8	26	-
60	D. G. KHAN LINE	8	72.06	-
61	DHODAK - KOT ADDU	16	77.79	-
62	TPS MUZAFFARGARH LINE	16	4.57	-
63	QADIRPUR - AC-1X LINE	30	17.11	-
64	QADIRPUR - AC-1X LINE	36	-	16.88
65	QADIRPUR - AC-1X LINE (LNG PHASE-II)	42	-	17.13
66	AHMEDPUR EAST	6	18.34	-
67	KHAN GARH	8	22.20	-
68	MULTAN - FERTILIZER LINE	10	1.430	-
69	JAHANIAN LINE	8	30.49	-
70	MULTAN - SIDHNAI	18	-	46.7
71	MULTAN - SIDHNAI	24	22.46	22.46
72	MULTAN - SIDHNAI	30	-	46.70
73	MULTAN - SIDHNAI	36	-	48.38
74	AV29 - SAHIWAL	36	-	145.46
75	KASHMORE-SHAHWALI LINE	12	20.0	-
76	SHAHWALI-ROJHAN LINE (FIRST SEGMENT)	12	4.0	-
77	SHAHWALI-ROJHAN LINE (MP 14.92 TO MP 27.792)	12	21.0	-
78	HAROONABAD LINE	8	20	-
79	SMS KHANGARH - KALLARWALI	8	30	-
80	SMS KALLARWALI - CHOWK PERMIT	8	27.61	-
81	SIDHNAI - FAISALABAD	18	-	163.58
82	SIDHNAI - FAISALABAD	24	-	50.24
83	SIDHNAI - FAISALABAD	30	-	53.29
84	SIDHNAI - FAISALABAD	36	-	26.42
85	SIDHNAI X-ING - AC-7	36	-	33.26
86	AC7 - HAVELI BAHADUR SHAH	30	37.30	-
87	DARKHANA-SINDHELIANWALI LINE	8	17.40	-
88	T.T. SING - JHANG	8	30.28	-
89	DIJKOT-SAMUNDARY LINE	8	22.33	-
90	SAHIWAL - LAHORE	18	142.93	-
91	SAHIWAL - AKHTARABAD	24	-	66.69
92	SUNDER INDUSTRIAL STATE LINE	16	4.34	-
93	AC8 - SMSII (OLD)	16	-	5.90
94	AC8 - A11	20	-	0.66

Sr. No.	SECTION	DIA (Inches)	MAINLINE (kilometers)	LOOPLINE (kilometers)
95	WAPDA OFFTAKE FSD	12	2.42	-
96	CHAK JHUMRA LINE	6	12.04	-
97	FSD - MALIKWAL	12	19.34	-
98	FSD - MALIKWAL	16	-	158.67
99	FSD - MALIKWAL	30	-	90.82
100	CV12A - KHATHIALA SHAKHAN LINE	12	28.23	-
101	KATHIALA SHEIKHAN - MANDI BAHAUDDIN LINE	12	9.1	-
102	MANDI BAHAUDDIN - LALAMUSA LINE	12	47.17	-
103	MALAKWAL - JHELUM CROSSING	16	-	5.42
104	CHENAB CROSSING CHINIOT	18	1.13	-
105	CHENAB CROSSING CHINIOT	30	2.32	-
106	KOT MOMIN - JOHARABAD (1)	8	72.41	-
107	KOT MOMIN - JOHARABAD (2)	6	38.36	-
108	JOHARABAD - CHASHMA	8	82.21	-
109	PIPLAN LINE	8	17.05	-
110	SARGODHA LINE	6	20.92	-
111	SARGODHA LINE	16	-	20.92
112	CV3 (JHOKE MORE)-M3 INDUSTRIAL ESTATE LINE	8	15.68	-
113	FSD - SHAHDARA	16	57.48	119.25
114	NEW BV3 - MP 28.33 (RLNG LINE)	16	-	25.10
115	FSD - SHAHDARA	24	-	55.03
116	BC1 - FAROOQ ABAD	8	22.96	-
117	SHAHDARA - LAHORE	16	2.51	2.99
118	RAVI CROSSING (1)	16	0.58	-
119	RAVI CROSSING (2)	10	-	0.58
120	SHAHDARA - WAPDA LAHORE	10	3.41	-
121	KHURRIANWALA - JARANWALA	8	-	22.53
122	DAWOOD HERCULES LINE	12	5.87	-
123	SHEIKHUPURA - GUJRANWALA (1)	10	59.44	-
124	SHEIKHUPURA - GUJRANWALA (2)	16	-	44.57
125	MP 59.91 - B3 LINE	24	-	22.83
126	MP 59.91- TATLAYALI V/A (RLNG LINE)	16	-	44.57
127	MP 59.91- BHIKHI POWER PLANT (QATPL)	30	-	16.17
128	B2 - MP 50.70 (QATPL LINE)	30	-	1.45
129	MP 59.91 - NANDIPUR POWER PLANT	24	76.4	-
130	TATLAYALI V/A - MP 27.186 ON NANDIPUR POWER PLANT PIPELINE	24	8.20	-
131	B3-RAVI D/S LINE	24	-	3.15
132	KOTLI - RAHWALI (BV13)	18	30.76	-
133	HAFIZABAD LINE	8	43.00	-
134	SHAHDARA - GUJRANWALA - RAHWALI	10	73.4	-
135	RAHWALI - GUJRAT	8	35.46	-
136	RAHWALI - SIALKOT	8	13.97	13.97
137	SIALKOT OFF-TAKE V/A TO PASROOR OFF-TAKE V/A	16	-	32.83
138	RAHWALI-SIALKOT OFFTAKE	18	-	1.48
139	PASROOR - DHAMTAL - NAROWAL	8	40.55	-
140	SIALKOT O/T - WAZIRABAD	18	-	19.82
141	SAHIWAL - LAHORE	16	-	76.67
142	BSL U/S - BALLOKI POWER PLANT	30	7.5	-

Sr. No.	SECTION	DIA (Inches)	MAINLINE (kilometers)	LOOPLINE (kilometers)
143	PHOOL NAGAR - U/S HEAD BALLOKI	18	-	10.38
144	D/S HEAD BALLOKI TO MP-59.9	18	-	52.34
145	PHOOL NAGAR - DAWOOD HERCULES	16	62.38	-
146	PHOOLNAGAR - DAWOOD HERCULES	24	-	65.47
147	U/S V/A HEAD BALLOKI TO D/S V/A HEAD BALLOKI (RLNG LINE)	24	-	3.10
148	ORIENT POWER PLANT LINE	10	1.88	-
149	SAPPHIRE POWER PLANT LINE	10	0.22	-
150	HALMORE POWER LINE	12	3.40	-
151	SAIF POWER PLANT SAHIWAL	12	0.34	-
152	GUJRAT - JHELUM	8	54.27	-
153	SARAI ALAMGIR - MIRPUR	8	18.5	-
154	RENALA-SATGARAH	8	12.35	-
155	MALIKWAL - HARANPUR - DANDOT	12	1.18	-
156	MALIKWAL - HARANPUR - DANDOT	16	-	20.00
157	CC1 - C4	30	-	29.09
158	C4 - CHAKWAL CEMENT	10	24.00	-
159	HARANPUR - GHARIBWAL	8	13.02	-
160	DANDOT - GALI JAGIR - WAH	10	87.7	-
161	DANDOT - GALI JAGIR - WAH	16	-	153.51
162	DANDOT - GALI JAGIR - WAH	30	-	64.22
163	DHULIAN - GALI JAGIR	10	40.14	-
164	DAKHNI - MEYAL - DHULIAN	16	50.44	-
165	CV13a - CC1	16	-	3.58
166	RATANA LINE	10	2.49	-
167	SIL CROSSING	10	-	1.46
168	DHURNAL LINE (1)	8	0.54	-
169	DHURNAL LINE (2)	10	11.08	-
170	DHULIAN - DAUDKHEL	8	85.2	4.04
171	FC1-MP 13.20	24	-	21.25
172	FC1-C6 PIPELINE FROM MID POINT VALVE ASSEBMLY TO END POINT C6 GALI JAGIR	24	-	18.901
173	FC1-PINDIGHEB LINE	24	-	10.1
174	MEYAL V/A - END POINT SMS PINDIGHEB	24	-	12.5
175	KHUSHAL GARH BRIDGE-DAKHNI END POINT V/A	24	-	11.4
176	POINT A V/A - SMS DHURNAL	3	0.24	-
177	GALI JAGIR - MORGAH (1)	10	21.43696	-
178	GALI JAGIR - MORGAH (2)	6	9.50	-
179	GALI-RANIAL	16	-	35.57
180	WAH - ISLAMABAD	6	12.06	-
181	WAH - HATTAR	16	-	6.17
182	WAH - HATTAR	10	9.93	-
183	ADHI - RAWAT	10	47.70	-
184	RAWAT - MURREE	12	57.25	-
185	BHANGALI LINE	8	5.82	-
186	MISSA KASWAL - MANDRA	8	20.60	-
187	WAH - NOWSHERA (1)	10	50.41	-
188	WAH - NOWSHERA (2)	16	-	52.60
189	INDUS CROSSING	24	-	1.12
190	TAXILA LINE	4	4.43	-

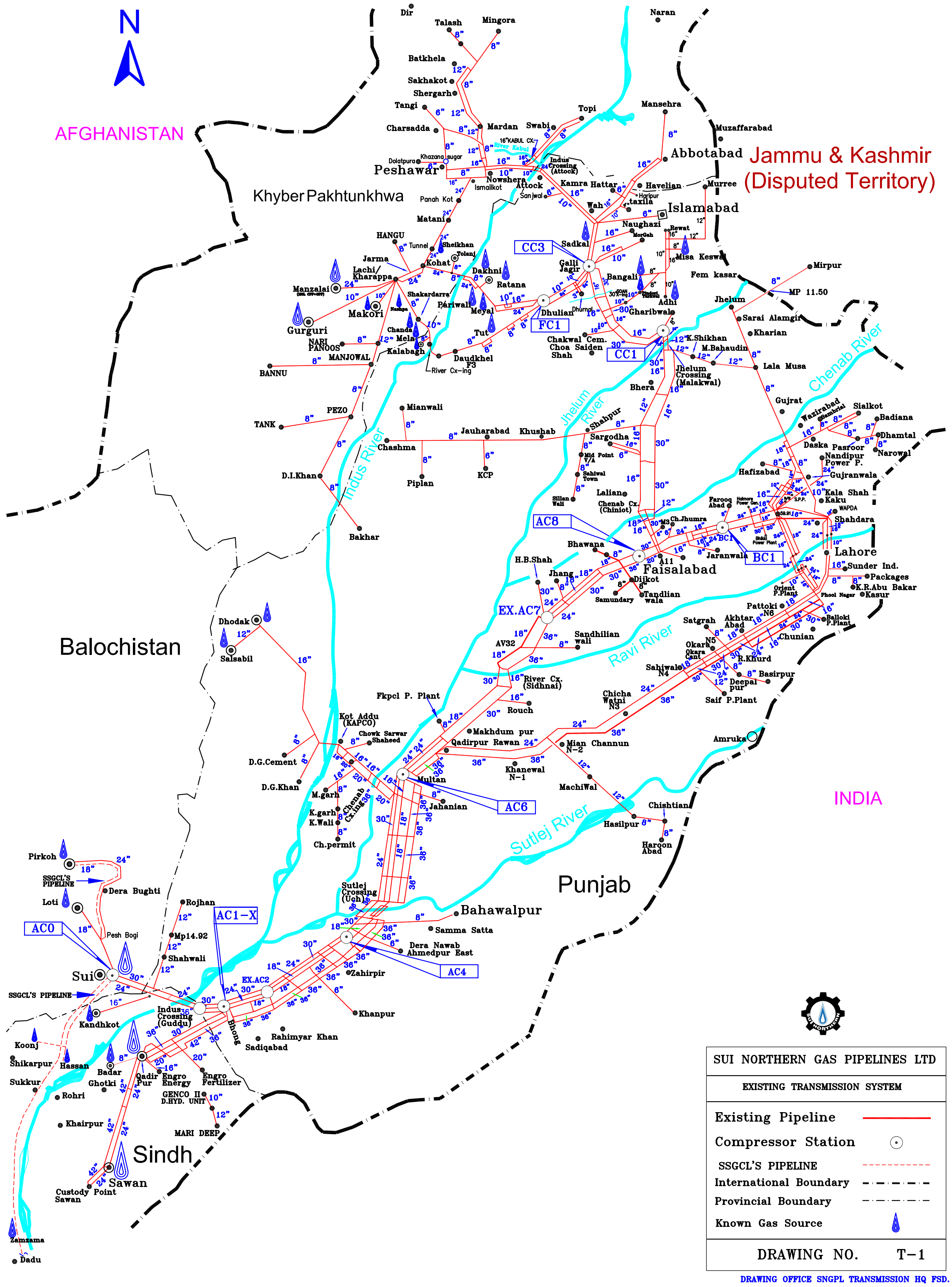
Sr. No.	SECTION	DIA (Inches)	MAINLINE (kilometers)	LOOPLINE (kilometers)
191	SANJWAL LINE	6	6.67	-
192	KOHAT LINE	8	11.58	-
193	SHAKARDARA - DAUDKHEL	10	40.11	-
194	MPCL (KALABAGH-1) - MID POINT V/A, MP 11.29 ON SHAKARDARA DAUDKHEL PIPELINE	8	1.00	-
195	SHAKARDARA END POINT - F3	10	1.55	-
196	SADQAL - NAUGAZI LINE	16	19.02	-
197	DASKA - PASROOR LINE	8	24.86	-
198	DASKA-SAMBRIAL LINE	8	11.6	-
199	FAUJI KABIR WALA LINE	8	5.86	-
200	OKARA - DIPALPUR LINE	8	16.83	-
201	ROUSCH POWER PLANT LINE	16	4.70	-
202	PINDORI - BHANGALI LINE	8	15.83	-
203	CV24-PINDORI (FIRST SEGMENT)	10	26.33	-
204	KM 26.33 - KM 30.80 (CV24- PINDORI PIPELINE)	10	4.47	-
205	MIANWALI LINE	8	17.80	-
206	DI-KHAN BHAKAR LINE	8	19.69	-
207	MIAN CHUNNUN - HASILPUR	12	83.85	-
208	HASILPUR - CHISHTIAN LINE	8	30.98	-
209	AV-40 - DIJKOT - TANDLIANWALA	8	39.79	-
210	AV-40 - BHAWANA LINE	8	37.14	-
211	SUKHO - RAWAT	16	36.24	-
212	DIPALPUR - BASIRPUR	8	22.64	-
213	MANGA - PACKAGES LINE(RENTED POWER)	8	36.65	-
214	RODHO - KOT QAISRANI LINE	12	14.50	-
215	SAHIWAL -PHOOLNAGAR LOOP LINE FROM AKHTARABAD V/A to N-6 Pattoki V/A	24	-	20.95
216	N-6 - PHOOL NAGAR O/T	24	-	21.69
217	SHAHPUR-HUSSAIN SHAH LINE	8	22.22	-
218	HUSSAIN SHAH-SAHIWAL TOWN LINE	8	13.52	-
219	SAHIWAL TOWN-SILLANWALI LINE	8	26.71	-
220	RANDHAWA OFF-TAKE TO BADIANA	8	8.50	-
221	KOTLI RAI ABU BAKAR LINE	8	7.05	-
222	HATTAR-HARIPUR	10	18.12	-
223	HATTAR OFFTAKE	6	0.39	-
224	HARIPUR-MANSEHRA	8	70.53	-
225	HARIPUR OFFTAKE	8	1.53	-
226	WAH-NOWSHERA(1)	10	25.13	-
227	WAH-NOWSHERA(2)	16	-	23.68
228	WAH - HATTAR	16	-	13.62
229	HATTAR - SARAI SALEH	16	-	19
230	HATTAR - HAVELLIAN	16	-	15.00
231	HAVILLINA - ABBATABAD	16	-	27.5
232	C10 - ISMAILKOT	16	-	14.64
233	KOHAT LINE	8	19.20	-
234	KOHAT - NOWSHERA	24	85.52	-
235	KOHAT-GHORAZAI LINE	24	-	23.49
236	EPF TOLANJ - GHORAZAI VALVE ASSEMBLY	8	3.50	-
237	MANZALAI - KOHAT LINE	24	39.01	-
238	JARMA - HANGO LINE	8	36.00	-

Sr. No.	SECTION	DIA (Inches)	MAINLINE (kilometers)	LOOPLINE (kilometers)
239	MUNJOWAL - BANNU	8	36.50	-
240	NOWSHERA-ISMAILKOT(1)	8	11.97	-
241	NOWSHERA-ISMAILKOT(2)	6	-	11.97
242	ISMAILKOT-TURNAB(1)	8	-	20.85
243	ISMAILKOT-TURNAB(2)	6	20.86	-
244	ISMAILKOT-TURNAB(3)	16	-	21.24
245	SHAKARDARA - DAUDKHEL	10	3.00	-
246	KHARAPPA - SHAKARDARA	8	25.50	-
247	KHARAPPA - MANJOWAL	12	84.42	-
248	NARI PANOOS LINE	8	2.98	-
249	MAKORI-KHARAPPA*	10	8.75	-
250	MUNJOWAL - PEZU	8	53.29	-
251	PEZU - D. I. Khan	8	47.02	-
252	PEZU - TANK	8	31.51	-
253	DI- KHAN BHAKAR	8	18.80	-
254	NOWSHERA-MDN-T.BAI-S/KOT	8	57.99	-
255	NOWSHERA-CHARSADDA	8	23.59	-
256	NOWSHERA - MARDAN	12	-	19.76
257	MARDAN - PALAI	12	-	56.00
258	NOWSHERA - MARDAN	16	-	2.16
259	CHARSADDA-TURANG ZAI LINE	6	10.36	-
260	TANGI LINE	6	13.87	-
261	CHARSADHA - KHAZANA LINE	8	22.64	-
262	CHARSADHA - KHAZANA - DOLATPURA	6	0.34	-
263	JAHANGIRA - SWABI - TOPI	8	40.29	-
264	JAHANGIRA - SWABI - TOPI	8	-	38.24
265	JAHANGIRA OFF-TAKE - KABUL X-ING D/S	16	-	2.52
266	KABUL X-ING JAHANGIRA	16	0.30	-
267	SAKHAKOT - SWAT	8	68.06	-
268	CHAKDARA-TALASH LINE	8	31.60	-
269	GURGURI - KOHAAT LINE	10	78.00	-
270	SARAI ALAMGIR - MIRPUR	8	17.35	-
		-	4,685.92	4,190.05
GRAND TOTAL (KM)				**8,875.97**

* Purchased by the Company from M/s MOL

TRANSMISSION **NETWORK**

As at June 30, 2018



CHAIRMAN'S REVIEW AND **DIRECTORS' REPORT**

The Board of Directors present the 55th Annual Report and the Audited Financial Statements of your Company for the Financial Year ended June 30, 2018 along with the Auditors' Report thereon.

FINANCIAL REVIEW

We are pleased to present the audited financial statements of your Company for the Year ended June 30, 2018, after incorporating the determination of Final Revenue Requirements of the Company for the financial year 2017-18 by Oil and Gas Regulatory Authority (OGRA). Despite several odds, numerous economic and financial challenges, your Company ended FY 2017-18 by posting highest ever profit in its history. Profit after tax of Rs.11,121 million and EPS of Rs. 17.54 as compared to profit after tax of Rs 8,615 million and EPS of Rs. 13.58 during the corresponding period of last year.

The summary of financial results for the year under review is given below:

Profit before taxation
Rs.**15,475** million

Provision for taxation
Rs. **4,354** million

Profit after taxation
Rs. **11,121** million

This unprecedented increase in profit was the main reason for declaration of 70.50% cash dividend for FY 2017-18 (Inclusive of interim cash dividend of 15%).

BOARD OF
DIRECTORS' MEETING


INITIALED
ACCOUNTS
FOR THE YEAR
ENDED
JUNE 30, 2018

Following are few key factors, which have contributed in achieving the record profits;

a) Increase in return on average assets due to growing capitalization of Rs 47,760 million in the year under review.

b) As a result of UFG study conducted by OGRA, the parameters used for the purpose of calculation of UFG have been revised from July 01,2017. Consequently non-consumer and law effected area's volumes which were earlier allowed by OGRA, over and above the benchmark, have now become part of UFG benchmark. This has been partly compensated by giving an increase in fixed UFG benchmark from 4.5% to 5% and providing further upward adjustment in UFG benchmark by 2.60% in addition to fixed UFG benchmark of 5% based on the Key Monitoring Indicators (KMIs) as determined in FRR for FY 2017-18 by OGRA. During the year the Company's UFG benchmark was set by the Regulator at 6.991% (5.0%+1.991%) based on 76.58% Key Monitoring Indicators (KMIs) as determined by OGRA in FRR for FY 2017-18.

c) OGRA in its decision of Review of Motion for Review of Final Revenue Requirement 2016-17 has allowed additional volumes of UFG for FY 2012-13 to 2016-17 by revising the UFG benchmark of 7.1% (4.5%+2.6%) for these years and disallowed entire volume claimed by the Company in these years on account of law and order situation and non-consumers which were provisionally allowed to the Company. This results in reduction of UFG dis-allowance related to prior years, having an impact of Rs. 1,114 million on current profit and increase in EPS by Rs 1.23.

The Company operates under guaranteed 17.5% rate of return covenant. After making all adjustments made by the OGRA, effective return of 13.86% has achieved in the year under review as against 12.83% in the corresponding year. However, during the year OGRA vide its decision dated June 21, 2018 on the Estimated Revenue Requirement (ERR) of the Company for the year 2018-19 decided in consultation with the Federal Government and other licensees in the natural gas sector to revise the tariff regime including the rate of return which is to be based on Weighted Average Cost of Capital ('WACC') from the financial year 2018-19 in place of the existing rate of return which amounts to 17.5% of the average operating assets. Weighted Average Cost of Capital ('WACC') has computed at 17.43% for financial year 2018-19 and onwards.

Your Company maintains that continuous dis-allowance on account of Unaccounted for Gas (UFG) over and above the benchmark, set arbitrarily by the Regulator, remains as one of the major issue adversely impacting the results of the Company. During the year under review, the volumetric loss has reduced from 52.3 bcf during 2016-17 to 49.9 bcf based on revised parameter for the purpose of calculation of UFG applicable from July 01, 2017. However, UFG dis-allowance has increased from Rs.5.45 billion during 2016-17 to Rs 6.36 billion during the current year, the increase in dis-allowance was primarily due to increase in well head prices. During the year under review, the average well head price increased from Rs 311.63 per MCF in FY 2016-17 to Rs 353.82 per MCF in the current year, the increase in well head price can primarily be attributed to surge in dollar rate during the year.

Your Company is taking several steps including, but not limited to, increased surveillance and particular monitoring of areas susceptible to gas pilferage. Timely leakage detection and its rectification and continuous checking and up gradation of measurement facilities etc, are also being taken to further reduce this loss.

Your Company is facing liquidity issues with regard to indigenous gas mainly due to accumulation of Differential Margin of Rs 122 billion. The recoverability of this amount is dependent upon settlement by the Government of Pakistan directly or indirectly inter alia including increase in future gas prices. Moreover, the Company is also facing difficulties in making timely payment to RLNG creditors mainly PSO and PLL, due to the factors explained below:

- Retainage by SSGC of RLNG volumes
- Swapping of RLNG volumes to domestic consumers
- Subsidy to export oriented sectors
- Litigation with consumers on RLNG tariff

These issues have been taken up with the Government at highest level and the Company is hopeful of resolution of these issues in coming years. Moreover, subsequent

to the year ended June 30,2018, OGRA vide its decision dated November 20, 2018, and further clarification dated February 4, 2019, directed that this stock be sold to SSGCL on historical weighted average cost. Thereafter, SSGCL shall record sales as per relevant applicable OGRA notified rates. The gain / loss owing to the difference between the current and historical rates shall be passed on to the Company within a month of sale of RLNG stock by SSGCL to its consumers and is to be realized / adjusted in form of future price adjustments of the Company's RLNG consumers. The Company and SSGCL are in the process of finalizing an agreement to implement the decision of OGRA.

Gas Swapping Mechanism

During the year a Gas Swapping Mechanism was allowed by the Economic Coordination Committee ("ECC") of the Cabinet Division vide its decision dated May 11, 2018, which was endorsed by OGRA vide Final Revenue Requirement decision of the Company for financial year 2017-18 dated January 15, 2019 (FRR 17-18), for swapping of natural gas and RLNG for the purpose of gas load management. The necessary volumetric adjustments and financial impact is to be made on a cost neutral basis in the sale price of RLNG. The balance of gas swapping deferral account represents the difference of average cost of RLNG and the prescribed price of system gas (used by OGRA in determination of deferral account) of the swapped volumes. 10,379,957 MMBTUs of Indigenous gas were sold as RLNG till June 30, 2018. This amount will be adjusted upon directional changes in gas swapping and / or tariff adjustments in future periods to be determined by OGRA.

Auditor's Qualification

During the year the Company has recognized an aggregate net revenue of Rs 17,178 million on account of "Take or Pay "(ToP) arrangement with GPPs. The amount has been disagreed and disputed by the consumers and the matter has been referred to an expert under dispute resolution mechanism agreed between the parties in gas sales agreement. The Company's auditors have disagreed with the Company's treatment of recognizing take or pay in Company's revenue and consider this treatment as departure from the accounting and reporting standards as applicable in Pakistan as the issue has been referred to an expert and the decision of an expert is still pending and it is as the not possible for them at this stage to determine the associated economic benefit that will flow to the Company accordingly the Auditors have given qualification in their audit report for the year ended June 30,2018 with respect to this issue.

The Company has disagreed with the auditor's assertion narrated above as the Company believes that economic benefits have already flown to the Company as the Company has recovered the revenue of Rs 13,649 million out of Rs 17,178 million through encashment of SBLC and withdrawal from Escrow account of QTPL under Top arrangement.

Moreover, Top invoices have been disputed by the GPPs however, Company's legal counsel is confident of a favorable outcome as the legal counsel believes that sufficient grounds are available to the Company to support Company's stance and which are explained in detail below:

- The entire supply chain of RLNG is backed by Take or pay arrangement.
- Section 3.6 (Take or Pay) of the GSA is valid, legal and binding on the parties

- Volume of 43,875.5 MMSCF was agreed as Annual Delivery Plan (ADP) for 2018 on firm basis by the parties.
- In terms of section 3.6 of GSA if buyer fails to nominate any other power plant for diversion of not utilized Monthly take or pay quantity, the seller can divert the gas at risk and cost of the buyer to any of its consumers including domestic consumers.
- The take or pay invoices can be generated on the basis of Minimum Gas Order in case of failure to provide or agree on an ADP.

Whatever the decision of the case, the same shall not have any material impact on the profitability of the Company due to guaranteed return available under fixed rate regime.

Unaccounted For Gas Control (UFGC)

Unaccounted for Gas (UFG) is inevitable in any gas network since it depends upon various Controllable/ Internal and Uncontrollable/External contributing factors.

The UFG Control Department is responsible for issuing guidelines to Distribution Regions in the light of directives/decision of UFG Control Committee of Board of Directors and Management from time to time. The UFG Control Department monitors progress of Distribution Regions with respect to various UFG Control activities and prepares reports and presentations to be delivered to the Board of Directors, Management and various external forums. The Regional Heads of Distribution Department are responsible to control UFG losses through their teams comprising of executives and staff, pertaining to different Departments/ Sections, deputed in regions.

OGRA appointed consultants M/s KPMG for UFG benchmark study report and the final draft of the said study report was intimated to SNGPL by OGRA on August 30, 2017 with the direction for its implementation. OGRA while giving the determination of Estimated Revenue Requirement of FY 2017-18 followed it. Accordingly, OGRA has changed the UFG allowance calculation formula w.e.f FY 2017-18.

The allowances previously given in volumetric terms as “deemed sale” against two factors beyond Company’s control i.e. i) Losses in Law & Order Affected Areas of KPK Province and ii) Gas Theft by Non-Consumers have been incorporated in the following formula in fixed percentage terms under the head “Local Challenging Conditions Component”.

$$UFG_{Allowance} = Gas_{Received} \times (Rate_1 \times \alpha + Rate_2 \times \beta)$$

- The value of Rate-1 has been fixed at 5%.
- The value of α is 1 for next 5 years.
- The value of Rate-2 (Local Challenging Conditions Component) is 2.6%.
- ß indicates cumulative score against Key Monitoring Indicators (KMIs) advised by OGRA

Different Departments of the Company, including Distribution Regions were allocated targets for carrying out UFG control activities against the 30 Nos. KMIs notified by OGRA and in this respect, progress achieved by the company has been furnished to OGRA through petition of Final Revenue Requirement of FY 2017-18.

Despite of above mentioned revision in UFG Allowance calculation formula, the UFG figures of Sahiwal, Faisalabad, Sheikhupura, Sialkot, Gujranwala, Gujrat and Abbottabad regions have remained in single

digit during FY 2017-18 while Bahawalpur region has achieved maximum reduction in UFG as compared to previous year. Some other regions have also achieved reduction in UFG, showing efforts on their part. However, the revised formula has majorly affected the UFG of the Peshawar Region, as the losses in Law & Order Affected Areas of Khyber Pakhtunkhwa Province and major portion of Gas Theft volume of Non-Consumers relate to Peshawar Region. Excluding the UFG of Peshawar Region, the overall UFG of company is in single digit.

Operational Review

The transmission network of your Company has extended to 8,876 KMs high pressure pipelines, ranging from 6 inches to 42 inches diameter, across its area of franchise. During the year, 802 new towns, villages were connected with the existing system by laying 11,732 KMs of distribution mains and service lines. A total of 4,345 towns, villages, District Head Quarters and Tehsil Head Quarters now exist on the Company's network. The Company in line with its Vision and Mission Statements has improved the quality of life of its consumers by providing 604,919 new gas connections during the year under review.

Projects

Projects Department of your Company has completed 355.33 KMs Transmission Lines with diameters ranging from 6" to 36" including the contract lines. In addition to Transmission Lines, 1233.58 KMs of Distribution mains were commissioned during this fiscal year 2017-18 for improving pressure and supplying gas to new towns which has enhanced customer satisfaction level. The Company was engaged in bringing 1200 MMCFD RLNG into its system for which:

- Company's system augmentation project from Sawan to Lahore has been completed to transport 1200 MMCFD RLNG downstream Sawan. After the completion of system augmentation Project, system's capacity has been enhanced to transport additional 1.2 BCFD to 1.5 BCFD gas downstream Sawan.
- The spur line laying jobs of three power plants at Bhikki, Haveli Bahadur Shah and Balloki of consolidated 3600 MW capacity for supplying 200 MMCFD RLNG to each power plant on 100 % cost sharing basis has been completed and Company is now supplying RLNG to these power plants.
- Spur line job for supply of 100 MMCFD gas to RLNG based Nandipur power plant has also been completed and Company is engaged in supplying gas to power plant.
- Spur line job for supply of 200 MMCFD gas to RLNG based Punjab Power Plant has also been initiated and shall be completed by June-2019.

As per direction of Government of Pakistan, SNGPL has planned new 42"dia x 770 KM pipeline project to build another 1200 MMCFD pipeline capacity in its franchise areas from Sawan to Lahore for upcoming LNG terminals in the country keeping in view the diminishing indigenous gas supply resources for meeting the increasing gas demand of all sectors, whereas pipeline from Karachi to Sawan shall be built by SSGC. After

the completion of system augmentation Project, your Company has been able to transport 1200 to 1500 MMCFD RLNG gas into the system. Your Company has also completed infrastructure required to supply 700 MMCFD RLNG to new RLNG based power plants constructed in Punjab. Your company is also engaged in supplying 200 MMCFD gas to new RLNG bases Power Plant, being constructed near Trimmu, District Jhang in Punjab. However, after the completion of new project i.e. 42"dia x 770 KM Pipeline Project along with 89,750 HP compression, your Company shall be able to transport further 1200 MMCFD RLNG from Sawan to Lahore. The Board of Directors has granted conceptual approval of the project. Economic Coordination Committee (ECC) of the cabinet has also approved the financial model of the Project. At present, the Company has sought GOP (Petroleum Division)'s guarantee of necessary arrangements for entire capacity utilization of the project.

Liquefied Natural Gas

LPG Air Mix Project

Under the mandate of GoP, SNGPL is working on number of short and long term energy infrastructure projects to improve energy supplies and to promote efficient use of non-renewable energy resources. LNG/LPG Department is working on number of projects to supply LPG Air Mix also known as Synthetic Natural Gas (SNG) to its consumers on stand-alone basis which are not connected with its distribution network. Economic Coordination Committee (ECC) of the Cabinet has approved 33 Nos. LPG Air Mix Projects in Northern hilly areas of Punjab, KPK, AJ&K and Gilgit-Baltistan for supply of LPG Air Mix to domestic consumers.

LNG/LPG technical team has surveyed all of 33 locations within short span of time. Your Company is endeavoring to provide Natural Gas to various locations which are near existing Natural Gas network. However installation of 03 LPG Air Mix plants of 20 MMBTU/HR capacity each at DhirKotAyun & Drosh is in progress. Moreover, LPG Air Mix Plant at Gilgit Baltistan (GB) is also under development stage. As regards the remaining sites procurement/acquisition of land is in progress.

LNG Import Project

Besides LPG Air Mix projects, the Department is playing a key role in the LNG transactions in the country. So far (approximately) 196 LNG cargoes have been imported in the country as of June 30, 2018. RLNG is being supplied to meet the energy requirements of Power, Industrial and CNG sectors of Punjab.

Compression of Gas

Compression Department is performing a vital role in the transmission of natural gas available at different pressure and flows from various fields by maintaining adequate gas pressure and flows in Transmission system to meet the gas demands of consumers located at SNGPL distribution network. For this purpose 11 Nos. compressor stations are being operated by the Company by operating & maintaining 69 Nos. compressor packages installed with 226,200 Hp at these stations.

The department has indigenous facility for overhauling of Saturn and Centaur Gas Turbine Engines and Gas

Compressors of M/s Solar's Turbines. The department has also latest testing facility of the same standard and specifications as that one installed in testing facility of M/s Solar, USA for testing and evaluation of performance of these engines after overhauling.

Compression Department is also working on its five years plan (2016-21) for zero overhauling of turbine engines having completed more than 100,000 hours during current year, as per M/s Solar's standards, to increase the life and fuel efficiency of these engines.

During the last fiscal year, 3 Nos. Centaur Gas Turbine Engines, 2 Nos. Saturn Gas Turbines were overhauled while 2 Nos. Centaur Gas Turbine Engines were refurbished in overhauling facility at Multan and installed in field after testing mechanical integrity and performance of these engines in the test cell. Compression department is also self-reliant for field overhauling of centrifugal compressors used for gas pressure boosting. Typically, these compressors are overhauled after 50,000 – 60,000 operating hours. During last fiscal year, 04 Nos. centrifugal compressors of model C-304 were field-overhauled, while overhauling of 10 Nos. compressors is planned in current fiscal year. Under this plan In addition to overhauling of aforesaid engines, various obsolete systems of 11 Nos. compressor packages have been refurbished by replacing the control systems, start system, fuel system, lube oil and seal oil system, vibration system, F&G system for efficient and reliable operation of these compressor packages.

Machine shop facility of overhauling workshop has also been modernized and upgraded by adding new Balancing machine. Compression Department has also in-house facility for operating and maintaining the various allied equipments installed at Compressor Stations such as Heat exchangers, power plants and cooling towers to cool high temperature gas after its compression at compressor station.

Compression department has recently successfully completed and commissioned the Infrastructure development project to receive LNG and indigenous gas supplies of 1200 MMSCFD in transmission system within target schedule. The project encompass augmentation of compression system at three compressor stations i.e. AC-1X, AC-4 & AC-6 by adding and relocating 35,000 horsepower at these locations along with complete infrastructure development at these stations including augmentation of allied systems / facilities.

Compression Department has the distinction of acquiring the status of ISO 9001:2015 certification from M/s. DAS International (The international Certifying Body), in order to upgrade the processes and activities for the achievements of the set goals. In this respect, compression department has formulated a Quality Policy ensuring the laid down Objectives & Targets in line with international codes & standards, ISO-9001:2015 and ISO-14001:2004 & OHSAS 18001:2007. The departmental core objective entails smooth operation of Compression system, ensure equipment availability, its reliability by adopting preventive & predictive maintenance plans, monitoring & evaluation of performance of the overall system.

Corrosion Control

Your Company protects the underground precious steel pipeline network from corrosion by applying Cathodic Protection (CP) technique through 1,700 CP Stations for MS Network being monitored through 29,184 and 6,245 test points in Distribution and Transmission Departments respectively.

During the fiscal year 2017-18, 105 new CP Stations were added to the system while 132 exhausted ground beds of existing CP System were replaced. Integrity Assessment of Transmission Lines through ECDA methodology was carried out as per NACE Standards. Corrosion Control Department has also been able to successfully scan 25,952 Kms of gas network and detect and identify 30,043 Nos. of underground leaks by using laser based detection equipment during the year against KMIs set by OGRA for UFG Reduction. Coat & Wrap works on Transmission Lines have also been carried out by Corrosion Control Department by recoating of 11.91 Kms of Transmission Lines during fiscal year 2017-18 in all Transmission Sections. 1,113 M. Ton & 324 M. Ton Carbonaceous backfill material has been prepared for Deep Well Groundbeds & Horizontal Groundbeds respectively, along with packing of 28,750 bags of said material. 80 Nos. Air Cooled T/R Units were fabricated at Corrosion Control Centre and Material Testing of 164 Nos. samples was performed at Material Testing Laboratory of Corrosion Control Centre. Pipeline Integrity Management Program is being implemented on Transmission Pipeline Network after data gathering as per requirements of ASME B31.8S. As part of Research & Development, we have developed GSM Based Remote Monitoring Unit for data transmission of CP Stations and 287 Nos. Remote Monitoring Units (GSM Based) were installed

at CP Stations throughout the network. The data management software of the same has been developed in coordination with IT/MIS Department and further customization is in progress. The system will improve the efficiency and resources will be utilized for further improvement of system.

Metering

Meters and Electronic Volume Correctors (EVCs) are not only cash registers of the Company but also play a vital role in detection of pilferage of gas to curb UFG losses of the Company. The revenue generation of the Company through billing depends upon accurate working of these sensitive gadgets. Metering Department is putting all out efforts for accurate measurement of gas volume through specialized nature of activities such as calibration of meters & EVCs, configuration of measurement parameters in EVCs, saving revenue by repairing/maintenance of meters & EVCs, critical inspection of meters for any signs of tampering and flow proving in accordance with international practices.

During year under review, Meter Shops which are already certified to Quality Management System (QMS) ISO 9001:2015 have been audited by third party M/S URS Islamabad to check implementation status of QMS and found in line with International Standards.

Moreover, Accreditation of Meter Shops for Testing and Inspection based on ISO 17025; 2005 and ISO 17020:2012 through Pakistan National Accreditation Council (PNAC) is under process. Process of accreditation is divided in three phases as mentioned below:

- Gap Analysis and System Development
- Trainings and Internal Audit
- Application submission to PNAC for pre-assessment and final audit.

In fiscal year 2017-18, first two phases have been successfully completed whereas the application for 3rd phase have been submitted to PNAC Meter Shops are also complying with Organization's Health, Safety and Environmental Management Systems and have certifications of OHSAS 18001:2007 & ISO 14001:2004 respectively.

Induction of following devices/equipment has been carried during Fiscal Year 2017-18:

- Installation of NRVs (Non Return Valves) in the commercial meters which will further improve the working of meters by blocking the back flow of gas and in turn reduce the pilferage of gas in case of reverse installation of meters by consumers. During year under review, NRV has been designed by Metering Department for AL-425 & ACT-400 and installation of NRV has been successfully started on these gas meters.
- Pneumatic Press for Fixing of Stuffing Box Assembly has been installed for domestic gas meters at Central Meter Shop, Lahore to fix the Stuffing Box Assembly to avoid occurrence of leakage from counter.
- Hydraulic Engine Hoist 1000 Kgs & Hydraulic Stacker 1500 Kgs X 1.6M has been procured and are being successfully used at Central Meter Shop for safe & secure handling of heavy meters.
- Automatic screw tightening machine has been procured and installed for proper & uniform tightening of screws of G-1.6 gas meters in order to save time and to control human errors.

- Salt Spray Machine has been procured and is being used for checking of different meter parts to determine its resistance against corrosion.

Moreover, following steps have been taken by Metering Department for optimum utilization of limited resources at Domestic Meter Inspection Shops;

- Increased the progress of Meter Inspection Reports (MIRs) generation to clear the backlog. Almost 669991 Nos. of Domestic MIRs generated in Fiscal Year 2017-18 which are 15% greater than in last fiscal year which were almost 580884 Nos. of Meter Inspection Reports dispatched.
- Training of executives & staff was conducted on urgent basis at all Domestic Meter Inspection shops and made it a part of regular practice.
- Meter Inspection Report remarks have been standardized and communicated to all Incharges of Domestic Meter Inspection Shops for implementation.
- SOPs of Meter Receiving/dispatch, flow proving, inspection, loading of scrap meters and air compressors handling have been prepared and communicated to all Incharges of Domestic Meter Inspection Shops for implementation.
- Visits of Domestic Meter Inspection Shops are being carried out on regular basis for monitoring and better control.
- To replenish the shortage of career term Engineers, contract Engineers have been hired at different Domestic Meter Inspection Shops to ensure smooth working and better control.

Trainings are being imparted on regular basis to executives and staff on measurement techniques and understanding of measurement gadgets at Sui Northern Gas Training Institute (SNGTI).

During the fiscal year 2017-18, 265,887 Nos. of refurbished Industrial, Commercial & Domestic meters, have been dispatched to Distribution Regions for replacement of suspected, defective & schedule meters replacement to reduce company's UFG losses. Moreover, 9,959 Nos. EVCs have also been repaired / configured and dispatched to regions along with meters. Time bound dispatch of Meter Inspection Reports (MIRs) is top priority of Metering Department. Around 700,000 Nos. Meter Inspection Reports of Commercial, Domestic and Industrial meters have been dispatched to Distribution regions. Booking of gas volume against measurement errors / tampering cases is carried out by Distribution Regions.

Customer Services

Customer satisfaction holds a core value in your Company's policies and decision making, which is amply reflected in our Vision and Mission. SNGPL has 16 Regional Offices, 34 Sub-regional Offices, 88 Customer Services Centers and 178 Complaint Centers, across Punjab, Khyber Pakhtunkhwa, Islamabad Capital Territory and Azad Jammu & Kashmir to receive and rectify the complaints of more than 6.296 million consumers. These offices operate on 24/7, 365 basis to handle emergencies. Besides these offices, SNGPL has made arrangements for centralized Call Center to receive complaints and to disseminate information related to services provided by the Company. The Call Center can be accessed through a Universal Access Number (UAN) 1199 from mobile and landline numbers within Company's franchised area. To improve satisfaction level of our valued customers, the Call Center has also been tasked to receive feedback from complainants.

The received complaints are routed to designated locations through a special Oracle based Customer Care & Billing (CC&B) software. The complete history and database of each customer is maintained in this software. The complaint rectification teams are equipped with proper tools, equipment and transport for prompt action as per standards laid down by OGRA. During the year 2017-18, 547,906 complaints were received, all of which were duly responded and rectified to the customers satisfaction.

Furthermore, the Hon'able Prime Minister of Pakistan launched Prime Minister's Delivery Unit (PMDU) / "Pakistan Citizen Portal" in November, 2018 with an aim to address problems of the people. Complaints received through this portal are immediately directed to the concerned department of the Company by a cell established at Head Office. Upon receipt of complaint, prompt action is taken by the relevant department as to give every possible relief as permissible while adhering to relevant laws /rules / regulations of the Company and response is forwarded to PMDU.

Billing

Billing department of your Company is taking every possible step to ensure the maximum recovery from disconnected defaulted consumers and has initiated recovery campaign invoking provisions of Gas (Theft Control and Recovery) Act-2016. Defaulted disconnected industrial consumers against whom recovery suits are pending /decreed were forwarded to Securities and Exchange Commission of Pakistan (SECP) for the provision of relevant documents like companies/partnership details to which positive response has been received from SECP.

Accordingly details of defaulted disconnected industrial consumers alongwith particulars provided by SECP were forwarded to Deputy Commissioner Revenue for the provision of admissible copies of title/ownership documents of properties owned by the proprietors of defaulter consumers of the Company.

It is anticipated that your Company will be in a better position to trace and auction the properties of the judgment debtors/defaulters. Billing Manual has also been revamped through revision of policies and procedures owing to introduction of automation of business process like Customer Care & Billing (CC&B), Electronic Volume Corrector (EVC), Enterprise Resource Planning (ERP) module. Special emphasis has been given to RLNG billing and recovery mechanism to ensure that supply chain remains intact due to stringent timelines regarding payments towards different stakeholders.

Your Company is committed for provision of timely gas bills to our valued consumers ensuring transparency through printing of meter counter snaps on monthly gas bills. All out efforts are being made for clearance of non-billing cases and resolution of provisional billing cases for error-free billing. Special focus has been given to quality of reporting regarding anomalies and discrepancies noted at site so that timely action can be initiated for their rectification to achieve company's primary objective of UFG reduction.

Information Technology

Your Company is progressing rapidly to become the most IT enabled company of the country, which would lead towards increased customer satisfaction, enhanced process efficiency, transparency, and visibility. We have been striving to bring process automation and improvements through innovative techniques like Business Intelligence, analytics and state-of-the-art Information Systems, which forms the cornerstone of the Company's vision and mission.

Oracle Utilities Customer Care and Billing (CC&B) system is now significantly entrenched and intensively used by all the departments for their business processes. To meet the operational requirement of Key measurement indicators (KMIs), industrial and commercial vigilance functionality has been implemented in CC&B.

Moreover, Above Ground Leakage Identification and Rectification (AGLIR) functionality has also been improved in CC&B system to mitigate the gap in identification and rectification of AGLIR cases. In addition to the duplicate bill and complaints facility on SNGPL Website, IT/MIS has also made available an android application on Google Playstore for its consumers to view the bill, file and track the complaints.

Enterprise Resource Planning (ERP) modules have been implemented and rolled out in all regional offices as well as project locations. Significant improvements have been achieved by implementation of e-MR and e-MRV functionality in the ERP system. Moreover, Oracle Enterprise Assets Management module (eAM) has been implemented for vehicles managed by Admin Department.

IT/MIS department has also enhanced information security management in accordance with ISO 27003-(ISMS) and introduced specific measures to secure the business critical data through tools like IBM Qradar, Gaurdium, Fortinet Firewalls, Cisco e-mail security, Kaspersky Antivirus protection, etc. Moreover, Logging and Auditing functionality has also been enhanced to track and co-relate business transactions with users.

Telecommunication

During the year under review, Telecom Department ensured continuous operation of your Company's Microwave network without any downtime in all of its services. Telecommunications Department also installed Microwave Backbone link between SNGPL I-9 Office and Petroleum House Islamabad to provide Video & SCADA connectivity at DG Gas Office and SCADA connectivity at Ministry of Energy. Data link was also installed between SNGPL Regional office Peshawar and K.P.K Ministry of Power and Energy to provide SCADA facility. SNGPL and SSGC exchanges were connected to allow DMC connectivity.

SCADA Host Replacement project is in progress. Department has achieved the milestone of finalization of Functional Design Specification. Also as part of pre-FAT, testing of GPRS based SCADA Communication has been successfully executed for future expansion of SCADA outstations.

Telecom department has expanded its Router Network to provide IT services to Sargodha, Gujrat, Abbottabad, Sialkot, Rawalpindi, Sahiwal and Bahawalpur Distribution Regions.

Real-time SCADA & Voice Communication at RLNG based new GPPs is of critical importance for round the clock monitoring & communication with Gas Control

Center. For this purpose fully licensed Microwave Radio Links have been procured to enhance reliability of both services at GPPs.

In compliance with Company`s Policy for Energy Conservation, Telecom department has installed hybrid Solar Power System at 10 nos. Repeater Stations thereby adding a total of 50 Kilo-Watts to cater Building load through Solar Power which resulted in significant Revenue cost saving.

Civil Construction Department

In present era of overwhelming innovations in construction techniques and concepts, Civil Construction Department is persistently endeavouring for upraising the infrastructure of buildings being used by your Company. Major Projects completed in Fiscal year 2017-18 include Face Lifting of Lahore Area Office, Construction of Bachelor Hostel at Multan, Two Store sheds at Coating plant, Uch Sharif, Cooling Tower at BC-1, Manawala and Store Shed at Regional Office Gujranwala. Whereas Construction of Bill Printing Setup at Manga, Construction of Store sheds at Central Base Store Manga, Installation of Electrical Poles and CCTV Cameras at CBS Manga, Double storey Office Building at Distribution Office Multan and Upgradation of Regional Meter Shop at distribution Office Faisalabad are in process.

The major construction projects planned to be executed during Fiscal Year 2018-19 are Regional Distribution Office at Sahiwal, Distribution Office at Mirpur, Extension of Bachelor Hostel at Transmission Office Faisalabad, Construction of Store Sheds at Central Base Store Manga, Supply and Installation of CCTV Cameras at Central Base Store Manga and Construction of office Building Gujranwala.

Health Safety Environment Infrastructure

Health, Safety and Environmental Policy is systematically applied and best industry practices are adopted within all operations. We have developed an Integrated HSE Management System (IMS) based upon ISO 14001:2004 and OHSAS 18001:2007 standards. SNGPL is the member of 'National Safety Council (NSC), a prestigious non-profit organization based in USA working dedicatedly on workplace safety.

SNGPL HSE Management System is based on the continual improvement process of the Plan – Do – Check – Act (PDCA) cycle utilized by the international certification standards. Maintaining outstanding HSE Performance is a core value of SNGPL.

In order to monitor the compliance of ISO 14001 / OHSAS 18001 Standards, Surveillance audit was conducted by M/s United Registrar of Systems (URS) from20th to 21st April, 24th to 28th April, 2017 and 21st to 24th Nov, 2017.

Following Company sites were audited:

1) Gujranwala Distribution
2) Faislabad Compression
3) Faisalabad Transmission
4) Abbottabad Distribution
5) Corrosion Control Center
6) Manga Workshop
7) Manga Store

Successful conduction of these audits demonstrate the effectiveness of HSE Management System. Management commitment towards HSE was highly appreciated by the Auditors. It is pertinent to mention that these sites have been prepared on ISO 14001:2004 & OHSAS 18001:2007 Standards by in house resources & without the engagement of Consultant.

HSE Department aims at enhancing technical skills, as well as a culture of team work and peer support within the staffing force. HSE Engineers at site implement the Training on HSE Procedures and Guidelines. Following different HSE Modules have been developed for the Training of Staff across the Company:

- Operations and Maintenance Manual of HSE
- HSE Awareness
- Fire Fighting / Fire Protection
- First Aid and OH related topics
- Incident / Accident Reporting
- Emergency Response Procedure
- Defensive Driving
- Achieving Zero Accident Goal Through Proactive Safety

With a view to conserve Natural Gas, your Company is executing various projects for energy conservation ranging from impacting awareness to school going children to introducing devices which conserve gas.

SNGPL is offering Solar Water Heater device to its valuable consumers at no profit basis with easy payments of up to 24 installments. Solar Water heater is an alternate of conventional geyser which provides the hot water during the whole day. Total 500 units have been installed at different locations of Lahore, Faisalabad, Islamabad, Rawalpindi, Peshawar, Mansehra, Wah Cant, Fateh Jang, Jhang, Abbottabad, Bahawalpur, Multan, Sahiwal, Okara, Sargodha and DG Khan in FY 2017-18 at a cost of Rs 18.36 Million.

SNGPL is offering Geyser Timer Device to convert conventional Geyser temperature based thermostat into time base for its valuable consumers at no profit basis with easy payments of upto 12 installments. It can save 20% to 30% of gas consumption resulting in lesser gas bills.

SNGPL is conducting Energy Efficiency Audits of National Gas Boilers (Industrial Consumers) and also for Captive Power, as advised by the Ministry of Energy (Petroleum Division). Industries found below bench mark were served notices as per guidelines of Ministry of Energy (Petroleum Division) for improving their energy efficiency.

A comprehensive Training session has also been arranged at SNGTI for HSE Executives. It is pertinent to mention that HSE Engineers are International Members of American Society of Safety Professional (ASSP). In this regard, HSE Engineers participated in Safety Professional Development Conference (PDC) held on 28-07-2017 under the flag of ASSP- Pakistan Chapter in Serena Hotel, Islamabad. Sui Northern Gas Pipelines Company Limited was one of the major organizers and sponsors of this event. SNGPL collaborates with ASSP (Pakistan Chapter) to promote Occupational Health and Safety (OHS) globally through education and advocacy.

Sui Northern Gas Pipelines Limited has conducted World Day for Occupational Health and Safety at Work 2017 at its Corporate Head office and across the Company, in collaboration with American Society of Safety Professionals (ASSP) and Department of Chemical Engineering, University of Engineering and Technology, Lahore as well as “World Environment Day” with the slogan “Beat Plastic Pollution”. The activities include Tree Plantation, documentary film on environment, speech competition and environmental quiz, organizing a stall by displaying the pamphlets and distributing literature among employees. Besides the said activities, an art and craft competition / exhibition was also arranged across Company, in which the employees and their families participated by bringing posters and models on the concept of Environment Conservation with focus on Reuse and Recycling of domestic waste items. The winners were awarded with souvenirs / prizes and were motivated by the Management.

We believe that “Healthy Work Force is Productive Work Force”. HSE initiative of Medical Camps for all personnel regardless of their nature of job and type of engagement with the Company is a very effective event to promote Health Care awareness, on spot health screening of employees and also provides an excellent opportunity for providing information about general HSE initiative.

Due to Management sets targets for effective implementation of Health, Safety and Environmental System the number of Lost Work Day Injuries and Fatalities has reduced during the past few years in comparison to the years before this.

HSE week was celebrated across the Company from February 26 to March 02, 2018.

Meeting of all HSE Engineers was arranged at SNGTI for the detailed presentation for the activities planned for HSE Week and to discuss the methodology.

HSE week activities have been planned in such a way that more number of employees can be engaged. In order to boost up the morale of the employees, HSE Song was made by HSE Department in coordination Media Affairs and was played round the week. Passion and interest of employees observed high and admirable in different HSE activities. Almost 4000 employees participated in different competition during HSE week. On the other hand, large number of staff and executives took part in community service and training.

Trackers/Data Loggers have been installed in 215 Nos. of Company's vehicles. Driver Safety Report is generated each month and actions are taken against violators. Safety Booklets, Learning Events, First Aid Booklet have been written (both in English and Urdu) and circulated across the company to raise awareness regarding safety. New posters on Environment, Energy Conservation and Safety are added for display across the Company.

All company vehicles/generators and equipment's are physically inspected on a monthly basis and are issued Vehicle Fitness Certificates for that month. Those not passing this inspection are stopped from operating until they become fit to operate. To create awareness regarding Defensive Driving, safety posters both in English and Urdu are displayed Company wide.

Your Company is committed to preserve the environment by making compliance to all applicable laws and codes and for this purpose procedure for environmental monitoring is part of Integrated Management System Manual.

Corporate Social Responsibility

Your Company has a CSR policy based on International best practices.

SNGPL believes in

- Business that should be both profitable and beneficial to the society
- Improving the quality of life of the communities especially those who are under privileged.
- Ensuring harmonious relations with our stakeholders, by working in partnership with the community, the Government and NGOs through the principles of Sustainable Development.

CSR Cells have been established at sites for the implementation of CSR Projects. Various CSR Projects completed in FY 2017-18 are enlisted as below.

A) Education

i) Sponsorship of Gold Medals at Ghulam Ishaque Khan Institute, Topi at the cost of 100,000/-, 2 Gold Medals at NFC Multan with cost of Rs. 140,000/-

ii) Sponsorship of Chair on Gas Engineering funded annually against Rs 3.32 Million for each University, to promote research work on issues related to SNGPL especially energy conservation.

iii) Gas Engineering Chairs are established at following Universities:

- Department of Chemical Engineering, University of Engineering and Technology, Lahore.
- Institute of Chemical Engineering and Technology, University of the Punjab, Lahore.
- Department of Mechanical Engineering, University of Engineering & Technology, Peshawar.

The research work carried out is published in reputed journal. Laboratories are established at each university by the funds provided by SNGPL. This initiative helps student to carry out advanced level course work related to Gas engineering

B) Provision of Drinking Water

SNGPL has made arrangements for potable drinking water for the community by the installation of 06 number of RO plants at different areas, at the cost of Rs 3.5 Million. The number of beneficiaries estimated to be around 20,000.

SNGPL has also installed 13 Nos. of Reverse Osmosis Plants/ Water Filtration Plant at all its Regional Offices with the provision of supplying safe drinking water to communities.

C) Partnership with WFF-Pakistan

SNGPL supports two programs of WWF for conservation of energy.

i) Agro waste Project for Community.

   Your Company is partnering with WWF Pakistan regarding the Agro waste Project at a cost of Rs. 4.9 Million.

ii) ECO Internship Program at SNGPL:

   Youth with age group of 12-22 are focused through this program. WWF engages these children through their educational institutions for promoting awareness regarding environmental issues and motivating them to become active players for conservation of environment. Since 2013 around 10,000 students have benefited from this program.

D) Health

SNGPL contribution on health sector is also increasing as it supports blood donation campaign of Fatimid Foundation and Sundas Foundation. SNGPL has motivated its employees for this noble cause and has arranged camps at Central metre shop, Gujranwala, Gujrat, Sahiwal, Faisalabad, Head Office Lahore, Regional Office Lahore, at its offices with a considerable donor group among the employees.

E) Community Service

HSE Department of SNGPL arranged a joint activity of Smoke emission testing in coordination with National Highways & Motorway Police at Toll Plaza, Motorway Islamabad; to check Smoke emissions quality from General/Public/Commercial vehicles.
To show its commitment towards implementing HSE Policy across the Company, Management Review Meeting headed by Managing Director is conducted bi-annually for periodic review and evaluation of HSE management system.

It is pertinent to mention that SNGPL has been registered with United Nations Global Compact (UNGC) for its Principles based on Human Rights, Labor, Environment and Anti Corruption. SNGPL has submitted the first report on GC Active level and the report is available internationally on the website of UNGC.

Contribution to National Exchequer

The Company made a healthy contribution to the National Exchequer during the FY 2017-18. An amount of Rs.70.710 billion was paid in the form of taxes and duties. The Company also paid an amount of Rs.1.507 billion on account of dividend.

Human Resource Development

Sui Northern Gas Training Institute (SNGTI) professional training workforce in the FY 2017-18 SNGTI conducted 378 training courses relevant to the organizational working, culture and Training needs of the employees in above mentioned categories and trained 5200 organizational employees. The mosaic of training

modules included not only Class room lectures but also Technical workshops, Hands on Trainings, Case studies, Assignments, Presentations, Interviews, Trade tests, Theoretical and Practical examinations. Practical Trainings on drilling machines and welding machines are also arranged.

Industrial Relations

Industrial relations involve attempts at arriving at solutions between the conflicting objectives and values; between the profit motive & social gain and between authority & industrial democracy. The Management always strives to maintain cordial relationship with CBA to ensure industrial peace and harmony in the organization. Industrial relations being one of the most delicate and complex matter is always dealt with on priority by anticipating and removing potential causes of dispute to attain smooth & efficient Company operations. All matters pertaining to employees are settled amicably through bilateral negotiations. Recently the CBA has submitted Charter of demands for the period 2017-19, financial impact is being calculated and negotiations will be initiated as soon as report of actuary is received.

Employment of Special Persons

SNGPL, being a socially responsible Company and in compliance to legal obligations, has always given due consideration to engage special persons to help them earn their livelihood and contribute to the country's economy. As spelled out in law of land, a 2% quota of present establishment of Company has been reserved for special persons. The Board and the Management is determined to fill in the presently vacant positions in this category.

Business Ethics and Anti Corruption Measures

The Company is endeavouring to safeguard the financial interests of all the stakeholders by enforcing a culture of high discipline where the employees are required to contribute in achieving organizational goals. A well defined disciplinary framework fully abreast with the law of land is in place and has been pivotal in corruption control and the Management's endeavour to take the Company to high standards through improved conduct, fairness, transparency and professionalism. With each passing year, the Company has turned to reform options to eradicate corruption in any sphere of operational areas, mitigating its effects and achieving high integrity standards. The Company took stern action against all those who reportedly were involved in corrupt practices, setting an example for others. Unacceptable behaviours are changed through this process and progress is continuously monitored.

Internal Control System

Your Company has a sound system of internal control. The internal control processes are designed to safeguard the Company's assets and to appropriately address and/or mitigate risks faced by the Company. The scope of Internal Audit has been approved by the Audit Committee of Board of Directors, which includes independent assessment and evaluation of the effectiveness and efficiency of operations, the reliability of reporting, safeguarding assets of the Company and compliance with laws and regulations. Company maintains a clear organizational structure with Head of Internal Audit functionally reporting directly to the Audit Committee of the Board. The role of Internal Audit also corresponds to the functions described for the internal audit under the Companies Act, 2017, Public Sector

Companies (Corporate Governance) Rules, 2013 and Listed Companies (Corporate Governance) Regulations, 2017 as well as best practices envisaged by Institute of Internal Auditors.

Changes in the Board

During the year Mr. Shoaib Mir and Mr. Arif Ahmed Khan were appointed as Directors in place of Mr. Naveed Kamran Baloch and Mr. Shahid Mahmood respectively. The Board of Directors would like to place on record their appreciation and gratitude to the outgoing Members of the Board for their hard work, guidance and support during their tenure as Directors of the Company.

Composition of the Board

During the year under review Mr. Muhammad Saeed Mehdi, Mr. Amjad Latif, Mr. Ahmad Aqeel, Mr. Shahid Mahmood, Mirza Mahmood Ahmad, Mr. Manzoor Ahmed, Mian Misbah-ur-Rehman, Mr. Mohammad Aamir Qawi, Mr. Mohammad Jalal Sikandar Sultan, Mr. Mohammad Jehanzab Khan, Qazi Mohammad Saleem Siddiqui, Mr. Mustafa Ahmad Khan, Mr. Sajjad Hussain, Mr. Shoaib Mir, Mr. Naveed Kamran Baloch, Mr. Arif Ahmad Khan remained on the Board of the Company. At present the Board consists of Syed Dilawar Abbas-Chairman, Mr. Mahmood Zia Ahmad- Managing Director, Mr. ShefAfgan Khan, Mr. Mohammad Younus Dagha, Mr. Ahmad Aqeel, MirzaMahmood Ahmad, Mr. Manzoor Ahmed, MianMisbah-ur-Rehman, Qazi Mohammad SaleemSiddiqui, Mr. Mustafa Ahmad Khan, Ms. Roohi Raees Khan and Mr. Himayat Ullah Khan.

Performance Evaluation of Board, Managing Director/CEO and Senior Management

In accordance with the requirements laid down in Rule 8 (2) of the Public Sector Companies (Corporate Governance) Rules, 2013 and the Listed Companies (Code of Corporate Governance) Regulations, 2017, the evaluation of performance of the Board and its Committees was carried out under self-evaluation mode through third party i.e. Pakistan Institute of Corporate Governance (PICG), an accredited institution by Securities & Commission of Pakistan (SECP) whereby an online questionnaire is disseminated amongst the Board members for the assessment of their performance. The evaluation exercise is undertaken on annual basis to enhance effectiveness and better understanding of the roles and responsibilities of the Board.

Directors‘ Remuneration

The Board of Directors has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and Regulations. The directors' fees are paid to the non-executive directors in accordance with the Articles of Association of the Company for attending Board and Committee meetings.

Post Balance Sheet Events

The Directors have not received as at April 20, 2019 being the date on which these financial statements were approved, any information concerning significant conditions in existence at the balance sheet date otherwise than those disclosed in the financial statements, which effects the financial statements as presented.

Corporate Governance

The Board of Directors has complied with the relevant principles of corporate governance, and has identified the rules if any that have not been complied with along with the reasons for such non-compliance are mentioned separately in the Statement of Compliance of this report.

Statement on Corporate and Financial Reporting Framework

The Board of Directors hereby declares that for the year ended June 30, 2018:

a. The financial statements, together with the notes thereon have been drawn up in conformity with the Fourth Schedule of the Companies Act, 2017. These statements present fairly the Company's state of affairs, result of its operations, cash flows and changes in equity;

b. Proper Books of Accounts of the Company have been maintained;

c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures there from has been adequately disclosed and explained;

e. The system of internal control is sound in design and has been effectively implemented and monitored;

f. The appointment of Chairman and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Company as well as in line with the best practices;

g. There are no significant doubts upon the Company's ability to continue as a going concern. The Board of Directors has satisfied itself that the Company has adequate resources to continue its operations in the foreseeable future. The Company's Financial Statements have accordingly been prepared on a 'going concern' basis;

h. Significant deviations from last year's operating results have been disclosed as deemed appropriate in this Chairman's Review & Directors' Report and in the notes to the accounts, annexed to this report;

i. Key operating and financial data of the last six years in summarized form is a part of this Annual Report;

j. All statutory payments on account of taxes, duties, levies and charges in the normal course of business, payable as on June 30, 2018, have been cleared subsequent to the year end;

k. Value of investment in employee's retirement funds based on audited accounts of the funds for the year ended June 30, 2018 is as follows:

	(Rupees in thousand)
SN Senior Staff Pension Fund.	2,667,651
SN Junior Staff Pension Fund.	17,712,654
SN Executive Staff Gratuity Fund.	167,960
SN Non Executive Staff Gratuity Fund.	4,441,762
SNGPL Trustees Provident Fund.	12,443,168
SNGPL Superannuation Free Gas Executives Fund.	83,205
SNGPL Superannuation Free Gas Subordinates Fund.	4,053,316
SNGPL Superannuation Compensated Absences Executives Fund.	635,837
SNGPL Superannuation Compensated Absences Subordinates Fund.	1,249,040
SNGPL Superannuation Medical Executives Fund	4,471,306
SNGPL Superannuation Medical Subordinates Fund.	8,892,445
SN Employees Accidental Death Endowment Fund	10,965
Total	**56,829,309**

l. The number of Board of Directors and Committees meetings held during the year and attendance by each disclosed in Corporate Governance section of this report;

m. The name of directors on the Board and its committees as well disclosures as to number of male and female directors, executive, non-executive & independent directors have been made in Statement of Compliance of this report;

n. The Company is fully compliant with the Code of Corporate Governance and Public Sector Companies (Corporate Governance) Rules, 2013 regarding Directors Training Program.

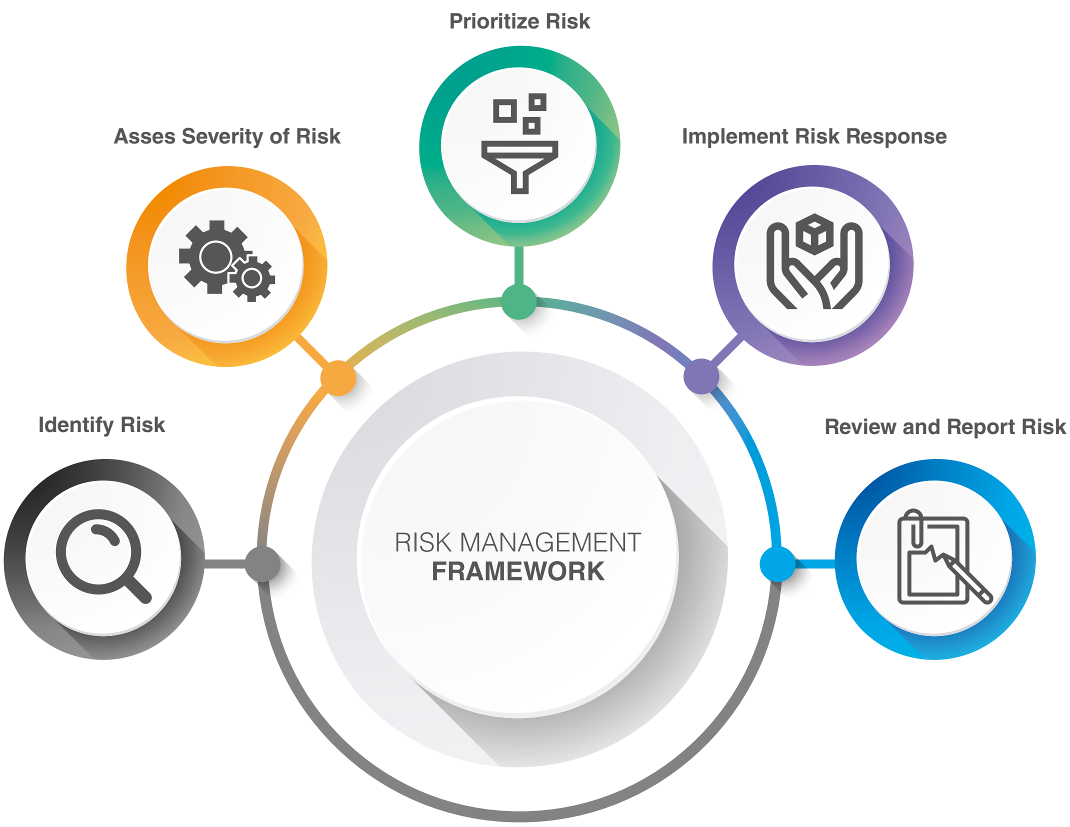
o. The pattern and categories of shareholding as at June 30, 2018 has been given in a separate section of this Annual Report;

p. There was no default or likelihood of default in respect of any loan / debt instruments;

q. No trading of shares by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, their spouses and minor children has been carried out, other than the transactions disclosed as per statute. The number of shares, if any, held by them have been disclosed in categories of shareholders of this report.

Auditors

M/s. A.F. Ferguson & Co., Chartered Accountants were appointed as External Auditors of the Company for conducting audit for Financial Year 2017-18 in the Annual General Meeting held on December 20, 2017. However, they have not expressed their willingness / consent to act as the Auditors of the Company for financial year 2018-19. Three consents from M/s EY Ford Rhodes, M/s KPMG Taseer Hadi & Co and M/s Riaz Ahmad & Co were received. The Board proposes the appointment of M/s EY Ford Rhodes as auditors for the financial year 2018-19 on the recommendation of the Audit Committee.



Risk Management

Sui Northern Gas Pipelines Limited is facing number of challenges including but not limited to unaccounted for gas (UFG), customer services and liquidity issues and financial challenges in terms of rationalization of consumer gas prices which directly impacts reputation of the Company.

The Management under the guidance of the Board of Directors is determined to effectively combat these challenges through intensive planning, timely decision making and extensive media campaigns.

A separate department of Risk Management under the direct supervision of Risk Management Committee of the Board of Directors is working full time on the assessment of principal risks and monitor progress of the mitigation strategies deployed to proactively manage any possible adverse effect on the organization as a result of ever changing environment.

The Risk Management Framework focuses on policies, procedures and practices that support SNGPL in decision making and achieving business objectives while considering all relevant risks. To that end, Risk Management Department uses operating structure of SNGPL to develop a best practice that:

- **Identify Risk:** Identifies new and emerging risks so that management can deploy risk responses in a timely manner.
- **Assess severity of Risk:** Assesses the severity of risk, with an understanding of how the risk may change depending on the level of the entity.
- **Prioritize Risk:** Prioritizes risks, allowing management to optimize the allocation of resources in response to those risks.
- **Implement Risk Responses:** Identifies and selects responses to risk.
- **Review and Report:** Continuously monitors and review the risks and provide periodic reports at different levels within SNGPL.

Risks are identified from across the organization and are ranked based on their impact and probability. They are broadly categorized between Strategic, Commercial/ Operational, Compliance, Reputational and Financial risks. Upon identification of risk, a strategy is devised to mitigate its impact which is regularly monitored by the senior management. The intent is to manage & mitigate risks in a structured and formalized manner.

Share Watch

The Company's share opened at Rs 147.80 on July 03, 2017 and closed at Rs. 100.22 on June 29, 2018. During the period under review, the highest price of the share was Rs. 169.95 and the lowest was Rs. 81.08. The market capitalization as on June 30, 2018 was Rs. 77,695 million.

Business Development

The Company is engaged in various pipeline construction projects of national and multinational companies. SNGPL is undertaking pipeline engineering and construction jobs of MOL Pakistan's flow line / trunk lines and Fiber Optic Cable in District Kohat / Hangu for different gas fields of MOL Pakistan like Maramzai, Manzalai, Mamikhel, Makori Deep-1, Tolanj West and Makori for the last fifteen years. MOL Pakistan has played a very vital role in strengthening the gas input supplies. MOL Pakistan is presently working on Mardankhel-3 well and has awarded the project of pipeline laying from/to the well to SNGPL which is under progress. The completion of Mardankhel-3 project will inject additional 15-20 MMCFD gas into SNGPL's System that would be quite instrumental in reducing the energy deficiency in the country. Lately, SNGPL has also completed MOL Pakistan's pipeline construction jobs of 6"dia x 6 Km & 12"/10"dia x 22 KM pipelines for Mardankhel-2 & Mardankhel-1 wells respectively, which has resulted in injection of additional 40-50 MMCFD gas into SNGPL's system.

Future Outlook

Your Company is taking number of steps to improve supply of gas to the consumers by taking appropriate steps as under:-

- Concerted efforts to bring down the UFG at an acceptable level by specifically targeting areas of high UFG both technically and functionally.
- Expedite augmentation of transmission network required to transport additional 1.2 BCFD imported gases in the network. This would enhance your Company's asset base yielding direct impact on return on assets / profitability of the Company.
- Actively pursue other avenues of profitability including pipeline engineering and construction work for E&P companies. Management of your Company is confident that with the action plan brief of which is set out above, your Company will be able to show promising results in the future.

Acknowledgements

We wish to offer the members of the Board our profound gratitude for their hard work and precious time which contributed towards successful operations of your Company.

Your Directors wish to place on record their appreciation for the continued support and patronage received from shareholders and its valued consumers. We wish to acknowledge the dedication and commitment of all the employees who contributed valuable services, to sustain all operations of the Company.

We also place on record our acknowledgement for the continued guidance and support received from the Government of Pakistan, Ministry of Energy (Petroleum Division) and Oil & Gas Regulatory Authority (OGRA).

On behalf of the Board

(MAHMOOD ZIA AHMAD)
Managing Director/CEO

(Syed Dilawar Abbas)
Chairman

Lahore.
April 20, 2019

MILESTONES

1964 1969

PROJECT I

Extension of Sui-Multan section to Faisalabad and Lahore and then linked with Dhulian-Rawalpindi-Wah system to form a common grid.

1970 1971

PROJECT II

Increased system capacity from 170 MMCFD to 205 MMCFD.

1971 1973

PROJECT III

Supplies of gas further extended to major cities in the Khyber Pakhtunkhwa Province. System capacity increased to 277 MMCFD.

1974 1981

PROJECT IV

Erection of 2 X 100 MMCFD purification banks at Sui, installation of 34,700 HP compression stations. System capacity enhanced to 387 MMCFD.

1985 1991

PROJECT V

Increased system capacity to 450 MMCFD, constructed purification bank of 120 MMCFD capacity at Sui.

1989 1998

PROJECT VI

1200 KM pipeline laid and 53,370 HP additional compression stations installed. System capacity enhanced to 980 MMCFD.

2001 2003

PROJECT VII

560 KM pipeline laid and 25,000 HP additional compression stations installed. System capacity enhanced to 1380 MMCFD.

2003 2005

PROJECT VIII

803 KM transmission pipeline laid to increase system capacity upto 1680 MMCFD.

2005 | 2006

GAS SUPPLY TO LILLA TOWN

Completed a pilot project (Phase-I) for supply of gas to Lilla Town through CNG by establishing Mother-Daughter system.

2006 | 2007

GAS SUPPLY TO MURREE

COMPLETED A PROJECT FOR SUPPLY OF GAS TO MURREE.

GAS SUPPLY TO SOUTHERN DISTRICT OF PUNJAB & KHYBER PAKHTUNKHWA Gas supply to 21 Nos. Southern district of Punjab & Khyber Pakhtunkhwa Provinces.

2006 | 2013

PROJECT IX

Project undertaken for de-bottlenecking of pipeline system and to absorb additional gas from new and existing sources.

2012 | 2014

PROJECT X

(PHASE-I) TRANSMISSION LOOP LINE BETWEEN SAWAN-QADIRPUR SEGMENT (FROM VALVE ASSEMBLY SV4 TO SV5)

42"dia x 21.45 KM loop line i.e. between valve assembly SV4 (Rehmat Injection point) near Subhan pur to valve assembly SV5 near Lakhu Lanjari) was undertaken for augmentation of existing 24" dia Sawan – Qadirpur pipeline to transport future indigenous and imported gases.

2012 | 2015

INFRASTRUCTURE

DEVELOPMENT PROJECT (TO RECEIVE ADDITIONAL NORTHERN GASES)

24" dia X 145 KM long pipeline project between Kohat – Dakhni – Dhullian – Gali Jagir is being undertaken to pick up additional gas supplies of approved 160 MMCFD from Northern sources i.e. MOL Manzalai, Maramzai, Makori, Mamikhel fields etc.

2013 | 2015

PROJECT X (PHASE II)

42" dia X 111 KM long Sawan – Qadirpur loop line (CTP to valve assembly SV4 and valve assembly SV5 to Qadirpur) along with 10,000 HP compression project was undertaken to transport additional 400 MMCFD RLNG downstream Sawan.

2015 | 2017

PROJECT X

(PHASE III) 16" - 42" dia x 762 KM long Qadirpur – Lahore Pipeline along with installation of 25,000 HP Compression Project gas downstream Sawan up to Lahore.

2015 | 2017

PROJECT X

(PHASE IV) 30" / 24" dia x 149 KM long spurs was laid for supply of RLNG to Power Plants i.e. Bhikki, Balloki, Haveli Bahadur Shah and Nandipur.

2018 | 2019

GAS SUPPLY TO PUNJAB POWER PLANT

24" dia x 93 KM long pipeline is being late for supply of RLNG to Punjab Power Plant near Trimmu District Jhang.

PATTERN OF **SHAREHOLDING**

As at June 30, 2018

Name of Shareholders*	No. of Shareholders	Shareholdings		Total Shares Held
		From	To	
	3539	1	100	164,700
	4192	101	500	1,186,900
	4503	501	1000	3,418,909
	2872	1001	5000	6,914,875
	546	5001	10000	4,183,810
	160	10001	15000	2,011,315
	106	15001	20000	1,906,564
	61	20001	25000	1,417,776
	45	25001	30000	1,264,991
	29	30001	35000	962,320
	27	35001	40000	1,029,989
	15	40001	45000	641,887
	30	45001	50000	1,463,192
	9	50001	55000	468,662
	13	55001	60000	760,596
	10	60001	65000	636,495
	15	65001	70000	1,034,059
	7	70001	75000	509,344
	9	75001	80000	709,774
	3	80001	85000	252,500
	4	85001	90000	350,461
	6	90001	95000	560,500
	16	95001	100000	1,585,036
NOMAN ABID	1	100001	105000	102,000
	5	105001	110000	544,200
	4	110001	115000	456,323
	5	115001	120000	589,723
	3	120001	125000	375,000
	2	125001	130000	255,400
	2	130001	135000	262,731
	5	135001	140000	691,900
	2	140001	145000	287,300
	5	145001	150000	746,700
	2	150001	155000	304,900
	2	155001	160000	318,000
	6	160001	165000	985,100
	4	165001	170000	673,800
	2	170001	175000	349,900
	2	175001	180000	357,100
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	180001	185000	183,000
	3	185001	190000	569,600
	3	190001	195000	578,447
	6	195001	200000	1,195,391

Name of Shareholders*	No. of Shareholders	Shareholdings		Total Shares Held
		From	To	
IRFAN ALI	1	205001	210000	210,000
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	220001	225000	221,600
EMERGING MARKETS SMALL CAPITALIZATION EQUITY INDEX FUND	1	230001	235000	234,561
	2	235001	240000	474,400
	3	245001	250000	749,859
	2	250001	255000	506,000
	2	255001	260000	519,000
	2	260001	265000	526,000
	2	270001	275000	545,966
	2	275001	280000	558,000
	2	280001	285000	567,346
	2	285001	290000	574,200
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1	290001	295000	292,700
NIDA AHSAN	1	295001	300000	300,000
SAMBA BANK LIMITED - MT	1	305001	310000	307,100
IDBL (ICP UNIT)	1	320001	325000	321,147
	2	325001	330000	657,300
UPS GROUP TRUST	1	330001	335000	334,779
ARIF HABIB LIMITED - MF	1	340001	345000	343,000
	2	345001	350000	697,700
	2	365001	370000	733,578
	2	370001	375000	743,600
NUZHAT IRFAN	1	380001	385000	384,814
	2	385001	390000	773,600
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PVT.) LTD.	1	390001	395000	391,770
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	395001	400000	398,000
ROTOCAST ENGINEERING CO. (PVT) LTD	1	425001	430000	426,000
KAPITALFORENINGEN LAERERNES PENSION INVEST [1547-5]	1	430001	435000	434,000
EATON VANCE INTL IRLEND F.P-EATN V.INTL IRLND PRAMTRIC E.M.F	1	440001	445000	441,700
E VAN TR C CIT FOR EM BEN PLN EVTC PARA SE COR EQT FD	1	450001	455000	453,300
	2	455001	460000	915,200
EMERGING MKTS SML CAPITALIZATION EQTY INDEX NON-LENDABLE FD	1	460001	465000	464,818
	2	465001	470000	930,200
	2	470001	475000	943,493
MUNAF IBRAHIM	1	475001	480000	480,000
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	1	480001	485000	481,700
CITY OF NEW YORK GROUP TRUST	1	495001	500000	499,800
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	510001	515000	513,833
TRUSTEE - BANK ALFALAH LTD EMPLOYEES PROVIDENT FUND TRUST	1	515001	520000	517,000

Name of Shareholders*	No. of Shareholders	Shareholdings		Total Shares Held
		From	To	
Noman Abid & Company Limited	1	525001	530000	528,000
SANA NADEEM	1	540001	545000	542,000
	4	545001	550000	2,191,200
CDC-TRUSTEE HBL ISLAMIC STOCK FUND	1	555001	560000	559,400
TRUSTEES THE CRESCENT TEXTILE MILLS EMP PROVIDENT FUND TRUST	1	565001	570000	566,500
	3	570001	575000	1,718,520
	2	595001	600000	1,200,000
FLEXSHARES MORNINGSTAR EMERGING MARKETS FACTOR TILT INDEX FD	1	605001	610000	608,400
ADAMJEE LIFE ASSURANCE COMPANY LIMITED-ISF	1	610001	615000	614,600
SONERI BANK LIMITED - ORDINARY SHARES	1	700001	705000	705,000
CDC - TRUSTEE ABL STOCK FUND	1	735001	740000	737,000
	2	760001	765000	1,523,800
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	1	775001	780000	778,200
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	780001	785000	781,300
FAYSAL BANK LIMITED	1	785001	790000	790,000
SAQIB MAHMOOD (8SM)	1	790001	795000	790,700
	2	795001	800000	1,600,000
SPDR S&P EMERGING MARKETS SMALL CAP ETF	1	810001	815000	811,400
HABIB BANK AG ZURICH, DEIRA DUBAI	1	830001	835000	830,200
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	860001	865000	863,607
	2	895001	900000	1,798,800
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	900001	905000	900,200
VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	1	910001	915000	913,100
CDC - TRUSTEE LAKSON EQUITY FUND	1	915001	920000	916,467
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	930001	935000	934,100
	2	995001	1000000	2,000,000
CDC - TRUSTEE HBL ENERGY FUND	1	1000001	1005000	1,004,900
NAVEED ANWAR	1	1010001	1015000	1,014,500
	2	1080001	1085000	2,161,300
FAISAL JAWED	1	1095001	1100000	1,100,000
CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	1	1145001	1150000	1,146,200
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	1	1155001	1160000	1,158,000
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	1185001	1190000	1,186,449
CDC - TRUSTEE HBL - STOCK FUND	1	1210001	1215000	1,210,900
STATE STREET EME MKTS SM CAP ACT NON- LEND QIB COMM TRT FUND	1	1290001	1295000	1,292,600
CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	1	1330001	1335000	1,333,200
New York State Common Retirement Fund (770-3)	1	1365001	1370000	1,368,300
MCB ISLAMIC BANK LIMITED	1	1495001	1500000	1,500,000
SHAHBAZ YASIN MALIK	1	1600001	1605000	1,603,000
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	1635001	1640000	1,636,400

Name of Shareholders*	No. of Shareholders	Shareholdings		Total Shares Held
		From	To	
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1	1650001	1655000	1,653,700
PAK QATAR FAMILY TAKAFUL LIMITED	1	1720001	1725000	1,723,600
CDC - TRUSTEE MEEZAN ENERGY FUND	1	1740001	1745000	1,740,300
SHAHID MALIK	1	1780001	1785000	1,780,500
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	1980001	1985000	1,984,800
CDC - TRUSTEE NAFA STOCK FUND	1	2135001	2140000	2,137,700
CDC - TRUSTEE MEEZAN BALANCED FUND	1	2150001	2155000	2,151,000
CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	1	2165001	2170000	2,169,600
SUI SOUTHERN GAS COMPANY LIMITED	1	2410001	2415000	2,414,174
CDC - TRUSTEE PICIC INVESTMENT FUND	1	2485001	2490000	2,488,024
DAWOOD FOUNDATION	1	2545001	2550000	2,546,045
MEEZAN BANK LIMITED	1	2655001	2660000	2,656,300
SINDH BANK LIMITED	1	2725001	2730000	2,728,800
ISHARES CORE MSCI EMERGING MARKETS ETF	1	2895001	2900000	2,897,100
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	2935001	2940000	2,936,500
PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND	1	3030001	3035000	3,033,800
ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	1	3055001	3060000	3,055,500
ADAMJEE LIFE ASSURANCE COMPANY LIMITED	1	3170001	3175000	3,173,100
ARIF HABIB CORPORATION LIMITED	1	4010001	4015000	4,014,700
CDC - TRUSTEE NIT STATE ENTERPRISE FUND	1	4910001	4915000	4,913,067
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	1	5260001	5265000	5,263,183
ARIF HABIB	1	6420001	6425000	6,422,400
VANGUARD EMERGING MARKETS STOCK INDEX FUND	1	6555001	6560000	6,556,300
ADAMJEE INSURANCE COMPANY LIMITED	1	7645001	7650000	7,645,095
PAKISTAN REINSURANCE COMPANY LIMITED	1	8695001	8700000	8,698,203
CDC - TRUSTEE PICIC GROWTH FUND	1	9910001	9915000	9,911,246
STATE LIFE INSURANCE CORP. OF PAKISTAN	1	10725001	10730000	10,725,728
MCB BANK LIMITED - TREASURY	1	10730001	10735000	10,733,010
EMPLOYEES OLD AGE BENEFITS INSTITUTION	1	12660001	12665000	12,660,753
Trustee-MCB Employees Pension Fund	1	12790001	12795000	12,791,500
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	14280001	14285000	14,283,300
STATE LIFE INSURANCE CORPN. OF PAKISTAN	1	16755001	16760000	16,757,409
EFU LIFE ASSURANCE LTD	1	17240001	17245000	17,243,150
JUBILEE LIFE INSURANCE COMPANY LIMITED	1	19390001	19395000	19,393,800
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	20420001	20425000	20,424,526
SNGPL EMPLOYEES EMPOWERMENT TRUST	1	27395001	27400000	27,399,709
NATIONAL BANK OF PAKISTAN	1	27965001	27970000	27,966,818
PAKISTAN INDUSTRIAL DEVELOPMENT CORP. (PVT) LTD.	1	38160001	38165000	38,164,538
THE PRESIDENT OF ISLAMIC REPUBLIC OF PAKISTAN	1	200930001	200935000	200,931,210
	16,429			634,216,665

CATEGORIES OF **SHAREHOLDERS**

As at June 30, 2018

Categories of Shareholders	Shareholders	Shares Held	Percentage
Government of Pakistan			
THE PRESIDENT OF ISLAMIC REPUBLIC OF PAKISTAN	1	200,931,210	31.68
Directors and their spouse(s) and minor children			
MR. MUHAMMAD SAEED MEHDI	1	2,500	0.00
MIAN MISBAH UR REHMAN	1	17,000	0.00
MIRZA MAHMOOD AHMAD	2	3,077	0.00
MR. AHMAD AQEEL	1	3,000	0.00
MR. MUSTAFA AHMAD KHAN	1	3,000	0.00
Associated Companies, undertakings and related parties			
SUI SOUTHERN GAS COMPANY LIMITED	1	2,414,174	0.38
Executives	2	1,506.00	0.00
Public Sector Companies and Corporations	13	94,280,577	14.87
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	82	99,668,841	15.72
Mutual Funds			
CDC - TRUSTEE PICIC INVESTMENT FUND	1	2,488,024	0.39
CDC - TRUSTEE PICIC GROWTH FUND	1	9,911,246	1.56
CDC - TRUSTEE MEEZAN BALANCED FUND	1	2,151,000	0.34
CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	1	33,000	0.01
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	64,670	0.01
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	14,283,300	2.25
CDC - TRUSTEE NIT STATE ENTERPRISE FUND	1	4,913,067	0.77
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	1,186,449	0.19
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	513,833	0.08
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	20,000	0.00
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	20,424,526	3.22
CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	1	1,146,200	0.18
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	1,984,800	0.31
CDC - TRUSTEE PICIC INVESTMENT FUND	1	572,500	0.09
CDC - TRUSTEE PICIC GROWTH FUND	1	1,080,200	0.17
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1	1,653,700	0.26
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	900,200	0.14
CDC - TRUSTEE FAYSAL STOCK FUND	1	145,000	0.02
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	177,100	0.03
CDC - TRUSTEE HBL ENERGY FUND	1	1,004,900	0.16
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	2,936,500	0.46
CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	1	30,000	0.00
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	221,600	0.03
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	471,700	0.07
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	546,300	0.09
CDC - TRUSTEE NAFA STOCK FUND	1	2,137,700	0.34
CDC - TRUSTEE DAWOOD ISLAMIC FUND	1	33,000	0.01
CDC - TRUSTEE APF-EQUITY SUB FUND	1	49,200	0.01
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	863,607	0.14
CDC - TRUSTEE HBL - STOCK FUND	1	1,210,900	0.19

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	1	1,158,000	0.18
CDC - TRUSTEE APIF - EQUITY SUB FUND	1	78,200	0.01
CDC - TRUSTEE HBL MULTI - ASSET FUND	1	44,000	0.01
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	237,900	0.04
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	183,000	0.03
CDC - TRUSTEE ABL STOCK FUND	1	737,000	0.12
CDC - TRUSTEE FIRST HABIB STOCK FUND	1	14,000	0.00
CDC - TRUSTEE LAKSON EQUITY FUND	1	916,467	0.14
CDC-TRUSTEE HBL ISLAMIC STOCK FUND	1	559,400	0.09
CDC - TRUSTEE HBL EQUITY FUND	1	58,200	0.01
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	42,000	0.01
CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	49,700	0.01
MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	1	18,000	0.00
MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	1	61,500	0.01
CDC-TRUSTEE FIRST HABIB ISLAMIC STOCK FUND	1	27,000	0.00
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	398,000	0.06
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	1	6,000	0.00
CDC - TRUSTEE PIML ISLAMIC EQUITY FUND	1	10,000	0.00
CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	1	327,300	0.05
CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	1	1,333,200	0.21
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	934,100	0.15
CDC - TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND	1	180,000	0.03
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	1	1,081,100	0.17
CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	1	388,000	0.06
CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	1	189,800	0.03
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	1,636,400	0.26
CDC - TRUSTEE LAKSON TACTICAL FUND	1	194,747	0.03
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	1	36,121	0.01
CDC - TRUSTEE MEEZAN ENERGY FUND	1	1,740,300	0.27
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	271,000	0.04
CDC - TRUSTEE AGIPF EQUITY SUB-FUND	1	9,550	0.00
CDC - TRUSTEE AGPF EQUITY SUB-FUND	1	10,500	0.00
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	113,000	0.02
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	5,000	0.00
CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	1	800,000	0.13
CDC - TRUSTEE NAFA MULTI ASSET FUND	1	108,500	0.02
CDC - TRUSTEE MCB DCF INCOME FUND	1	29,500	0.00
CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	1	12,000	0.00
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	781,300	0.12
M C F S L-TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	1	40,000	0.01
CDC-TRUSTEE NAFA ASSET ALLOCATION FUND	1	169,700	0.03
CDC-TRUSTEE NAFA SAVINGS PLUS FUND - MT	1	27,900	0.00
CDC - TRUSTEE ASKARI EQUITY FUND	1	32,500	0.01
CDC - TRUSTEE FAYSAL SAVINGS GROWTH FUND - MT	1	68,100	0.01
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	1	5,500	0.00
CDC - TRUSTEE NAFA INCOME OPPORTUNITY FUND - MT	1	459,800	0.07
CDC - TRUSTEE FIRST HABIB INCOME FUND - MT	1	71,100	0.01

Categories of Shareholders	Shareholders	Shares Held	Percentage
MCBFSL - TRUSTEE NAFA INCOME FUND - MT	1	163,800	0.03
CDC - TRUSTEE FAYSAL MTS FUND - MT	1	26,000	0.00
CDC - TRUSTEE PAKISTAN INCOME FUND - MT	1	52,000	0.01
CDC - TRUSTEE UBL INCOME OPPORTUNITY FUND - MT	1	165,000	0.03
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1	471,793	0.07
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	1	778,200	0.12
CDC - TRUSTEE ALFALAH GHP ISLAMIC VALUE FUND	1	46,100	0.01
MCBFSL-TRUSTEE ABL ISLAMIC ASSET ALLOCATION FUND	1	20,000	0.00
CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	1	189,800	0.03
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	1	253,000	0.04
CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	1	163,500	0.03
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1	292,700	0.05
General Public			
a. Local	15434	50,492,936	7.96
b. Foreign	494	1,733,535	0.27
Foreign Companies	77	34,192,277	5.39
Others			
a. SNGPL Employees Empowerment Trust	1	27,399,709	4.32
b. Joint Stock Companies	165	12,741,042	2.01
c. All others	64	18,901,781	2.98
Total	16429	634,216,665	100.00

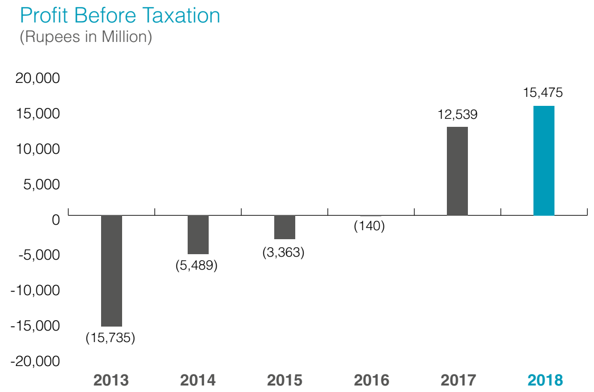
Share holders holding 5% or more	Shares Held	Percentage
THE PRESIDENT OF ISLAMIC REPUBLIC OF PAKISTAN	200,931,210	31.68
PAKISTAN INDUSTRIAL DEVELOPMENT CORP. (PVT) LTD.	38,164,538	6.02

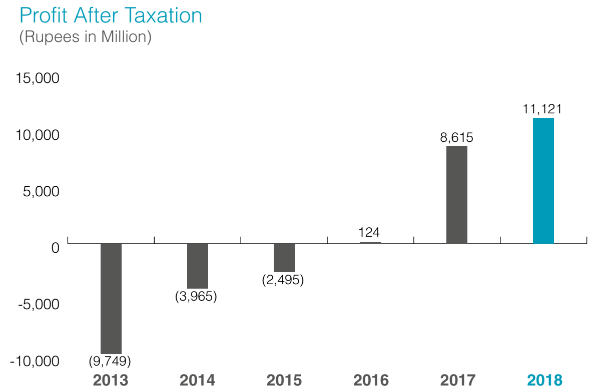
No trades in the shares of the Company, carried out by its Directors, CEO, CFO, Company Secretary and their spouse(s) and minor children during the financial year.

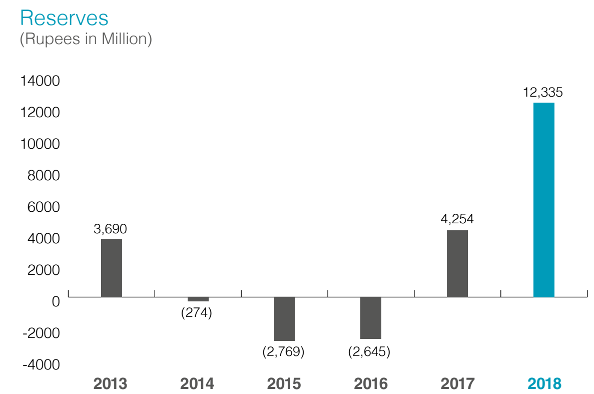
SUMMARY OF **SIX YEARS**

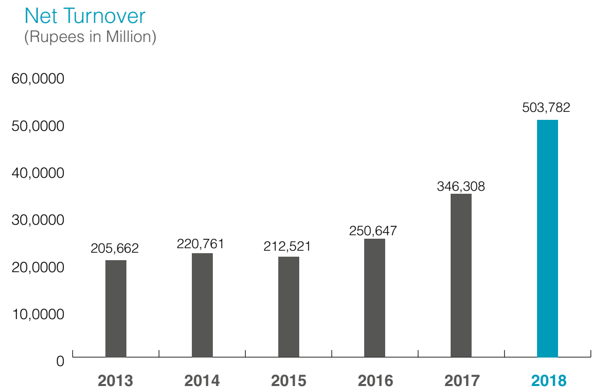
Particulars	Unit	2018	2017	2016	2015	2014	2013
Statement of Profit or Loss							
Net turnover	Rs.' 000	503,782,390	346,308,284	250,646,588	212,520,573	220,760,878	205,662,047
Gross profit / (loss)	Rs.' 000	26,996,739	19,698,652	4,222,419	2,146,341	633,539	(15,350,738)
Operating profit/(loss)	Rs.' 000	26,281,556	17,889,719	4,263,133	619,719	(483,267)	(9,634,740)
Profit / (loss) before tax	Rs.' 000	15,475,401	12,539,199	(139,608)	(3,363,009)	(5,488,724)	(15,734,979)
Profit / (loss) after tax	Rs.' 000	11,121,475	8,614,500	124,013	(2,494,500)	(3,964,575)	(9,749,089)
Earnings / (loss) before interest, taxes, depreciation and amortization (EBITDA)	Rs.' 000	42,083,377	30,352,804	14,865,666	10,288,894	8,381,830	(934,100)
Statement of Financial Position							
Share capital	Rs.' 000	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167
Reserves	Rs.' 000	12,334,514	4,253,626	(2,644,836)	(2,768,849)	(274,130)	3,690,445
Property, plant and equipment	Rs.' 000	190,609,690	164,102,403	136,000,051	114,476,508	104,543,542	98,397,094
Net current Liabilities	Rs.' 000	(13,619,994)	(6,205,190)	(16,713,885)	(24,618,696)	(26,803,561)	(21,570,400)
Long term/deferred liabilities	Rs.' 000	161,766,344	150,280,396	119,076,582	88,562,843	73,960,641	69,317,457
Summary of cash flows							
Net cash from operating activities	Rs.' 000	39,589,745	21,876,902	10,954,255	11,635,935	13,749,697	17,707,352
Net cash used in investing activities	Rs.' 000	(41,582,308)	(38,476,828)	(30,218,519)	(18,540,378)	(14,500,221)	(13,781,730)
Net cash from /(used in) financing activities	Rs.' 000	2,432,526	18,463,857	19,635,863	7,814,602	285,993	(4,083,520)
Net increase/ (decrease) in cash and cash equivalents	Rs.' 000	439,963	1,863,931	371,599	910,159	(464,531)	(157,898)
Investor information for six years							
Profitability ratios :							
Gross profit ratio	%	6.04%	6.16%	1.76%	1.12%	0.31%	-6.85%
Net profit to sales	%	2.49%	2.69%	0.05%	-1.31%	-1.92%	-4.35%
EBITDA margin	%	9.42%	9.49%	6.20%	5.39%	4.06%	-0.42%
Return on equity	%	75.99%	120.54%	3.41%	-51.75%	-49.25%	-62.38%
Return on capital employed	%	8.90%	6.83%	1.32%	-0.92%	-2.82%	-9.90%
Efficiency ratios							
Operating cycle	days	67	72	88	105	96	106
Inventory turnover ratio	times	22.88	58.13	246.72	212.68	217.61	229.75
Debtor turnover ratio	times	7.20	5.53	4.20	3.54	3.88	3.51
Total asset turnover ratio	times	0.97	0.99	0.95	0.93	1.23	1.36
Fixed asset turnover ratio	times	2.34	1.95	1.76	1.67	1.97	2.28
Weighted average cost of debt	%	3.40%	2.63%	2.67%	3.09%	5.35%	6.60%
Investment							
Earnings / (loss) per share (basic and diluted)	Rs./Share	17.54	13.58	0.20	(3.93)	(6.25)	(15.37)
Market value per share	Rs./Share	100.22	148.92	36.29	26.64	22.65	20.06
Share's highest value during the year	Rs./Share	169.95	185.00	38.73	29.75	28.80	27.20
Share's lowest value during the year	Rs./Share	81.08	36.25	18.86	18.50	19.50	15.92
Price earning ratio	times	5.72	10.96	185.59	(6.77)	(3.62)	(1.30)
Break up value per share	Rs./Share	29.45	16.71	5.83	5.63	9.57	15.82
Cash dividend per share	Rs./Share	7.05	6	-	-	-	-
Leverage							
Debt: equity ratio	%	78	84	91	83	63	50
Dividend yield ratio	%	7.03	4.03	-	-	-	-
Dividend payout ratio	%	40.20	44.17	-	-	-	-
Interest cover ratio	times	2.43	3.34	0.97	0.16	(0.10)	(1.58)
Dividend cover ratio	times	2.49	2.26	-	-	-	-
Current ratio	times	0.95	0.96	0.87	0.78	0.69	0.75
Quick / acid test ratio	times	0.83	0.88	0.84	0.75	0.65	0.71
Statement of value added & how distributed							
Employees as remuneration	Rs.' 000	17,021,819	15,758,036	11,209,040	9,894,515	10,161,720	8,199,332
Government as taxes	Rs.' 000	70,710,179	54,395,635	49,800,909	40,762,190	45,781,896	49,762,787
Shareholders as dividends	Rs.' 000	4,471,227	3,805,300	-	-	-	-
Retained with the business	Rs.' 000	4,206,930	(4,159,356)	(7,252,518)	(7,376,531)	(4,881,812)	(917,237)
Financial charges to providers of finance	Rs.' 000	10,806,155	5,350,520	4,402,741	3,982,728	5,005,457	6,053,916

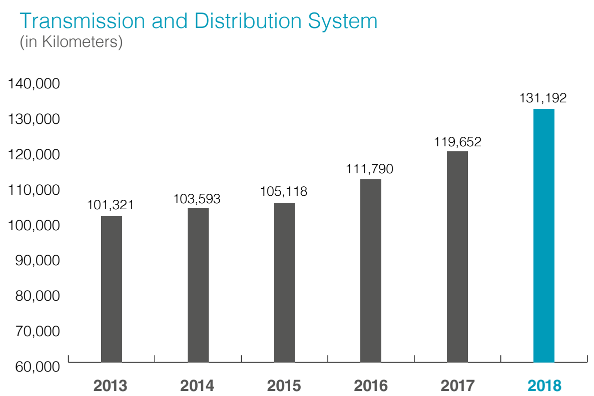
GRAPHICAL **PRESENTATION**

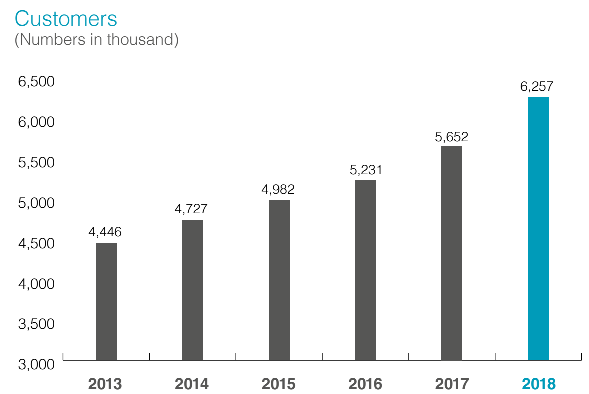


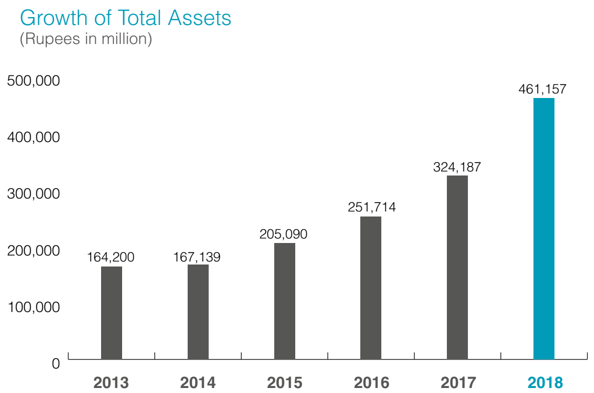


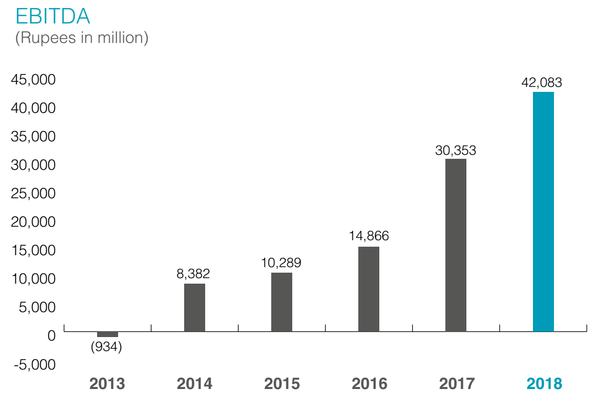




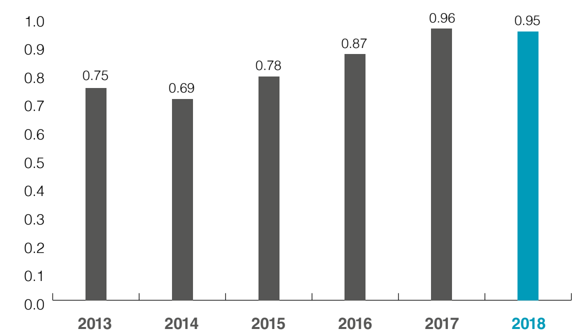




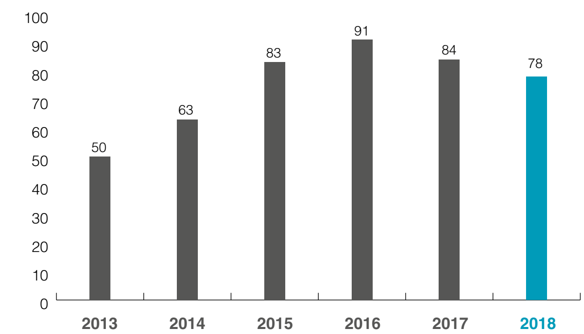




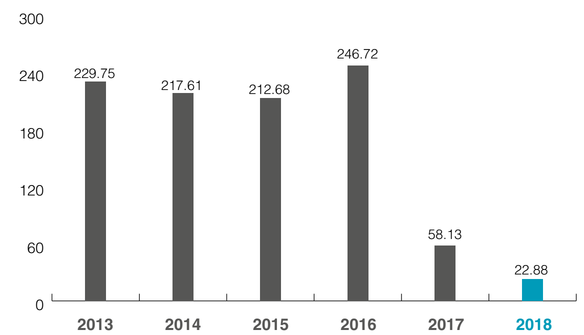
Current Ratio
(in time)



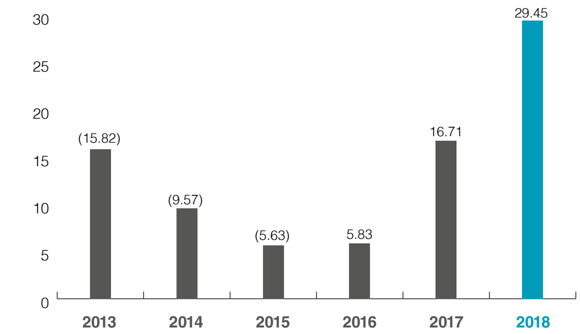
Debt Equity Ratio
(in percentage)



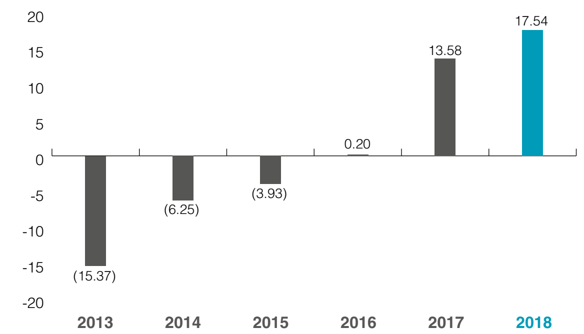
Inventory Turnover Ratio
(in Times)



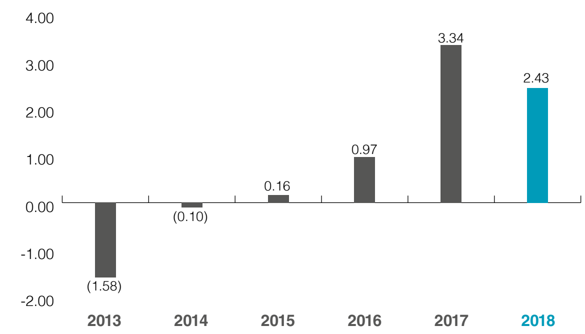
Breakup Value Per Share
(Rupees per Share)



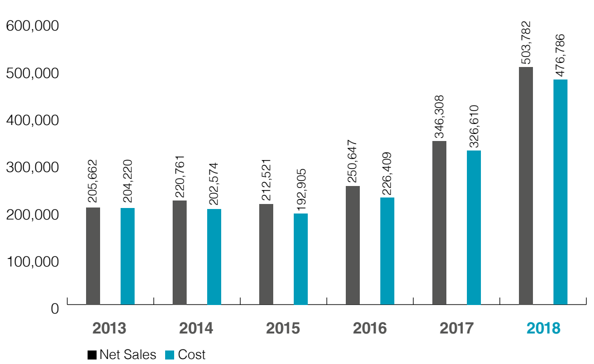
Earnings / (Loss) Per Share
(Rupees per Share)



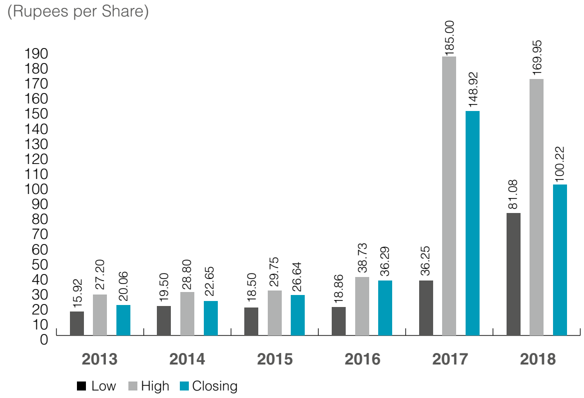
Interest Cover Ratio
(In Times)



Revenue & Cost Analysis
(Rupees in Million)



Share's Value
(Rupees per Share)



HORIZONTAL **ANALYSIS**

	Jun 30, 13	Jun 30, 14	Jun 30, 15	Jun 30, 16	Jun 30, 17	Jun 30, 18
STATEMENT OF FINANCIAL POSITION						
Assets						
Non-current assets						
Property, plant and equipment	100	106	116	138	167	194
Intangible assets	100	466	381	955	717	935
Deferred taxation	100	100	100	100	100	100
Long term investment	100	100	100	100	100	100
Long term loans	100	124	139	161	183	317
Employee benefits	100	85	0	32	49	111
Long term deposits and prepayments	100	108	99	140	176	380
	100	106	116	138	166	192
Current assets						
Stores and spare parts	100	130	125	161	173	174
Stock in trade-gas in pipelines	100	88	96	90	955	2921
Trade debts	100	95	103	106	106	122
Loans and advances	100	263	237	468	389	328
Trade deposits and short term prepayments	100	201	103	98	139	195
Interest accrued	100	143	109	115	82	129
Other receivables	100	13	6870	11741	20348	37769
Income tax recoverable - net	100	88	81	98	76	33
Sales tax recoverable	100	0	519	1427	3398	10013
Cash and bank balances	100	50	57	184	377	731
	100	95	140	177	248	422
Total assets	100	102	125	153	197	281
Equity and liabilities						
Share capital and reserves						
Authorized share capital						
(1,500,000,000 Ordinary shares of Rs 10 each)	100	100	100	100	100	100
Issued, subscribed and paid up share capital	100	100	100	100	100	100
Revenue reserves	100	-7	-75	-72	115	334
Total equity	100	60	36	37	106	186
Non-current liabilities						
Long term financing:						
- Secured	100	110	270	689	987	1,008
- Unsecured	100	84	65	52	46	38
Security deposits	100	133	145	154	172	196
Deferred credit	100	94	97	113	142	175
Deferred tax	100	4	0	0	0	63
Employee benefits	100	128	193	244	291	151
	100	107	128	172	217	233
Current liabilities						
Trade and other payables	100	99	136	156	197	350
Interest / mark up accrued	100	117	134	156	178	221
Short term borrowings	100	98	14	100	100	399
Current portion of long term financing	100	100	103	65	189	408
Sales tax payable	100	100	100	100	100	100
	100	103	133	152	192	331
Total liabilities	100	104	131	161	203	287
Total equity and liabilities	100	102	125	153	197	281
PROFIT OR LOSS ITEMS						
Gas Sales	100	92	85	107	143	199
Add / (Less): Differential Margin / (Gas Development Surcharge)	100	-79	-118	-60	-145	-310
	100	107	103	122	168	245
Cost Of Gas Sold	100	100	95	111	148	216
Gross Profit	100	-4	-14	-28	-128	-176
Other Operating Income	100	63	68	77	71	91
	100	5,450	6,650	8,459	16,106	21,598
Less: Operating Expenses						
Selling Cost	100	117	125	116	95	89
Administrative Expenses	100	112	124	141	190	206
	100	116	125	125	129	131
	100	4	-11	-49	-204	-316
Other Operating Expenses	100	19	84	44	146	524
Operating Profit / (loss)	100	5	-6	-44	-186	-273
Finance Cost	100	82	65	72	88	177
Profit / (loss) Before Taxation	100	35	21	1	-80	-98
Taxation	100	25	15	4	-66	-73
Profit / (loss) After Taxation	100	41	26	-1	-88	-114
Earnings / (loss) per share - Basic and Diluted (Rupees)	100	41	26	-1	-88	-114

VERTICAL **ANALYSIS**

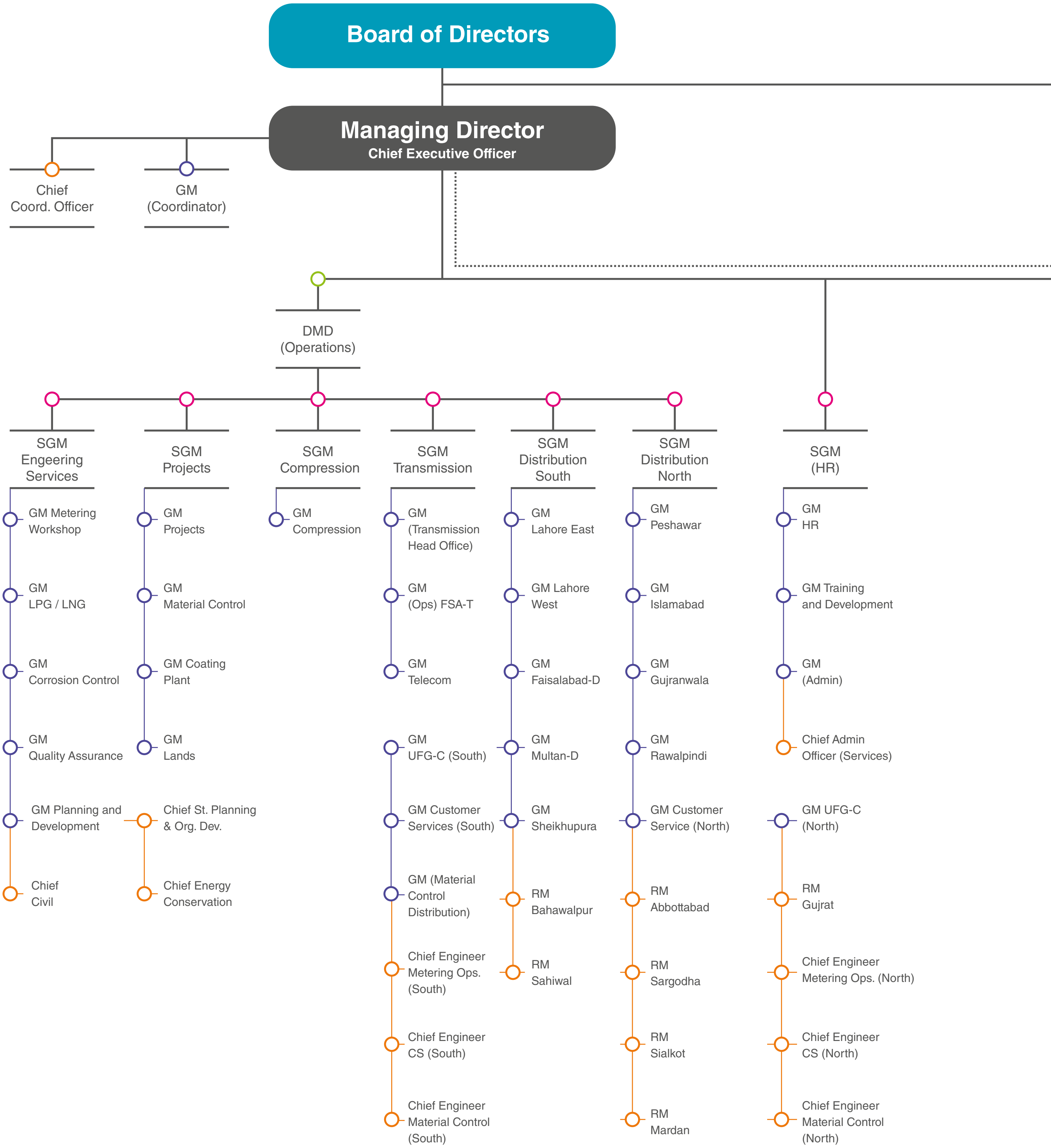
	Jun 30, 13	Jun 30, 14	Jun 30, 15	Jun 30, 16	Jun 30, 17	Jun 30, 18
STATEMENT OF FINANCIAL POSITION						
Assets						
Non-current assets						
Property, plant and equipment	59.93	62.55	55.82	54.03	50.62	41.33
Intangible assets	0.01	0.03	0.02	0.05	0.03	0.03
Deferred taxation	0.00	0.00	0.91	0.89	0.40	0.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00
Long term loans	0.16	0.19	0.18	0.17	0.15	0.18
Employee benefits	1.36	1.14	0.00	0.28	0.34	0.54
Long term deposits and prepayments	0.00	0.00	0.00	0.00	0.00	0.01
	61.46	63.92	56.93	55.42	51.54	42.08
Current assets						
Stores and spare parts	1.34	1.72	1.35	1.41	1.18	0.83
Stock in trade-gas in pipelines	0.65	0.57	0.50	0.38	3.17	6.81
Trade debts	33.17	30.94	27.40	22.99	17.83	14.38
Loans and advances	0.23	0.60	0.44	0.71	0.46	0.27
Trade deposits and short term prepayments	0.07	0.14	0.06	0.05	0.05	0.05
Interest accrued	0.01	0.01	0.01	0.01	0.00	0.00
Other receivables	0.20	0.03	10.85	15.11	20.33	26.53
Income tax recoverable - net	2.07	1.78	1.34	1.32	0.80	0.24
Sales tax recoverable	0.20	0.00	0.85	1.90	3.51	7.27
Short term investments	0.00	0.00	0.00	0.00	0.00	0.00
Cash and bank balances	0.59	0.29	0.27	0.71	1.13	1.53
	38.54	36.08	43.07	44.58	48.46	57.92
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Equity and liabilities						
Share capital and reserves						
Authorized share capital						
(1,500,000,000 Ordinary shares of rs 10 each)						
Issued, subscribed and paid up share capital	3.86	3.79	3.09	2.52	1.96	1.38
Revenue reserves	2.25	-0.16	-1.35	-1.05	1.31	2.67
Total equity	6.11	3.63	1.74	1.47	3.27	4.05
Non-current liabilities						
Long term financing:						
- Secured	3.05	3.29	6.58	13.68	15.23	10.93
- Unsecured	0.67	0.56	0.35	0.23	0.16	0.09
Security deposits	13.62	17.82	15.82	13.64	11.90	9.49
Deferred credit	20.17	18.65	15.67	14.86	14.55	12.55
Deferred tax	1.63	0.06	0.00	0.00	0.00	0.36
Employee benefits	3.07	3.87	4.75	4.90	4.53	1.65
	42.22	44.25	43.18	47.31	46.36	35.08
Current liabilities						
Trade and other payables	40.70	39.39	44.30	41.30	40.64	50.70
Sales tax payable	0.00	0.53	0.00	0.00	0.00	0.00
Interest / mark up accrued	8.63	9.91	9.29	8.80	7.78	6.80
Short term borrowing	0.61	0.58	0.07	0.40	0.31	0.86
Current portion of long term financing	1.73	1.70	1.42	0.73	1.65	2.51
	51.67	52.12	55.08	51.22	50.38	60.87
Total liabilities	93.89	96.37	98.26	98.53	96.73	95.95
Contingencies and commitments						
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
PROFIT OR LOSS ITEMS						
Gas Sales	100.00	100.00	100.00	100.00	100.00	100
Add / (Less): Differential Margin / (Gas Development Surcharge)	-8.21	7.04	11.37	4.59	8.32	12.76
	91.79	107.04	111.37	104.59	108.32	112.76
Cost Of Gas Sold	98.64	106.73	110.25	102.83	102.16	106.72
Gross Profit	-6.85	0.31	1.12	1.76	6.16	6.04
Other Operating Income	6.94	4.73	5.52	4.96	3.44	3.17
	0.09	5.04	6.64	6.73	9.60	9.21
Less: Operating Expenses						
Selling Cost	2.65	3.38	3.90	2.87	1.77	1.18
Administrative Expenses	1.51	1.84	2.20	1.99	2.01	1.56
	4.16	5.22	6.10	4.86	3.78	2.74
	-4.08	-0.19	0.55	1.87	5.82	6.47
Other Operating Expenses	0.22	0.05	0.22	0.09	0.23	0.59
Operating Profit / (loss)	-4.30	-0.23	0.32	1.78	5.60	5.88
Finance Cost	2.72	2.43	2.09	1.84	1.67	2.42
Profit / (loss) Before Taxation	-7.02	-2.66	-1.76	-0.06	3.92	3.46
Taxation	-2.67	-0.74	-0.46	-0.11	1.23	0.97
Profit / (loss) After Taxation	-4.35	-1.92	-1.31	0.05	2.69	2.49

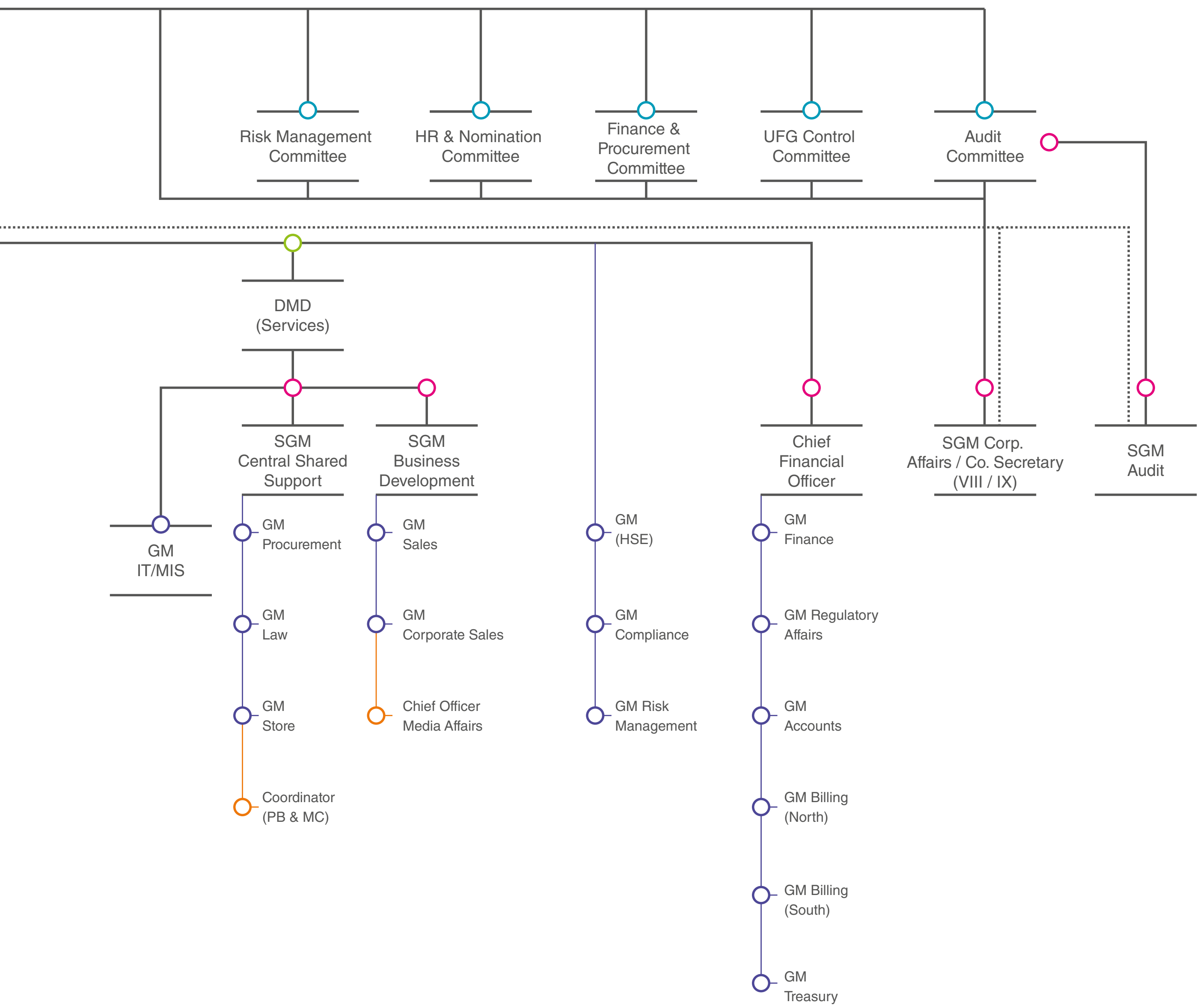
TEN YEARS AT **A GLANCE**

	2018	2017	2016
Paid up share capital	6,342,167	6,342,167	6,342,167
Revenue reserves	12,334,514	4,253,626	(2,644,836)
Deferred credit	57,854,554	47,168,154	37,405,489
Non-Current liabilities			
Long term loans outstanding			
- Local	415,232	504,067	569,903
- Foreign	-	-	326,653
- Banking companies	50,420,000	49,359,799	34,425,000
Long term security deposits	43,782,459	38,566,630	34,343,735
Deferred liabilities - taxation	1,676,766	-	-
Employee benefit	7,617,333	14,681,746	12,332,455
Current Liabilities	280,714,218	163,310,619	128,939,602
	461,157,243	324,186,808	251,713,515
Non-Current Assets	194,063,019	167,081,379	139,487,798
Current Assets	267,094,224	157,105,429	112,225,717
	461,157,243	324,186,808	251,713,515
Sales	446,765,837	319,696,374	239,636,172
Add/(Less) differential margin/(Gas development surcharge)	57,016,553	26,611,910	11,010,416
Net Sales	503,782,390	346,308,284	250,646,588
Cost of Gas sold	476,785,651	326,609,632	246,424,169
Gross profit	26,996,739	19,698,652	4,222,419
Other operating income	14,159,487	10,992,947	11,896,988
	41,156,226	30,691,599	16,119,407
Expenditure			
Operating Expenses	12,248,552	12,072,161	11,635,404
Finance Cost	10,806,155	5,350,520	4,402,741
Other charges	2,626,118	729,719	220,870
	25,680,825	18,152,400	16,259,015
Profit / (loss) before taxation	15,475,401	12,539,199	(139,608)
Provision for taxation	4,353,926	3,924,699	(263,621)
Profit / (loss) after taxation	11,121,475	8,614,500	124,013
Earnings/(Loss) per share (Basic)/(Rupees)	17.54	13.58	0.20
Dividend (%)	70.50	60	-
Bonus shares (%)	-	-	-
Number of employees - operation	8,654	8,764	8,819
- Project	407	420	384
	9,061	9,184	9,203
Gas sales (mmcf)	670,644	615,003	534,922
Consumers (in numbers)	6,296,662	5,691,743	5,271,039
Customers (in numbers)			
Industrial	5,871	5,755	5,754
Commercial	56,299	53,553	53,271
Domestic	6,194,783	5,592,726	5,172,305
	6,256,953	5,652,034	5,231,330
Transmission and distribution system (in kilometers)			
Transmission mains	8,867	8,637	7,941
Distribution mains and services	122,325	111,015	103,849
	131,192	119,652	111,790

	2015	2014	2013	2012	2011	2010	2009
	6,342,167	6,342,167	6,342,167	5,765,606	5,491,053	5,491,053	5,491,053
	(2,768,849)	(274,130)	3,690,445	15,458,174	13,237,836	13,211,026	10,656,463
	32,142,949	31,168,532	33,118,345	33,315,790	32,768,270	33,017,791	32,000,133
	718,778	932,097	1,103,835	1,086,313	1,324,177	1,251,220	1,471,659
	13,500,000	5,500,000	5,000,000	7,500,000	9,500,000	-	-
	32,452,229	29,782,655	22,369,143	20,227,669	16,477,801	14,899,244	11,439,969
	-	107,968	2,677,154	9,066,835	8,369,991	8,758,231	8,178,211
	9,748,887	6,469,389	5,048,980	3,176,820	1,130,074	1,232,171	392,249
	112,953,347	87,110,028	84,849,817	78,420,597	50,431,414	61,376,573	52,595,572
	205,089,508	167,138,706	164,199,886	174,017,804	138,730,616	139,237,309	122,551,962
	116,754,857	106,832,239	100,920,469	95,063,639	91,263,252	88,240,778	79,211,266
	88,334,651	60,306,467	63,279,417	78,954,165	47,467,364	50,996,531	43,340,696
	205,089,508	167,138,706	164,199,886	174,017,804	138,730,616	139,237,309	122,551,962
	190,819,014	206,237,565	224,063,823	230,267,469	185,060,783	172,994,645	160,714,737
	21,701,559	14,523,313	(18,401,776)	(13,615,152)	2,776,818	(11,364,817)	8,219,094
	212,520,573	220,760,878	205,662,047	216,652,317	187,837,601	161,629,828	168,933,831
	210,374,232	220,127,339	221,012,785	209,422,514	184,237,173	156,016,865	164,309,992
	2,146,341	633,539	(15,350,738)	7,229,803	3,600,428	5,612,963	4,623,839
	10,525,247	9,752,046	15,541,298	9,104,253	8,664,184	7,772,532	4,496,964
	12,671,588	10,385,585	190,560	16,334,056	12,264,612	13,385,495	9,120,803
	11,630,537	10,774,289	9,324,383	7,243,523	6,490,053	4,239,910	3,762,076
	3,982,728	5,005,457	6,100,239	3,412,328	3,877,833	4,650,154	653,182
	421,332	94,563	500,917	937,320	208,983	615,500	2,975,305
	16,034,597	15,874,309	15,925,539	11,593,171	10,576,869	9,505,564	7,390,563
	(3,363,009)	(5,488,724)	(15,734,979)	4,740,885	1,687,743	3,879,931	1,730,240
	(868,509)	(1,524,149)	(5,985,890)	1,696,889	562,722	1,325,368	799,704
	(2,494,500)	(3,964,575)	(9,749,089)	3,043,996	1,125,021	2,554,563	930,536
	(3.93)	(6.25)	(15.37)	4.80	1.95	4.43	1.61
	-	-	-	25	10	20	-
	-	-	-	10	5	-	-
	8,772	8,696	8,991	8,509	7,800	6,774	6,652
	290	288	303	291	282	306	342
	9,062	8,984	9,294	8,800	8,082	7,080	6,994
	463,393	506,355	552,272	597,056	581,935	586,741	584,881
	5,021,956	4,766,715	4,486,189	4,174,342	3,964,350	3,706,701	3,451,142
	6,453	6,453	6,559	6,628	6,606	6,375	5,953
	54,047	53,957	56,212	55,906	55,877	54,631	52,242
	4,921,747	4,666,596	4,383,709	4,151,518	3,867,359	3,611,187	3,358,439
	4,982,247	4,727,006	4,446,480	4,214,052	3,929,842	3,672,193	3,416,634
	7,818	7,738	7,675	7,653	7,613	7,585	7,347
	97,300	95,855	93,646	87,796	81,828	75,653	67,449
	105,118	103,593	101,321	95,449	89,441	83,238	74,796

SNGPL ORGANIZATIONAL **STRUCTURE**





Grade

X

IX

VIII

VII

Reporting Administratively

Reporting Functionally

SNGPL HEAD OFFICE & REGIONAL OFFICES

Abbottabad
Jub Pul. PO Jhangi,
Main Manshera Road, Abbottabad.

Bahawalpur
6-A-D, Model Town-A, Bahawalpur.

Faisalabad
Sargodha Road, Faisalabad.

Gujranwala
M.A. Jinnah Road, Gujranwala.

Gujrat
State life building, 120 & 121. G.T. Road, Gujrat.

Islamabad
Plot No. 28-30, I-9 Industrial Area, Islamabad.

Lahore
21-Industrial Area, Gulberg-III, Lahore.

Multan
Piran Ghaib Road, Multan.

Mardan
Riffat Mehal, Near Mardan Industrial Estate,
Main Nowshera Road, Mardan.

Peshawar
Plot No. 33, Sector B-2M,
Hayatabad, Peshawar

Rawalpindi
Al-Mansha Plaza, Opp. LESCO Office,
Main G.T. Road, Rawalpindi.

Sahiwal
79-A, 79-B, Canal Colony, Sahiwal.

Sargodha
H. No. 15, Muslim Town, Sargodha.

Sheikhupura
Main Sargodha Road,
Near Punjab College, Sheikhupura.

Sialkot
Wahid Road, Malkay Kalan,
Off. Marala Road, Sialkot.

Wah Cantt
Gudwal Link Road, Wah Cantt

Head Office
Gas House, 21-Kashmir Road, P.O. Box No. 56, Lahore - 54000, Pakistan.

Tel: (+92-42) 99201451-60 & 99201490-99 Fax: (+92-42) 99201369 & 99201302

Website: www.sngpl.com.pk

AUDITED FINANCIAL **STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2018

REVIEW REPORT TO THE MEMBERS

On the Statements of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 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, 2017 and Public Sector Companies (Corporate Governance) Rules, 2013 (both herein referred to as 'Codes') prepared by the Board of Directors of Sui Northern Gas Pipelines Limited for the year ended June 30, 2018 to comply with the requirements of regulation 40 of Listed Companies (Code of Corporate Governance) Regulations, 2017 and provisions of Public Sector Companies (Corporate Governance) Rules, 2013.

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 Codes 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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, 2018.

Further, we highlight below instances of non-compliance with the requirements of the Codes as reflected in the Schedule II of the Statement of Compliance:

Sr. No	**Rule reference**	**Description**
1-	12(2)	The Human Resource and Nomination Committee and the Finance and Procurement Committee do not have the requisite proportionate strength of independent directors.
2-	21(1)	Majority of the members of the audit committee are not independent non-executive directors.

A. F. Ferguson & Co
Chartered Accountants

Lahore
Date: April 26, 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Sui Northern Gas Pipelines Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Sui Northern Gas Pipelines Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the 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 matter described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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, 2018 and of the profit, the total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

The Company has recognized an aggregate net revenue of Rs 17,178 million on account of 'Take or Pay' arrangements with certain consumers. As more fully explained in note 32.1 to the annexed financial statements, these amounts have been disagreed and disputed by the said consumers. The matter has been referred to an Expert for determination under the dispute resolution mechanism specified in the respective Gas Sales Agreements. Considering the nature of the issues involved and that the matter is pending decision of the Expert, it is not possible to determine at this stage, the associated economic benefits that may flow to the entity. Therefore the recognition of revenue is considered a departure from the accounting and reporting standards as applicable in Pakistan. Pending the decision of the Expert, due to the uncertainty in amount of benefits, if any, which may flow to the entity and the fact that the revenue requirements of the Company are determined by the Oil and Gas Regulatory Authority ('OGRA') based on the Company's actual financial results for the year, it is impractical to quantify the financial effect of this departure from the accounting and reporting standards as applicable in Pakistan on the financial statements for the year ended June 30, 2018.

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 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 note 27.3 to the annexed financial statements, which explains the mechanism of settlement of certain amounts receivable from and payable to the Government of Pakistan and certain government owned and other entities. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>S. No.</th><th>Key audit matters</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>1.</td><td>Companies Act, 2017

(Refer note 2.3 to the annexed financial statements)

The provisions of Fourth Schedule to the Companies Act, 2017 became applicable to the Company for the first time in the preparation of the annexed financial statements.

As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous financial reporting framework and the current financial reporting framework and as a result, certain amendments and additional disclosures were made in the Company's annexed financial statements.

In view of the additional disclosures in the annexed financial statements due to first time application of the Fourth Schedule to the Companies Act, 2017, we considered this as a key audit matter.</td><td>We reviewed and understood the requirements of the Fourth Schedule to the Companies Act, 2017. Our audit procedures included the following:

• Considered the management's process to identify the additional disclosures required in the Company's annexed financial statements;

• Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence; and

• Verified on test basis, the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.</td></tr>
<tr><td>2.</td><td>Contingent taxation liabilities

(Refer note 17.1.1 to the annexed financial statements)

The Company has contingent liabilities in respect of various income and sales tax matters, which are pending adjudication at various levels with the taxation authorities and other legal forums.

Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.

Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income and sales tax, a key audit matter.</td><td>Our audit procedures included the following:

• Obtained and reviewed details of the pending tax matters and discussed the same with the Company's management;

• Circularized confirmations to the Company's external legal and tax counsels for their views on open tax assessments and matters;

• Reviewed correspondence of the Company with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved;

• Involved in-house tax specialists to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external tax advisors engaged by the Company; and

• Reviewed disclosures made in respect of such contingent liabilities.</td></tr>
</table>

S. No.	Key audit matters	How the matter was addressed in our audit
3.	**Gas swapping deferral account and RLNG differential margin** (Refer notes 4.21,13.8 and 13.9 to the annexed financial statements) The Company is engaged in the transmission, distribution and sale of two different products i.e. Natural Gas and Re-gasified Liquefied Natural Gas ('RLNG'). During the year, a gas swapping mechanism was allowed by the Economic Coordination Committee ("ECC") of the Cabinet Division and endorsed by the Oil and Gas Regulatory Authority ("OGRA") for the purpose of gas load management. The necessary volumetric adjustments and financial impact is to be made on a cost neutral basis in the sale price of RLNG. Gas swapping deferral account represents the price differential arising due to swapping of gas. Furthermore, the difference between the margin earned by the Company from the purchase and sale of RLNG based on the notified selling rates and the RLNG margin guaranteed to the Company by OGRA represents RLNG differential margin. The gas swapping deferral account and RLNG differential margin are to be adjusted upon directional changes in gas swapping and adjustments to tariff of future periods to be determined by OGRA. As at June 30, 2018, the Company has recognized an amount of Rs 4,013 million on account of surplus balance under RLNG differential margin and Rs 2,641 million on account of surplus under gas swapping deferral account in its statement of financial position under "current liabilities". We considered the matter as a significant development in the year resulting in first time recognition of these balances pursuant to the decision of ECC and OGRA and hence a key audit matter.	Our audit procedures included the following: • Reviewed ECC's Policy Guidelines as communicated to OGRA dated May 25, 2018 and the Final Revenue Requirement determined by OGRA dated January 15, 2019 for the prescribed treatment of gas swapping arrangements; • Assessed the reasonableness of the accounting policy adopted by the Company based on the opinion provided by the Accounting Standard Board (ASB) of the Institute of Chartered Accountants of Pakistan (ICAP); • Recomputed the amounts of RLNG differential margin and gas swapping deferral account based on quantity of gas swapped, correct application of notified rates and decisions of OGRA, in light of the ASB's opinion; and • Obtained relevant underlying supports for the disclosures required under the accounting policy adopted and assessed their appropriateness.

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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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. As described in the *Basis for Qualified Opinion* section above, the Company has recognized revenue under 'Take or Pay' arrangements, which has been disputed by the customers and it is not possible currently to determine at this stage, the associated economic benefits that may flow to the entity. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items as described in the *Basis for Qualified Opinion* section above.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 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:

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

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Asad Aleem Mirza.

A. F. Ferguson & Co
Chartered Accountants

Lahore
Date: April 26, 2019

STATEMENT OF FINANCIAL POSITION
As At June 30, 2018

	Note	2018	2017
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
Capital and Reserves			
Authorised capital			
1,500,000,000 (2017: 1,500,000,000)			
ordinary shares of Rs 10 each		15,000,000	15,000,000
Issued, subscribed and paid up share capital			
634,216,665 (2017: 634,216,665)			
ordinary shares of Rs 10 each	6	6,342,167	6,342,167
Revenue reserves		12,334,514	4,253,626
		18,676,681	10,595,793
Non-Current Liabilities			
Long term financing:			
-Secured	7	50,420,000	49,359,799
-Unsecured	8	415,232	504,067
Security deposits	9	43,782,459	38,566,630
Deferred credit	10	57,854,554	47,168,154
Deferred taxation	11	1,676,766	–
Employee benefits	12	7,617,333	14,681,746
		161,766,344	150,280,396
Current Liabilities			
Trade and other payables	13	233,679,577	131,661,741
Unclaimed dividend		111,462	73,365
Interest / mark-up accrued on loans			
and other payables	14	31,363,988	25,212,533
Short term borrowing - secured	15	3,986,546	999,258
Current portion of long term financing	16	11,572,645	5,363,722
		280,714,218	163,310,619
Contingencies and Commitments	17	–	–
		461,157,243	324,186,808

The annexed notes 1 to 52 form an integral part of these financial statements.

Saghir-ul-Hassan Khan
Chief Financial Officer

Mahmood Zia Ahmad
Managing Director / CEO

	Note	2018	2017
		(Rupees in thousand)	
ASSETS			
Non-Current Assets			
Property, plant and equipment	18	190,609,690	164,102,403
Intangible assets	19	116,432	89,214
Deferred taxation	20	–	1,310,341
Investments	21	4,900	4,900
Long term loans	22	818,832	474,539
Employee benefits	23	2,488,638	1,088,593
Long term deposits and prepayments	24	24,527	11,389
		194,063,019	167,081,379
Current Assets			
Stores and spare parts	25	3,832,525	3,830,991
Stock-in-trade	26	31,404,569	10,270,890
Trade debts	27	66,314,600	57,817,321
Loans and advances	28	1,260,945	1,496,789
Trade deposits and short term prepayments	29	226,212	160,909
Accrued interest		16,585	10,546
Other receivables	30	122,338,162	65,907,599
Sales tax recoverable		33,513,780	11,373,489
Income tax receivable		1,111,813	2,589,113
Cash and bank balances	31	7,075,033	3,647,782
		267,094,224	157,105,429
		461,157,243	324,186,808

Syed Dilawar Abbas
Chairman

STATEMENT OF PROFIT OR LOSS
For The Year Ended June 30, 2018

	Note	2018	2017
		(Rupees in thousand)	
Gas sales	32	446,765,837	319,696,374
Add: Differential margins	33	57,016,553	26,611,910
		503,782,390	346,308,284
Less: Cost of gas sales	34	476,785,651	326,609,632
Gross profit		26,996,739	19,698,652
Other income	36	14,159,487	10,992,947
		41,156,226	30,691,599
Less:			
Selling cost	37	5,282,717	5,646,155
Administrative expenses	38	6,965,835	6,426,006
Other operating expenses	39	2,626,118	729,719
		14,874,670	12,801,880
Operating profit		26,281,556	17,889,719
Less: Finance cost	40	10,806,155	5,350,520
Profit before taxation		15,475,401	12,539,199
Taxation	41	4,353,926	3,924,699
Profit for the year		11,121,475	8,614,500
Earnings per share			
- basic and diluted - (Rupees)	47	17.54	13.58

The annexed notes 1 to 52 form an integral part of these financial statements.

Saghir-ul-Hassan Khan
Chief Financial Officer

Mahmood Zia Ahmad
Managing Director / CEO

Syed Dilawar Abbas
Chairman

STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended June 30, 2018

	2018	2017
	(Rupees in thousand)	
Profit for the year	11,121,475	8,614,500
Other comprehensive income / (loss) for the year		
Items that will not be reclassified to profit and loss:		
Remeasurement of defined benefit plans - net	2,870,902	(4,902,483)
Tariff adjustment with respect to remeasurement of IAS-19 by OGRA	(419,419)	2,451,000
	2,451,483	(2,451,483)
Tax effect	(735,445)	735,445
	1,716,038	(1,716,038)
Items that may subsequently be reclassified to profit and loss	–	–
Total comprehensive income for the year	12,837,513	6,898,462

The annexed notes 1 to 52 form an integral part of these financial statements.

Saghir-ul-Hassan Khan	Mahmood Zia Ahmad	Syed Dilawar Abbas
Chief Financial Officer	Managing Director / CEO	Chairman

STATEMENT OF CHANGES IN EQUITY
For The Year Ended June 30, 2018

	Issued Subscribed and paid up capital	Reserves				Capital and reserves
		Revenue reserves				
	Share capital	General reserve	Dividend equalization reserve	Unappropriated profit/(loss)	Total	Total
	(Rupees in thousand)					
Balance as at June 30, 2016	6,342,167	4,127,682	480,000	(7,252,518)	(2,644,836)	3,697,331
Total comprehensive income for the year	–	–	–	6,898,462	6,898,462	6,898,462
Balance as at June 30, 2017	6,342,167	4,127,682	480,000	(354,056)	4,253,626	10,595,793
Total transactions with owners, recognised directly in equity						
Final dividend for the year ended June 30, 2017 @ Rupees 6.00 per share	–	–	–	(3,805,300)	(3,805,300)	(3,805,300)
Interim dividend for the first quarter ended September 30, 2017 @ Rupees 1.50 per share	–	–	–	(951,325)	(951,325)	(951,325)
	–	–	–	(4,756,625)	(4,756,625)	(4,756,625)
Total comprehensive income for the year	–	–	–	12,837,513	12,837,513	12,837,513
Balance as at June 30, 2018	6,342,167	4,127,682	480,000	7,726,832	12,334,514	18,676,681

The annexed notes 1 to 52 form an integral part of these financial statements.

Saghir-ul-Hassan Khan
Chief Financial Officer

Mahmood Zia Ahmad
Managing Director / CEO

Syed Dilawar Abbas
Chairman

STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2018

	Note	2018	2017
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42	34,765,892	15,999,861
Finance cost paid		(4,960,411)	(3,927,765)
Taxes paid		(628,267)	(1,539,874)
Employee benefits / contributions paid		(8,869,312)	(5,785,604)
Increase in security deposits		5,215,829	4,222,895
Receipts against government grants and consumer contributions		14,530,022	12,965,344
Increase in long term loans		(450,870)	(55,625)
Increase in long term deposits and prepayments		(13,138)	(2,330)
Net cash generated from operating activities		39,589,745	21,876,902
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(41,825,936)	(38,765,532)
Expenditure on intangible assets		(95,214)	(30,810)
Proceeds from sale of property, plant and equipment		43,742	53,952
Return on bank deposits		295,100	265,562
Net cash used in investing activities		(41,582,308)	(38,476,828)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing - secured		12,150,200	19,849,800
Proceeds from long term financing - unsecured		–	150,100
Repayment of long term financing - secured		(4,915,000)	(1,375,000)
Repayment of long term financing - unsecured		(84,146)	(160,633)
Dividend paid		(4,718,528)	(410)
Net cash generated from financing activities		2,432,526	18,463,857
Net increase in cash and cash equivalents		439,963	1,863,931
Cash and cash equivalents at the beginning of the year		2,648,524	784,593
Cash and cash equivalents at the end of the year	42.2	3,088,487	2,648,524

The annexed notes 1 to 52 form an integral part of these financial statements.

Saghir-ul-Hassan Khan	**Mahmood Zia Ahmad**	**Syed Dilawar Abbas**
Chief Financial Officer	Managing Director / CEO	Chairman

1. THE COMPANY AND ITS OPERATIONS

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

i) International Financial Reporting Standards ('IFRS Standards') issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

ii) Provisions of and directives issued under the Companies Act, 2017.

Where the 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 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

2.2.1 Standards, amendments to published standards and interpretations that are effective in current year and are relevant to the Company's operations

The new standards amendments and interpretations that are mandatory for accounting period beginning on or after January 1, 2017 which are considered to be relevant or to have any significant impact on the Company's financial reporting and operations.

International Accounting Standard ('IAS') 7, 'Cash flow statements: Disclosure initiative' (effective for periods beginning on or after January 1, 2017). This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers statement of financial position items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. The Company's current accounting treatment is already in line with the requirements of this standard.

IAS 12 'Income taxes' (Amendment), on recognition of deferred tax assets for unrealised losses These amendments on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments clarify the existing guidance under IAS 12. They do not change the underlying principles for the recognition of deferred tax assets. Further, there are no debt instruments measured at fair value. The change has no material impact on the Company.

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

IFRS 9, 'Financial instruments': (effective for periods beginning on or after January 1, 2018). This standard has been notified by the Securities and Exchange Commission of Pakistan ('SECP') to be effective for annual periods ending on or after June 30, 2019. This standard replaces the guidance in IAS 39, 'Financial instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The Company is yet to assess the full impact of this standard.

IFRS 15, 'Revenue from contracts with customers': (effective for periods beginning on or after January 1, 2018). This standard has been notified by the SECP to be effective for annual periods beginning on or after July 1, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts' and related interpretations. The Company is yet to assess the full impact of this standard.

IFRIC 23, 'Uncertainty over income tax treatments': (effective for periods beginning on or after January 1, 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Company is yet to assess the full impact of the interpretation.

Other standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company, which not expected to have a material impact on the Company's financial statements are as follows:

	Effective date (accounting periods beginning on or after)
IFRS 2 (Amendments), 'Shared-based payments' on clarifying how to account for certain types of share-based payment transactions	January 1, 2018
IFRS 4 (Amendments), 'Insurance contracts' on the implementation of IFRS 9, 'Financial instruments'	January 1, 2018
IAS 40 (Amendment), 'Investment property' relating to transfers of investment property	January 1, 2018
IFRIC 22,' Foreign currency transactions and advance consideration'	January 1, 2018
Annual improvements 2015-2017; IFRS 3, 'Business combinations'. IFRS 11, 'Joint arrangements'. IAS 12, 'Income taxes'. IAS 23, 'Borrowing costs'.	January 1, 2019
Annual improvements 2014-2016; IFRS 1, 'First-time adoption of IFRS'. IFRS 7, 'Financial instruments: Disclosures'. IAS 19, 'Employee Benefits'. IFRS 10, 'Consolidated financial statements'. IAS 28, 'Investments in associates and joint ventures'.	January 1, 2019
IAS 28 (Amendments), 'Investments in associates', on long term interests in associates and joint ventures	January 1, 2019
IFRS 9 (Amendments), 'Financial instruments', on prepayment features with negative compensation	January 1, 2019
IAS 19 (Amendments), 'Employee benefits' on plan amendment, curtailment or settlement'	January 1, 2019
IFRS 16, 'Leases'	January 1, 2019

The Company considers that the above standards, amendments and interpretations are unlikely to have a material impact on the Company's financial statements when they become effective.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2018:

- IFRS 1, 'First Time Adoption of International Financial Reporting Standards'
- IFRS 14, 'Regulatory Deferral Accounts'
- IFRS 17, 'Insurance Contracts'

2.2.3 Exemptions from applicability of certain standards and interpretations to standards

i) IFRS 2 (amendment), 'Share-based payment-Group Cash-settled Share-base Payment Transactions' effective for annual period beginning on or after January 01, 2010.

The International Accounting Standard Board (IASB) amended IFRS 2 whereby an entity receiving goods or services is to apply this IFRS in accounting for group cash settled share based payment transactions in its financial statements when that entity has no obligation to settle the share-based payment transaction.

On August 14, 2009, the Government of Pakistan (GOP) launched “Benazir Employee Stock Option Scheme” (the 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 employment of these entities on the date of launch of the scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The scheme provides for cash payments to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GOP shall transfer 12% of its investments in such SOEs and non SOEs to a Trust Fund to be created for the purpose by each of such entities. The eligible employees would be allotted 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 on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be 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 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 Payments. 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 the 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, the staff costs of the Company for the year would have been lower by Rs 1,155,160 thousand (2017: higher by Rs 2,671,575 thousand) and reserves would have been higher by Rs 2,377,211 thousand (2017:lower by Rs 3,532,371 thousand). However, there will be no impact on profit after taxation, EPS and retained earning as Company’s management believes that this impact is a pass through item which will be eventually adjusted against gas development surcharge or differential margin as explained in note 4.20.

ii) IFRIC 4, - ‘Determining whether an Arrangement contains a Lease’. International Financial Reporting Interpretation Committee (IFRIC) of the International Accounting Standards Board (IASB) issued IFRIC 4 which requires determination of whether an arrangement is, or contains a lease based on the substance of the arrangement. According to IFRIC 4, if an arrangement conveys a right to use the asset to lessee and the fulfilment of the arrangement is dependent on the use of the specific asset then the arrangement is or contains a lease.

The Securities and Exchange Commission of Pakistan (SECP) vide its Circular No. 24/2012 dated January 16, 2012 has exempted the application of IFRIC 4 ‘Determining whether an Arrangement contains a Lease’ for all companies. However, the SECP made it mandatory for the companies to disclose the impacts of the application of IFRIC 4 on the results of the companies. Consequently, the Company has also been exempted from the application of IFRIC 4 while preparing its financial statements.

The Company reviewed various pipeline rental agreements executed in previous years and has determined that two pipeline rental agreements relating to certain gas transmission pipelines contain embedded leases and are to be recognized as leases in terms of IFRIC 4 and IAS 17 ‘Leases’.

Under IFRIC 4, the consideration required to be made by the lessee i.e. Sui Northern Gas Pipelines Limited for the right to use the assets is to be accounted for as a finance lease under IAS 17. If the Company was to follow IFRIC 4 and IAS 17, the effects on the financial statements would be as follows:

	2018	2017
	(Rupees in thousand)	
Effect on statement of profit or loss		
Decrease / (Increase) in		
Cost of sales		
Transportation charges - Sui Southern Gas Company Limited (SSGCL)	244,853	362,610
Operating expenses		
Depreciation	(150,984)	(150,984)
Finance cost		
Finance cost - leased assets	(229,665)	(254,784)
Effect on statement of financial position		
Increase in		
Written down value of operating assets	(150,984)	(301,968)
Obligation under finance lease		
Long term portion	(1,210,189)	(1,357,669)
Short term portion	(147,480)	(172,911)

2.3 Changes due to Companies Act, 2017

The Companies Act, 2017 ('the Act') has also brought certain changes with regard to the preparation and presentation of the Company's financial statements. These changes also include change in nomenclature of primary statements, etc. Further, the disclosure requirements contained in the Fourth Schedule to the Act have been revised, resulting in the:

- Elimination of duplicative disclosures with the IFRS disclosure requirements;
- Incorporation of significant additional disclosures; and
- Presentation of unclaimed dividends on the statement of financial position.

In view of the above, the presentation of these financial statements has been realigned with the provisions contained in the Act. The application of the Act, however, does not have any impact in the recognition and measurement of the amounts included in these financial statements.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value. The Company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment or estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including 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. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

i) Employee benefits - note 4.3, 12.7, 23.7

ii) Provision for taxation - note 4.2 & 41

iii) Useful life and residual values of property, plant and equipment - note 4.6

iv) Impairment of receivables

i) Employee benefits

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in note 4.3, 12.7, 23.7.

ii) Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature in accordance with law, the amounts are shown as contingent liabilities.

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and tax credits to the extent that future taxable profits will available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. The recoverability of deferred tax assets are analysed at each reporting period end and adjusted if considered necessary with a corresponding effect on deferred tax charge / income for the period.

iii) Useful life and residual values of property, plant and equipment

The Company reviews the useful lives of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

iv) Impairment of receivables

The recoverability of trade debts is reviewed at each reporting date to assess whether provision for doubtful debts should be recorded in the statement of profit or loss. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision.

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Deferred credit

Deferred credit represents the amount received from the consumers and the Government as contribution and grant towards the cost of supplying and laying transmission, service and main lines. Amortization of deferred credit commences upon capitalization of the related asset and is amortized over its estimated useful life, however where contributions received from consumers, after July 1, 2009, which meet the criteria as provided in IFRIC 18, are recognized as income in the year in which related expenditure is capitalized.

4.2 Taxation

Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing current tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the statement of profit or loss, except where deferred tax arises on the items credited or charged to equity in which case it is included in equity.

4.3 Employee retirement benefits

The main features of the schemes operated by the Company for its employees are as follows:

4.3.1 Defined benefit plans

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method. The future contribution rates of these funds include allowance for deficit and surplus.

4.3.1.1 Pension and gratuity funds

The Company operates an approved funded pension scheme and an approved funded gratuity scheme for executives and non-executives. In case of gratuity scheme, qualifying service period for executives and non-executives is five years and six years, respectively. Contributions to the schemes are payable on the recommendations of the actuary. The future contribution rates of these schemes include allowance for deficit and surplus.

An executive who qualifies for pension at the time of retirement from the Company and does not surrender his pension, shall be entitled to gratuity at the rate of 20 days basic salary for each completed year of service. An executive who qualifies for pension at the time of retirement from the Company and surrenders his pension, shall be entitled to gratuity at the rate of 50 days basic salary for each completed year of service. Significant assumptions used for valuation of these schemes are mentioned in note 12.7 and 23.7.

4.3.1.2 Medical and free gas facility schemes

The Company provides free gas facility to non-executives and medical facility to all employees and their dependents after their retirement. However, all executives retired up to December 31, 2000 are also entitled to avail free gas facility. Significant assumptions used for valuation of these schemes are mentioned in note 12.7 and 23.7.

4.3.1.3 Accumulating compensated absences

The Company provides annually for the expected cost of accumulating compensated absences and leave fare assistances on the basis of actuarial valuations. However, executives of the Company were not entitled to avail leave fare assistance after December 31, 2000.

Executives and non-executives of the Company are entitled to accumulate the unutilized privilege leaves up to 60 and 90 days, respectively. Such accumulation is encashable only at the time of retirement or leaving the service of the Company.

The most recent valuations were carried out as on June 30, 2018 using the projected unit credit method. Significant assumptions used for valuation of these schemes are mentioned in note 12.7.

4.3.2 Defined contribution plan

The Company operates an approved defined contribution provident fund for all permanent employees. Equal monthly contributions are made by the employees and the Company to the fund.

4.4 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade payables and other costs payable are initially recognised at cost which is the fair value of the consideration to be paid in future for goods and/ or services, whether or not billed to the Company and subsequently measured at amortised cost using the effective interest method.

4.5 Provisions

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

4.6 Property, plant and equipment

Cost

Property, plant and equipment except for freehold and leasehold land are stated at cost less accumulated depreciation and impairment loss, if any. Freehold and leasehold land are stated at cost less impairment loss, if any. Capital work-in-progress is stated at cost less impairment loss, if any. Cost in relation to certain assets signifies historical cost and borrowing cost referred to in Note 4.9.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation is charged to income on the straight line method so as to write off the cost of an asset over its estimated useful life at the rates given in Note 18.1. Depreciation on additions is charged from the month in which an asset is put to use while no depreciation is charged for the month in which an asset is disposed off.

The assets' residual value and estimated useful lives are reviewed at each financial year and adjusted if impact on depreciation is significant. The Company's estimate of the residual value and useful lives of its operating assets as at June 30, 2018 has not required any adjustment as its impact is considered insignificant.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

Pipelines uplifted during the year are deleted from operating fixed assets. 60% to 65% of the written down value of the uplifted pipelines representing cost of pipelines and fittings is transferred to capital work-in-progress after considering their reuse capability. The balance of the written down value representing construction overheads is charged to income.

4.7 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprises purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization at the rates given in Note 19 and impairment loss, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each statement of financial position date.

4.8 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statement of profit or loss.

4.9 Borrowing cost

Mark-up, interest, profit and other charges on long term financing are capitalized for the period up to the date of commissioning of the respective assets acquired out of the proceeds of such borrowings. All other mark-up, interest, profit and other charges are charged to income during the year.

4.10 Investments

a) Investment in associate

Investment in associate, on which the Company has significant influence but not control, is accounted for using the equity method of accounting wherein the Company's share of underlying net assets of the investee is recognized as the carrying amount of such investment. Difference between the amounts previously recognized and the amount calculated at each year end is recognized as share of profit of associate. Distributions received out of such profits shall be credited to the carrying amount of investment in associated undertaking.

b) **Investments held-to-maturity**

Investment with fixed or determinable payments and fixed maturity and where the Company has positive intent and ability to hold investments to maturity are classified as investments held-to-maturity. These are initially recognized at cost inclusive of transaction costs and are subsequently carried at amortized cost using the effective interest rate method, less any impairment loss.

c) **Investments available-for-sale**

All investments classified as available-for-sale are initially recognized at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value. Unrealized gains or losses from changes in fair value are recognized in equity. Realized gains and losses are taken to statement of profit or loss.

d) **Investments at fair value through profit or loss**

An investment is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's investment strategy. All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value, determined on the basis of prevailing market prices, with any resulting gain or loss recognized directly in the statement of profit or loss.

4.11 Stores and spare parts

These are valued at monthly moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon till the statement of financial position date. The Company reviews stores and spare parts for possible impairment on an annual basis and provision is made for obsolescence.

4.12 Stock-in-trade

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

Stock of gas held with third parties is valued at lower of annual average cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

4.13 Trade and other receivables

Trade debts and other receivables are carried at original invoice amount. The recoverability of trade debts is reviewed at each reporting date to assess whether provision for doubtful debts should be recorded in the statement of profit or loss. Debts considered irrecoverable are written off. No provision is made in respect of active consumers considered good.

4.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values and finances under mark-up arrangements. Finances under mark-up arrangements are included in current liabilities on the statement of financial position.

4.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of gas in the ordinary course of the Company's activities. The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company and specific criteria has been met for each of the Company's activities as described below:

(i) Revenue from gas sales is recognized on the basis of gas supplied to consumers at the rates fixed 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.

(ii) Meter rentals are recognized on a monthly basis, at specified rates by OGRA for various categories of consumers.

(iii) Interest on gas sales arrears and surcharge on late payment is calculated from the date the billed amount is overdue and recognised when it is probable that economic benefits will flow to the entity.

(iv) Return on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and applicable rate of return.

(v) Take or Pay income is recognized when the consumers are unable to consume the committed volume of gas by the agreed date and it is probable that the economic benefits related to the Take or Pay income will flow to the entity.

4.16 Foreign currency transactions

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Transactions in foreign currency during the year are initially recorded in the functional currency at the rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at functional currency using rate of exchange prevailing at the statement of financial position date. All differences are taken to the statement of profit or loss. All non-monetary items are translated into rupees at exchange rates prevailing at the date of transaction or on the date when fair values are determined.

4.17 Borrowings

Borrowings are recognized initially at fair value (proceeds received), net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Finance costs are accounted for on an accrual basis and are shown as accrued finance cost to the extent of the amount remaining unpaid.

4.18 Financial instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the statement of profit or loss for the year.

Financial instruments carried on the statement of financial position include loans and advances, deposits, interest accrued, trade debts, other receivables, cash and bank balances, long term financings, short term borrowings, interest / mark-up accrued and trade and other payables. All financial assets and liabilities are initially measured at cost, which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.19 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset the recognized amount and the Company intends to settle either on a net basis or to realize the asset and to settle the liability simultaneously.

4.20 Gas development surcharge / Differential margin

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 17.50% per annum 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 differential margin or gas development surcharge.

4.21 RLNG differential margin and gas swapping deferral account

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 consumers 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 Profit or Loss.

Moreover, a gas swapping mechanism was allowed by the ECC and endorsed by OGRA vide Final Revenue Requirement decision of the Company for financial year 2017-18, for swapping of natural gas and RLNG for the purpose of gas load management. The difference of average cost of RLNG and the prescribed price of system gas (used by OGRA in determination of deferral account) of the swapped volumes is recognized as an adjustment to the Cost of Sales with the corresponding credit or debit balance being included in “trade and other payables” or “other receivables” as the case may be.

4.22 Construction contracts

Contract costs are recognized when incurred.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

The Company uses the percentage of “completion method” to determine the appropriate amount to recognize in a given period. The stage of completion is measured with reference to the contract costs incurred up to the statement of financial position date as a percentage of total estimated costs for each contract.

4.23 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

5. SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

i) The provisions of the fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time in the preparation of these financial statements, as detailed in Note 2.3;

ii) During the year Company has capitalized assets of Rs 47,760,232 thousand (2017: Rs 45,691,382 thousand) which significantly impacts the profitability of the Company as Company earns a guaranteed rate of return on its average operating fixed assets.

iii) The Company has recorded net take or pay (ToP) revenue of Rs 17,178 million (2017: Nil) in RLNG sales under the Gas Supply Agreements (GSAs) with M/s Quaid-e-Azam Thermal Power (Private) Limited (QATPL) and M/s National Power Parks Management Company Limited (NPPMCL) (collectively referred to as 'GPPs'). This amount has been disputed by the GPPs. The details of the dispute have been disclosed in note 32.1.

iv) As a result of UFG study conducted by OGRA, the parameters used for the purpose of calculation of UFG have been revised w.e.f. July 01, 2017. Consequently, non-consumer and law effected area's volumes, which were previously allowed by OGRA, over and above the benchmark, are not considered separately anymore. This has been partly compensated by giving an increase in fixed UFG benchmark from 4.5% to 5% and providing further upward adjustment in UFG benchmark by allowing a variable UFG benchmark of maximum upto 2.60% in addition to fixed UFG benchmark based on the achievement of key monitoring indicators (KMIs) as determined in FRR for FY 2017-18 by OGRA. During the year, the Company's UFG benchmark was set by the regulator at 6.991% (fixed UFG benchmark of 5% plus 1.991% variable UFG benchmark) based on achievement of 76.58% KMIs as determined in FRR for FY 2017-18 by OGRA.

Furthermore OGRA in its decision of Review of Motion for Review of Final Revenue Requirement 2016-17 has allowed additional volumes of UFG for FY 2012-13 to 2016-17 by revising the UFG benchmark of 7.1% for these year (4.5%+2.6%) and disallowed entire volumes claimed by the Company in these year on account of law and order situation and non-consumers which were provisionally allowed to the Company. This results in reduction of UFG disallowance related to prior years amounting to Rs 1,114 Million.

v) As explained in note 13.9.1, a gas swapping mechanism has been allowed by the Economic Coordination Committee ("ECC") of the Cabinet Division vide its decision dated May 11, 2018, endorsed by OGRA vide Final Revenue Requirement decision of the Company for financial year 2017-18 dated January 15, 2019 (FRR 17-18), for swapping of natural gas and RLNG for the purpose of gas load management.

6. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2018	2017		2018	2017
(Number of share)			(Rupees in thousand)	
121,146,000	121,146,000	Ordinary shares of Rs 10 each		
		issued as fully paid for cash	1,211,460	1,211,460
3,329,000	3,329,000	Ordinary shares of Rs 10 each		
		issued as fully paid for		
		consideration other than cash	33,290	33,290
509,741,665	509,741,665	Ordinary shares of Rs 10 each		
		issued as fully paid bonus		
		shares	5,097,417	5,097,417
634,216,665	634,216,665		6,342,167	6,342,167

6.1 2,414,174 (2017: 2,414,174) number of ordinary shares of the Company are held by Sui Southern Gas Company Limited (associated undertaking by virtue of common directorship).

	Note	2018	2017
		(Rupees in thousand)	
7. LONG TERM FINANCING - SECURED			
Local currency - Syndicate term finance:			
Syndicate term finance I	7.1.1	9,360,000	11,700,000
Syndicate term finance II	7.1.2	28,213,097	21,718,375
		37,573,097	33,418,375
Islamic mode of financing:			
Islamic finance under Musharaka arrangement	7.2.1	2,750,000	4,125,000
Islamic finance under Musharaka arrangement			
for LNG Project Phase I	7.2.2	4,800,000	6,000,000
Islamic finance under lease arrangement			
for LNG Project Phase II	7.2.3	14,786,903	10,731,424
Islamic finance under Musharaka arrangement	7.2.4	1,600,000	–
		23,936,903	20,856,424
Current portion shown under current liabilities	16	(11,090,000)	(4,915,000)
		50,420,000	49,359,799

7.1 Local currency - Syndicate term finance

7.1.1 Syndicate term finance I

Lender	Note	Markup rate	No. of installments	Repayment commencement date	Maturity date
Syndicate of banks	7.1.1	Six month KIBOR + 0.70% per annum	10 half yearly installments	November 19, 2017	May 19, 2022

This loan has been obtained from a syndicate of banks (with Bank Alfalah acting as the Agent and United Bank Limited acting as the Security Trustee) and is secured by a first pari passu created by way of hypothecation over all present and future movable fixed assets of the Company (excluding land and building) to the extent of Rs 15,600,000 thousand (2017: Rs 15,600,000 thousand). The effective mark-up charged during the year ranges from 7 % to 7.21 % per annum (2017: 7 % to 7.73 % per annum).

7.1.2 Syndicate term finance II

Lender	Note	Markup rate	No. of installments	Repayment commencement date	Maturity date
Syndicate of banks	7.1.2	Six month KIBOR + 1.10% per annum	16 half yearly installments	December 8, 2018	June 8, 2026

This loan has been obtained from a syndicate of banks (with Habib Bank Limited acting as the Agent) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed Regassified Liquefied Natural Gas (RLNG) assets of the Company to the extent of Rs 35,870,000 thousand (2017: Rs 35,870,000 thousand) relating to the project and a sovereign guarantee of the Government of Pakistan. During the year, the Company made further drawdowns of Rs 6,494,722 thousand. The effective mark-up charged during the year ranges from 7.26 % to 8.03 % per annum (2017: 7.23 % to 7.26 % per annum).

7.2 Arrangements under Islamic financing

Lender	Note	Markup rate	No. of installments	Repayment commencement date	Maturity date
Syndicate of banks	7.2.1	Six month KIBOR + 0.55% per annum	8 half yearly installments	December 30, 2016	June 30, 2020
Syndicate of banks	7.2.2	Six month KIBOR + 0.70% per annum	10 half yearly installments	November 19, 2017	May 19, 2022
Syndicate of banks	7.2.3	Six month KIBOR + 1.10% per annum	16 half yearly installments	December 8, 2018	June 8, 2026
Allied Bank Limited	7.2.4	Six month KIBOR - 0.12% per annum subject to floor of 3% and cap of 25%	4 half yearly installments	March 28, 2019	September 28, 2019

7.2.1 This loan has been obtained from a syndicate of banks (with Al Baraka Bank acting as the Investment Agent) and is secured by a first pari passu charge created by way of hypothecation over movable fixed assets of the Company (excluding land and building) to the extent of Rs 7,333,333 thousand (2017: Rs 7,333,333 thousand). The effective mark-up charged during the year ranges from 6.69 % to 7.59 % per annum (2017: 6.63 % to 6.70 % per annum).

7.2.2 This loan has been obtained from a syndicate of banks (with Bank Alfalah acting as the Investment Agent) and is secured by a first pari passu charge created by way of hypothecation over movable fixed assets of the Company (excluding land and building) to the extent of Rs 8,000,000 thousand (2017: Rs 8,000,000 thousand), as given in note 18.1.5. The effective mark-up charged during the year ranges from 7 % to 7.21 % per annum (2017: 7 % to 7.73 % per annum).

7.2.3 This loan has been obtained from a syndicate of banks (with Habib Bank Limited acting as the Agent) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed RLNG assets of the Company to the extent of Rs 18,800,000 thousand (2017: Rs 18,800,000 thousand) relating to the project and the sovereign guarantee of Government of Pakistan. During the year, the Company made further drawdowns of Rs 4,055,478 thousand (2017: Rs 7,980,373 thousand). The effective mark-up charged during the year ranges from 7.26 % to 8.03 % per annum (2017: 7.23 % to 7.26 % per annum).

7.2.4 This loan has been obtained from Allied Bank Limited and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed assets of the Company (excluding Assets of RLNG Project) to the extent of Rs 3,094,667 thousand. The effective mark-up charged during the year ranges from 6.05 % to 6.44 % per annum.

		Note	2018	2017
			(Rupees in thousand)	
8.	**LONG TERM FINANCING - UNSECURED**			
	Local currency loans	8.1	897,877	952,789
	Current portion shown under current liabilities	16	(482,645)	(448,722)
			415,232	504,067
8.1	**Loans**			
	Government - Development loans	8.1.1	730,457	774,710
	Industrial consumers	8.1.2	167,420	178,079
			897,877	952,789

8.1.1 These have been obtained from the Provincial Governments of Punjab and Khyber Pakhtunkhwa (KPK) for supply of gas to new towns. Loans aggregating to Rs 533,028 thousand (2017: Rs 504,976 thousand) carry mark-up at the rate of 5% (2017: 5%) per annum and Rs 197,429 thousand (2017: Rs 269,734 thousand) carry mark-up at the rate of six month State Bank of Pakistan's (SBP) treasury bills plus 1.2% (2017: six month SBP treasury bills plus 1.2%) on the outstanding balance or part thereof. The fair value of loans from Provincial Governments are estimated as present value of all future cash flows discounted using Pakistan Investment Bonds (PIBs) rate prevailing at the time of initial recognition of respective loans.

8.1.2 These have been obtained from certain industrial consumers for laying of gas pipelines and carry mark-up at the rate of 1.5% (2017: 1.5%) per annum on the outstanding balance or part thereof and are repayable over a period of 10 years with a grace period of 2 years. Loans from industrial consumers are estimated as present value of all future cash flows discounted using 1.1% (2017: 1.1%) above State Bank of Pakistan's cut off yield rates prevailing at the time of initial recognition of these loans.

		2018	2017
		(%)	
8.1.3	The effective interest rates are as follows:		
	Government - Development loans	9.80 to 14.47	8.00 to 14.47
	Industrial consumers	6.55 to 14.24	4.94 to 14.24

		Note	2018	2017
			(Rupees in thousand)	
9.	**SECURITY DEPOSITS**			
	Consumers	9.1 & 9.2	43,637,181	38,472,602
	Contractors - Houseline	9.3	145,278	94,028
			43,782,459	38,566,630

9.1 Consumers' deposits represent security received against amount due from consumers on account of gas sales. These are repayable on cancellation of contract for supply of gas or on submission of bank guarantee / Standby letter of credit in lieu of security deposits. Interest is payable at the rate of KIBOR minus 3% (2017: KIBOR minus 3%) per annum on deposits from all consumers, other than domestic, aggregating to Rs 22,849,178 thousand (2017: Rs 20,794,965 thousand). However, for one consumer with a deposit of Rs 1,091,995 thousand (2017: Rs 1,091,995 thousand) interest rate is 1% above 3 months SBP treasury bills cut off rate subject to a floor of 7% (2017: 3 months SBP treasury bills cut off rate subject to a floor of 7%) per annum.

		2018	2017
		(Rupees in thousand)	
9.2	These include security deposits from following related parties:		
	Fauji Fertilizer Company Limited	12,366	12,366
	State Life Insurance Corporation of Pakistan	820	750
	The Bank of Punjab	–	6
	Oil and Gas Development Company Limited	7	7
	Sheikh CNG	1,514	1,514
	City CNG	2,844	2,844
		17,551	17,487

9.3 No interest is payable on the deposits from houseline contractors. These are refundable on cancellation of contract or dealership agreement.

9.4 These security deposits have been utilized for the purpose of business in accordance with the terms of contract with consumers and contractors.

		Note	2018	2017
			(Rupees in thousand)	
10.	**DEFERRED CREDIT**			
	Consumer contribution against:			
	- Completed jobs		26,369,931	24,697,401
	- Jobs-in-progress		4,309,005	3,179,995
			30,678,936	27,877,396
	Government grants against:			
	- Completed jobs		27,324,879	24,225,446
	- Jobs-in-progress		31,092,948	22,463,899
			58,417,827	46,689,345
			89,096,763	74,566,741
	Less: Accumulated amortization:			
	Opening balance		27,398,587	24,142,099
	Loan from Provincial Government - Initial Recognition		6,113	6,818
	Amortization for the year	36	3,837,509	3,249,670
			31,242,209	27,398,587
			57,854,554	47,168,154

	Note	2018	2017
		(Rupees in thousand)	

11. DEFERRED TAXATION

The deferred taxation liability comprises timing differences relating to:			
Taxable temporary differences			
Accelerated tax depreciation		17,445,752	–
Deductible temporary differences			
Provision for doubtful debts		(5,334,636)	–
Unpaid trading liabilities		(4,987,507)	–
Carried forward tax losses		(2,622,747)	–
Minimum and alternate corporate tax available for carry forward		(2,780,309)	–
Unamortized balance of employee loans at fair value		(43,787)	–
		(15,768,986)	–
		1,676,766	–
The gross movement in net deferred tax liability during the year is as follows:			
Opening balance		(1,310,341)	–
Charged to statement of profit or loss	41	2,251,662	–
Charged to other comprehensive income		735,445	–
Closing balance		1,676,766	–

	2018	2017
	(Rupees in thousand)	

12. EMPLOYEE BENEFITS

Pension fund - Non Executive staff	2,765,262	10,416,352
Medical fund - Executive staff	225,125	40,547
Medical fund - Non Executive Staff	–	538,779
Gratuity fund - Executive staff	3,475,484	2,889,523
Gratuity fund - Non Executive staff	955,354	617,046
Compensated absences - Executive staff	137,161	105,581
Compensated absences - Non Executive staff	58,947	73,918
	7,617,333	14,681,746

12.1 Reconciliation of payable to employee benefit plans:

	Note	Pension fund - non executive 2018	Pension fund - non executive 2017	Medical fund - executive staff 2018	Medical fund - executive staff 2017	Medical fund - non executive staff 2018	Medical fund - non executive staff 2017	Gratuity fund - executive staff 2018	Gratuity fund - executive staff 2017	Gratuity fund - non executive staff 2018	Gratuity fund - non executive staff 2017
		(Rupees in thousand)									
Present value of defined benefit obligations	12.4	20,521,161	21,246,503	4,469,136	3,986,990	–	8,784,355	3,643,444	3,041,965	5,397,116	4,898,981
Fair value of plan assets	12.5	(17,755,899)	(10,830,151)	(4,244,011)	(3,946,443)	–	(8,245,576)	(167,960)	(152,442)	(4,441,762)	(4,281,935)
Net liabilities	12.10	2,765,262	10,416,352	225,125	40,547	–	538,779	3,475,484	2,889,523	955,354	617,046

	Note	Accumulating compensated absences - executive staff 2018	Accumulating compensated absences - executive staff 2017	Accumulating compensated absences - non executive staff 2018	Accumulating compensated absences - non executive staff 2017	Total 2018	Total 2017
		(Rupees in thousand)					
Present value of defined benefit obligations	12.4	655,456	565,065	1,325,969	1,114,027	36,012,282	43,637,886
Fair value of plan assets	12.5	(518,295)	(459,484)	(1,267,022)	(1,040,109)	(28,394,949)	(28,956,140)
Net liabilities	12.10	137,161	105,581	58,947	73,918	7,617,333	14,681,746

12.2 Movement in net liability

	Note	Pension fund - non executive staff 2018	Pension fund - non executive staff 2017	Medical fund - executive staff 2018	Medical fund - executive staff 2017	Medical fund - non executive staff 2018	Medical fund - non executive staff 2017	Gratuity fund - executive staff 2018	Gratuity fund - executive staff 2017	Gratuity fund - non executive staff 2018	Gratuity fund - non executive staff 2017
		(Rupees in thousand)									
Opening liability		10,416,352	7,129,377	40,547	1,016,317	–	1,033,801	2,889,523	2,199,239	617,046	328,669
Transfer of funds		–	(18,200)	–	–	–	–	(100,000)	(100,000)	–	–
Charge for the year	12.3	1,440,020	1,164,400	204,076	251,622	–	422,003	514,020	386,191	309,763	216,590
Remeasurements charged In OCI		(2,328,066)	3,914,042	109,517	(121,116)	–	244,297	345,007	542,382	343,883	614,306
Contribution paid		(6,763,044)	(1,773,267)	(129,015)	(1,106,276)	–	(1,161,322)	(173,066)	(138,289)	(315,338)	(542,519)
		2,765,262	10,416,352	225,125	40,547	–	538,779	3,475,484	2,889,523	955,354	617,046

	Note	Accumulating compensated absences - executive staff 2018	Accumulating compensated absences - executive staff 2017	Accumulating compensated absences - non executive staff 2018	Accumulating compensated absences - non executive staff 2017	Total 2018	Total 2017
		(Rupees in thousand)					
Opening liability		105,581	158,193	73,918	298,523	14,142,967	12,164,119
Transfer of funds		–	–	–	–	(100,000)	(118,200)
Charge for the year	12.3	147,892	128,902	122,279	118,947	2,738,050	2,688,655
Remeasurements charged In OCI		–	–	–	–	(1,529,659)	5,193,911
Contribution paid		(116,312)	(181,514)	(137,250)	(343,552)	(7,634,025)	(5,246,739)
		137,161	105,581	58,947	73,918	7,617,333	14,681,746

12.3 Amounts recognized in statement of profit or loss

	Note	Pension fund - non executive staff 2018	Pension fund - non executive staff 2017	Medical fund - executive staff 2018	Medical fund - executive staff 2017	Medical fund - non executive staff 2018	Medical fund - non executive staff 2017	Gratuity fund - executive staff 2018	Gratuity fund - executive staff 2017	Gratuity fund - non executive staff 2018	Gratuity fund - non executive staff 2017
		(Rupees in thousand)									
Current service cost		683,776	508,912	206,652	202,988	–	374,423	212,698	167,781	260,380	210,562
Interest on obligation		2,246,004	1,647,394	423,846	376,974	–	799,152	312,512	233,715	507,906	394,930
Expected return on plan assets		(1,489,760)	(991,906)	(426,422)	(328,340)	–	(751,572)	(11,190)	(15,305)	(458,523)	(388,902)
Net actuarial losses recognized in the year		–	–	–	–	–	–	–	–	–	–
Total included in employee benefit expense	12.12	1,440,020	1,164,400	204,076	251,622	–	422,003	514,020	386,191	309,763	216,590
Actual return on plan assets		869,589	771,760	257,021	311,395	–	570,745	12,209	13,436	193,036	434,169

	Note	Accumulating compensated absences - executive staff 2018	Accumulating compensated absences - executive staff 2017	Accumulating compensated absences - non executive staff 2018	Accumulating compensated absences - non executive staff 2017	Total 2018	Total 2017
		(Rupees in thousand)					
Current service cost		12,435	12,104	29,463	21,114	1,405,404	1,497,884
Interest on obligation		60,168	46,389	116,354	99,973	3,666,790	3,598,527
Expected return on plan assets		(55,070)	(39,308)	(115,785)	(86,664)	(2,556,750)	(2,601,997)
Net actuarial losses recognized in the year		130,359	109,717	92,247	84,524	222,606	194,241
Total included in employee benefit expense	12.12	147,892	128,902	122,279	118,947	2,738,050	2,688,655
Actual return on plan assets		(46,771)	6,119	152,993	65,234	1,438,077	2,172,858

12.4 Changes in the present value of defined benefit obligation

	Pension fund - non executive staff		Medical fund - executive staff		Medical fund - non executive staff		Gratuity fund - executive staff		Gratuity fund - non executive staff	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Rupees in thousand)									
Opening defined benefit obligation	21,246,503	15,982,635	3,986,990	3,635,365	–	7,674,632	3,041,965	2,351,765	4,898,981	3,888,553
Current service cost	683,776	508,912	206,652	202,988	–	374,423	212,698	167,781	260,380	210,562
Interest cost	2,246,004	1,647,394	423,846	376,974	–	799,152	312,512	233,715	507,906	394,930
Remeasurements charged to OCI	(2,948,237)	3,693,896	(59,884)	(138,061)	–	63,470	346,026	540,513	78,396	659,573
Acturial losses	–	–	–	–	–	–	–	–	–	–
Benefits paid	(706,885)	(586,334)	(88,468)	(90,276)	–	(127,322)	(269,757)	(251,809)	(348,547)	(254,637)
Closing defined benefit obligation	20,521,161	21,246,503	4,469,136	3,986,990	–	8,784,355	3,643,444	3,041,965	5,397,116	4,898,981

	Accumulating compensated absences - executive staff		Accumulating compensated absences - non executive staff		Total	
	2018	2017	2018	2017	2018	2017
	(Rupees in thousand)					
Opening defined benefit obligation	565,065	453,558	1,114,027	974,398	34,853,531	34,960,906
Current service cost	12,435	12,104	29,463	21,114	1,405,404	1,497,884
Interest cost	60,168	46,389	116,354	99,973	3,666,790	3,598,527
Remeasurements charged to OCI	–	–	–	–	(2,583,699)	4,819,391
Acturial losses	28,518	76,528	129,455	63,094	157,973	139,622
Benefits paid	(10,730)	(23,514)	(63,330)	(44,552)	(1,487,717)	(1,378,444)
Closing defined benefit obligation	655,456	565,065	1,325,969	1,114,027	36,012,282	43,637,886

12.5 Changes in the fair value of plan assets

	Note	Pension fund - non executive staff 2018	Pension fund - non executive staff 2017	Medical fund - executive staff 2018	Medical fund - executive staff 2017	Medical fund - non executive staff 2018	Medical fund - non executive staff 2017	Gratuity fund - executive staff 2018	Gratuity fund - executive staff 2017	Gratuity fund - non executive staff 2018	Gratuity fund - non executive staff 2017
		(Rupees in thousand)									
Opening fair value of plan assets		10,830,151	8,853,258	3,946,443	2,619,048	–	6,640,831	152,442	152,526	4,281,935	3,559,884
Expected return		1,489,760	991,906	426,422	328,340	–	751,572	11,190	15,305	458,523	388,902
Remeasurements charged to OCI		(620,171)	(220,146)	(169,401)	(16,945)	–	(180,827)	1,019	(1,869)	(265,487)	45,267
Acturial losses		–	–	–	–	–	–	–	–	–	–
Contributions by employer		6,763,044	1,773,267	129,015	1,106,276	–	1,161,322	173,066	138,289	315,338	542,519
Benefits paid		(706,885)	(586,334)	(88,468)	(90,276)	–	(127,322)	(269,757)	(251,809)	(348,547)	(254,637)
Transfer of funds		–	18,200	–	–	–	–	100,000	100,000	–	–
	12.6	17,755,899	10,830,151	4,244,011	3,946,443	–	8,245,576	167,960	152,442	4,441,762	4,281,935

	Note	Accumulating compensated absences - executive staff 2018	Accumulating compensated absences - executive staff 2017	Accumulating compensated absences - non executive staff 2018	Accumulating compensated absences - non executive staff 2017	Total 2018	Total 2017
		(Rupees in thousand)					
Opening fair value of plan assets		459,484	295,365	1,040,109	675,875	20,710,564	22,796,787
Expected return		55,070	39,308	115,785	86,664	2,556,750	2,601,997
Remeasurements charged to OCI		–	–	–	–	(1,054,040)	(374,520)
Acturial losses		(101,841)	(33,189)	37,208	(21,430)	(64,633)	(54,619)
Contributions by employer		116,312	181,514	137,250	343,552	7,634,025	5,246,739
Benefits paid		(10,730)	(23,514)	(63,330)	(44,552)	(1,487,717)	(1,378,444)
Transfer of funds		–	–	–	–	100,000	118,200
	12.6	518,295	459,484	1,267,022	1,040,109	28,394,949	28,956,140

12.6 Plan assets comprise:

	Pension fund - Non executive staff			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	14,948,184	84.18	9,056,434	83.62
NIT units	642,274	3.62	566,462	5.23
Pakistan Investment Bonds	1,862,012	10.49	934,200	8.63
Cash at bank	303,429	1.71	197,241	1.82
Others	–	0.00	75,814	0.70
	17,755,899	100.00	10,830,151	100.00

	Medical fund - Executive staff			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	3,963,573	93.39	3,499,546	88.68
NIT units	28,317	0.67	32,109	0.81
Pakistan Investment Bonds	143,813	3.39	407,299	10.32
Cash at bank	108,308	2.55	7,489	0.19
	4,244,011	100.00	3,946,443	100.00

	Medical fund - Non executive staff			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	–	–	7,485,091	90.77
NIT Units	–	–	239,739	2.91
Pakistan Investment Bonds	–	–	501,051	6.08
Cash at Bank	–	–	19,695	0.24
	–	–	8,245,576	100.00

	Gratuity fund - Executive staff			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	111,770	66.55	111,755	73.31
Pakistan Investment Bonds	–	0.00	10,499	6.89
Cash at bank	56,190	33.45	30,188	19.80
	167,960	100.00	152,442	100.00

	Gratuity fund - Non executive staff			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	3,488,438	78.53	3,263,954	76.23
NIT Units	522,603	11.77	574,465	13.42
Pakistan Investment Bonds	249,546	5.62	327,764	7.65
Cash at bank	163,802	3.69	95,894	2.24
Others	17,373	0.39	19,858	0.46
	4,441,762	100.00	4,281,935	100.00

	Accumulating compensated absences - Executive staff			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	500,935	96.65	401,308	87.34
Pakistan Investment Bonds	10,000	1.93	56,576	12.31
Cash at bank	7,360	1.42	1,600	0.35
	518,295	100.00	459,484	100.00

	Accumulating compensated absences - Non executive staff			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	1,232,333	97.26	910,002	87.49
Pakistan Investment Bonds	25,875	2.04	122,191	11.75
Cash at bank	8,814	0.70	7,916	0.76
	1,267,022	100.00	1,040,109	100.00

12.7 Principal actuarial assumptions used (expressed as weighted average)

	Pension fund			
	2018		2017	
	Executive	Non executive	Executive	Non executive
Expected increase in salaries	11.25%	11.25%	10.75%	10.75%
Discount rate	11.25%	11.25%	10.75%	10.75%
Expected rate of return per annum on				
plan assets	11.25%	11.25%	10.75%	10.75%
Rate of growth in pensions				
- Employees with retirement up				
to November 11, 2017	8.25%	8.25%	7.75%	7.75%
- Employees with retirement after				
November 11, 2017	5%	5%	7.75%	7.75%

During the year Company revised its policy of linking pension increase with the pension enhancements announced by the Government to fixed rate of 5% for employee retiring after November 11, 2017. Resultantly, pension increase assumption of 8.25% per annum was used for pensioners who retired before November 11, 2017 and 5% for pensioners who become pensioner after November 11, 2017.

	Medical fund			
	2018		2017	
	Executive	Non executive	Executive	Non executive
Discount rate	11.25%	11.25%	10.75%	10.75%
Expected rate of growth per annum in				
average cost of facility	10.25%	10.25%	10.75%	10.75%
Increase in average cost of post				
retirement medical facility	11.25%	11.25%	9.75%	9.75%
Expected rate of return per annum on				
plan assets	11.25%	11.25%	10.75%	10.75%

	Gratuity fund			
	2018		2017	
	Executive	Non executive	Executive	Non executive
Expected increase in salaries	11.25%	11.25%	10.75%	10.75%
Discount rate	11.25%	11.25%	10.75%	10.75%
Expected rate of return per annum on plan assets	11.25%	11.25%	10.75%	10.75%

	Accumulating compensated absences			
	2018		2017	
	Executive	Non executive	Executive	Non executive
Expected increase in salaries	11.25%	11.25%	10.75%	10.75%
Discount rate	11.25%	11.25%	10.75%	10.75%
Expected rate of return per annum on plan assets	11.25%	11.25%	10.75%	10.75%

	Free gas facility fund			
	2018		2017	
	Executive	Non executive	Executive	Non executive
Discount rate	11.25%	11.25%	10.75%	10.75%
Expected rate of growth per annum in average cost of facility	10.25%	10.25%	9.75%	9.75%
Expected rate of return per annum on plan assets	11.25%	11.25%	10.75%	10.75%

12.8 Calculations are based on mathematical model which takes into account the yield at maturity of the existing investment present at the beginning of the financial year. The model also considers the expected return on the reinvestment of the maturity proceeds in similar instruments (based on their yield as at the valuation date) up till the life of the related obligation.

12.9 The effect of one per cent movement in assumed medical cost trend rates would have the following effects:

	2018		2017	
	1% increase	1% (decrease)	1% increase	1% (decrease)
	(Rupees in thousand)			
Effect on the aggregate of the service cost and interest cost	99,760	(80,430)	111,486	(89,678)
Effect on defined benefit obligation	2,126,080	(1,744,110)	2,064,902	(1,692,571)

12.10 Deficit / (Surplus) for current and previous four years

	Pension fund - Non executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Defined benefit obligation	20,521,161	21,246,503	15,982,635	12,405,311	8,906,681
Plan assets	(17,755,899)	(10,830,151)	(8,853,258)	(8,221,493)	(6,788,487)
Deficit	2,765,262	10,416,352	7,129,377	4,183,818	2,118,194
Experience adjustment on plan liabilities	298,176	3,537,355	2,462,098	2,506,973	(641,577)
Experience adjustment on plan assets	(620,171)	(220,146)	(178,608)	(163,675)	127,229

	Medical fund - Executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Defined benefit obligation	4,469,136	3,986,990	3,635,365	2,995,622	2,419,576
Plan assets	(4,244,011)	(3,946,443)	(2,619,048)	(1,866,823)	(1,686,613)
Deficit	225,125	40,547	1,016,317	1,128,799	732,963
Experience adjustment on plan liabilities	(71,977)	(143,468)	245,062	199,385	112,686
Experience adjustment on plan assets	(169,401)	(16,945)	(145,809)	(47,483)	(2,188)

	Medical fund - Non executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Defined benefit obligation	–	8,784,355	7,674,632	6,283,881	4,462,941
Plan assets	–	(8,245,576)	(6,640,831)	(6,127,680)	(5,585,434)
Deficit / (Surplus)	–	538,779	1,033,801	156,201	(1,122,493)
Experience adjustment on plan liabilities	–	63,469	531,920	1,092,243	33,247
Experience adjustment on plan assets	–	180,827	(130,255)	(211,788)	280

	Gratuity fund - Executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Defined benefit obligation	3,643,444	3,041,965	2,351,765	1,636,505	1,526,403
Plan assets	(167,960)	(152,442)	(152,526)	(197,679)	(192,891)
Deficit	3,475,484	2,889,523	2,199,239	1,438,826	1,333,512
Experience adjustment on plan liabilities	338,341	(24,105)	672,996	8,495	329,839
Experience adjustment on plan assets	1,019	(1,869)	(4,845)	(27,152)	(16,016)

	Gratuity Fund - Non executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Defined benefit obligation	5,397,116	4,898,981	3,888,553	3,461,211	2,539,324
Plan assets	(4,441,762)	(4,281,935)	(3,559,884)	(3,362,077)	(3,054,105)
Deficit / (Surplus)	955,354	617,046	328,669	99,134	(514,781)
Experience adjustment on plan liabilities	78,396	866,656	170,528	658,320	(113,055)
Experience adjustment on plan assets	(265,487)	45,267	(113,235)	(30,048)	145,799

	Accumulating compensated absences - Executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Defined benefit obligation	655,456	565,065	453,558	370,910	252,811
Plan assets	(518,295)	(459,484)	(295,365)	(203,101)	(181,205)
Deficit	137,161	105,581	158,193	167,809	71,606
Experience adjustment on plan liabilities	28,096	(29,788)	58,573	95,040	102,841
Experience adjustment on plan assets	(101,841)	(33,189)	17,260	(2,567)	53,360

	Accumulating compensated absences - Non Executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Defined benefit obligation	1,325,969	1,114,027	974,398	896,716	633,644
Plan assets	(1,267,022)	(1,040,109)	(675,875)	(396,829)	(359,082)
Deficit	58,947	73,918	298,523	499,887	274,562
Experience adjustment on plan liabilities	129,455	107,699	17,667	197,174	169,224
Experience adjustment on plan assets	37,208	(21,430)	(19,431)	(10,729)	(54,465)

	Free gas facility fund - Non executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Defined benefit obligation	4,182,114	4,185,392	4,240,733	3,966,458	3,791,581
Plan assets	(4,902,558)	(4,503,541)	(4,072,397)	(2,067,563)	(1,885,591)
(Surplus) / Deficit	(720,444)	(318,149)	168,336	1,898,895	1,905,990
Experience adjustment on plan liabilities	(569,655)	(611,522)	(233,903)	(471,401)	326,409
Experience adjustment on plan assets	(85,114)	(173,278)	(170,378)	(72,583)	9,425

		Note	2018	2017
			(Rupees in thousand)	
12.11	**Estimated future contributions**			
	Pension fund - Non executive staff		562,271	623,404
	Medical fund - Executive staff		225,125	40,547
	Medical fund - Non executive staff		–	695,149
	Gratuity fund - Executive staff		629,611	140,782
	Gratuity fund - Non executive staff		370,053	259,648
	Accumulating compensated absences - Executive staff		137,161	11,403
	Accumulating compensated absences - Non Executive staff		58,947	73,929
			1,983,168	1,844,862
12.12	The charge for the year has been allocated as follows:			
	Distribution cost	35	1,262,520	1,291,001
	Selling costs	37	660,212	642,416
	Administrative expenses	38	763,300	706,668
	Project work in progress		52,018	48,570
			2,738,050	2,688,655

	Note	2018	2017
		(Rupees in thousand)	

13. TRADE AND OTHER PAYABLES

	Note	2018	2017
Creditors for : - gas	13.1 & 13.2	207,456,506	108,421,743
- supplies	13.3	1,400,122	1,544,219
Accrued liabilities		11,675,679	11,469,551
Provident fund payable	13.4	42,439	–
Gas Infrastructure Development Cess (GIDC)	13.5	439,868	726,054
Interest free deposits repayable on demand	13.6	727,809	789,898
Earnest money received from contractors		130,463	70,474
Mobilization and other advances		3,184,518	3,351,528
Due to customers	44	68,066	12,605
Advances from customers		7,925	5,348
Workers' Profit Participation Fund (WPPF)	13.7	1,892,608	1,078,113
RLNG differential margin	13.8	4,012,899	4,192,208
Gas swapping deferral account	13.9	2,640,675	–
		233,679,577	131,661,741

		2018	2017
13.1	These include amounts payable to the following related parties:		
	Sui Southern Gas Company Limited	45,103,639	21,038,864
	Pakistan State Oil Company Limited	12,350,792	8,705,787
	Government Holdings (Pvt) Ltd	11,166,663	4,627,585
	Pakistan Petroleum Limited	65,830,341	40,831,525
	Oil and Gas Development Limited	46,625,964	22,263,890
	Mari Petroleum Company Limited	1,049,307	–
		182,126,706	97,467,651

13.2 Included in trade payables is an amount of Rs 12,350,792 thousand (2017: Rs 8,705,787 thousand) and Rs 10,222,060 thousand (2017: Nil) due to Pakistan State Oil (PSO) and Pakistan LNG Limited (PLL) respectively representing payable against Liquefied Natural Gas (LNG) supplied by them. In this regard, the agreement for the supply of LNG between the parties has not yet been finalized and is under negotiation. Additional liability or adjustment, if any, that may arise would be recorded accordingly on the finalization of the agreement.

		2018	2017
		(Rupees in thousand)	
13.3	These include amounts payable to the following related parties:		
	The General Tyre & Rubber Company of Pakistan limited	–	333
	Pakistan Cables Limited	16,313	45
	International Industries Limited	23,854	137,899
	Sui Southern Gas Company Limited	242,034	21,201
		282,201	159,478

		2018	2017
		(Rupees in thousand)	
13.4	**Provident fund**		
	(i) Size of the fund	10,723,469	10,299,634
	(ii) Cost of Investment made	10,362,539	9,812,406
	(iii) Fair value of Investment	10,723,469	10,299,634
	(iv) Percentage of investment made	100%	100%

			2018		2017	
		Note	Percentage	Rupees in thousand	Percentage	Rupees in thousand
13.4.1	**Breakup of Investments**					
	- Term deposit receipts - schedule banks		87.66	9,400,104	84.64	8,718,000
	- Mutual funds		9.43	1,010,865	11.00	1,132,134
	- Pakistan Investment Bonds		2.91	312,500	4.36	449,500
		13.4.2	100.00	10,723,469	100.00	10,299,634

13.4.2 Investments out of provident fund have been made in accordance with the provision of section 218 of the Companies Act, 2017. The figures are based on the audited financial statements of the fund.

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

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

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

Furthermore, principal amount of GIDC amounting to Rs 130,606,731 thousand (2017: Rs 106,775,096 thousand) is recoverable from consumers and payable to Government of Pakistan. These financial statements do not reflect the said amounts since the provisions of the GIDC Act require the Company to pay GIDC as and when the same is collected from consumers. Furthermore, such consumers have obtained stay orders against recovery of the same and consequently in view of the legal advisors of the Company, the Company is not liable to pay such amounts until the same are recovered. Both the principal amount and Sales tax on GIDC will be shown as payable as and when these balances are collected from consumers. The current payable amount of Rs 439,868 thousand (2017: Rs 726,054 thousand) represents GIDC collected from consumers which has been deposited in the Government treasury subsequent to June 30, 2018.

13.6 These security deposits have been utilized for the purpose of business in accordance with the terms of contract with contractors.

		Note	2018	2017
			(Rupees in thousand)	
13.7	**Workers' Profit Participation Fund**			
	Balance at the beginning of the year		1,078,113	418,155
	Allocation for the year	39	814,494	659,958
			1,892,607	1,078,113

13.7.1 After promulgation of 18th amendment, the Workers' Profit Participation Act, 1968 was repealed which resulted into devolution of power to provinces to make all enactments relating to labour laws. The Company on the advice of their legal counsel withheld payment to Federal Government on account of WPPF since the related labour laws governing matters related to WPPF has not yet been framed by the provincial government. Accordingly, no provision for interest on delayed payment has been created in these financial statements.

		2018	2017
		(Rupees in thousand)	
13.8	**RLNG differential margin**		
	Opening balance	4,192,208	4,430,962
	Recognised for the year	(179,309)	(238,754)
	Closing balance	4,012,899	4,192,208

13.8.1 The balance of RLNG Margin Account represents the aggregate difference between the margin earned by the Company from the purchase and sale of RLNG based on the notified rates and the RLNG margin guaranteed to the Company till June 30, 2018. The settlement of this amount is expected to materialize in the shape of adjustment to future sale price of RLNG by OGRA.

		2018	2017
		(Rupees in thousand)	
13.9	**Gas swapping deferral account**		
	Opening balance	–	–
	Recognised for the year	2,640,675	–
	Closing balance	2,640,675	–

13.9.1 A gas swapping mechanism was allowed by the Economic Coordination Committee ("ECC") of the Cabinet Division vide its decision dated May 11, 2018, which was endorsed by OGRA vide Final Revenue Requirement decision of the Company for financial year 2017-18 dated January 15, 2019 (FRR 17-18), for swapping of natural gas and RLNG for the purpose of gas load management. The necessary volumetric adjustments and financial impact is to be made on a cost neutral basis in the sale price of RLNG. The balance of gas swapping deferral account represents the difference of average cost of RLNG and the prescribed price of system gas (used by OGRA in determination of deferral account) of the swapped volumes. 10,379,957 MMBTUs of Indigenous gas were sold as RLNG till June 30, 2018. This amount will be adjusted upon directional changes in gas swapping and / or tariff adjustments in future periods to be determined by OGRA.

		Note	2018	2017
			(Rupees in thousand)	
14	**INTEREST AND MARK-UP ACCRUED ON LOANS AND OTHER PAYABLES**			
	Accrued mark-up / interest on:			
	Long term financing - secured		365,245	289,702
	Long term financing - unsecured		300,233	269,774
	Short term borrowing - secured		45,661	8,544
	Deposits from customers		1,320,833	1,187,569
	Late payment of gas creditors and Gas Development Surcharge		29,332,016	23,456,944
		14.1	31,363,988	25,212,533
14.1	These include amounts payable to the following related parties:			
	Sui Southern Gas Company Limited		6,046,632	5,430,887
	Government Holdings (Pvt) Ltd		1,264,489	949,732
	Pakistan Petroleum Limited		9,569,767	6,486,179
	Oil and Gas Development Company Limited		7,889,798	6,344,344
	Mari Petroleum Company Limited		5,901	–
			24,776,587	19,211,142
15.	**SHORT TERM BORROWING - SECURED**			
	Allied Bank Limited	15.1.1 & 15.2	2,348,352	999,258
	Bank Alfalah Limited	15.1.2	1,638,194	–
			3,986,546	999,258

15.1 Running finances - secured

15.1.1 During the year, the short term running finance facility has been revised to a maximum limit of Rs 4,000,000 thousand. This facility carries mark-up at the rate of 3 months KIBOR per annum (2017: 3 months KIBOR plus 0.15% per annum) on the balance outstanding. This is secured by way of first pari pasu charge over current assets of the Company to the extent of Rs 1,333,330 thousand (2017: Rs 1,333,330 thousand) and ranking charge over current assets of the Company to the extent of Rs 4,000,000 thousand. Mark-up is payable on quarterly basis. The effective interest rate during the period ranged from 6.29% to 6.50% (2017: 6.19% to 6.27%) per annum.

15.1.2 During the year Company has obtained a short term running finance facility from Bank Alfalah Limited amounting to Rs 2,500,000 thousand. This facility carries mark-up at the rate of 3 months KIBOR per annum (2017: Nil) on the balance outstanding. This is secured by way of ranking charge over current assets of the Company to the extent of Rs 3,333,334 thousand. Mark-up is payable on quarterly basis. The effective interest rate during the year is 6.41% per annum.

15.2 Letters of credit and bank guarantees

Facilities of Rs 100,000 thousand (2017: Rs 100,000 thousand) for opening letters of credit and Rs 100,000 thousand (2017: Rs 100,000 thousand) for guarantees are available with the Company as a sub-limit of facility referred in note 15.1. Both facilities have not been availed during the years ended June 30, 2018 and June 30, 2017. The facility for opening of letters of credit is secured by lien over trade documents and the facility for guarantees is secured by way of first pari passu charge over present and future fixed assets i.e. plant and machinery of the Company to the extent of Rs 666,670 thousand (2017: Rs 666,670 thousand).

The Company has additional facilities for opening letters of credit amounting to Rs 13,000,000 thousand (2017: Rs 31,731,450 thousand) out of which Rs 4,037,640 thousand (2017: Rs 11,945,120 thousand) remained unutilized at the end of the year. These are secured by lien over trade documents.

Aggregate facilities for guarantees and letters of credit are additionally secured by charges on assets of the Company.

		Note	2018	2017
			(Rupees in thousand)	
16.	**CURRENT PORTION OF LONG TERM FINANCING**			
	Long term financing - secured	7	11,090,000	4,915,000
	Long term financing - unsecured	8	482,645	448,722
			11,572,645	5,363,722

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 Taxation

a) A demand of Rs 67,998 thousand (2017: Rs 67,998 thousand) relating to excess compensation for delayed refunds for assessment years 1988-89, 1990-91, 1991-92 and 1996-97 was raised by the Additional Commissioner of Income Tax by rectifying the orders previously issued under section 171 of the repealed Ordinance. In this regard, while disposing off the appeal filed before Appellate Tribunal Inland Revenue (ATIR) on May 04, 2009 against the order of Commissioner Income Tax (Appeals) (CIT(A)), the ATIR has remanded back the matter of curtailment of compensation on delayed payment / adjustment of refund pertaining to assessment year 1988-89, 1991-92 and 1996-97 for verification of underlying facts afresh. However, no provision has been made in these financial statements as the management is confident of a favorable outcome.

b) During the year ended June 30, 2012 Income Tax Authorities raised demands of Rs 8,207,290 thousand, Rs 7,366,587 thousand and Rs 2,715,174 thousand for Tax Year 2011, 2010 and 2006 respectively, on account of disallowance of Cost Equalization Adjustment, Gas Development Surcharge (GDS) while adding back consumers' contribution and government grants. Company's appeal against the amendment orders were disposed off by Commissioner Inland Revenue (Appeals) (CIR(A)) substantially in Company's favor and except for the issue of admissibility of GDS and tax credit referred above, all other material disallowances were removed. Both the tax authorities and Company preferred appeals against order of CIR(A) before ATIR. During the financial year ended June 30, 2015, while disposing off Company's appeal, ATIR upheld Company's contention in respect of admissibility of GDS, whereas the tax credit under section 65B of Income tax ordinance 2001 amounting to Rs 574,355 thousand was not allowed. Furthermore Appeal filed by the Income Tax Department with respect to other issues was decided in Company's favor. However, Tax Authorities have filed an appeal on January 01, 2016 against the decision of ATIR with regards to GDS before Honorable Lahore High Court (LHC) which is pending adjudication. Except for the disallowance related to tax credit under section 65B, no provision regarding the above explained issues has been made in these financial statements as management considers that Company's stance is based on meritorious grounds and will be upheld by higher appellate forums.

c) During the year ended June 30, 2013, Income Tax Authorities raised demands of Rs 17,207,333 thousand and Rs 6,880,501 thousand for Tax Year 2012 and 2007 respectively on similar grounds to those raised in Tax Years 2011, 2010 and 2006 as mentioned above. During the year ended June 30, 2016, Company's appeal against the amendment orders were disposed off by CIR(A) substantially in Company's favor and except for the issue of admissibility of GDS and tax credit referred above, all other material disallowances were removed, Consequently the demand for Tax year 2012 and Tax year 2007 were reduced to Rs 5,105,423 thousand and Rs 3,330,110 thousand respectively. Both tax authorities and the Company preferred appeals against order of CIR(A) before the ATIR. While disposing off Company's appeal, ATIR upheld Company's contention in respect of admissibility of GDS, whereas the tax credit under section 65B of Income Tax Ordinance 2001 amounting to Rs 340,120 thousand was not allowed. Furthermore Appeal filed by the department with respect to other issues has been decided in the Company's favor. However, tax authorities and the Company have filed appeals against the decision of ATIR with regards to GDS and tax credit under section 65B of Income Tax Ordinance, 2001 before Honorable Lahore High Court on March 24, 2014 which are pending adjudication. Except for the disallowance related to tax credit under section 65B, no provision regarding the above has been made in these financial statements as the management considers that the Company's stance is based on meritorious grounds and will be upheld by the Honorable Lahore High Court.

d) During the year ended June 30, 2018, Income Tax Authorities raised demand of Rs 23,401,212 thousand for Tax Year 2014 on similar grounds as mentioned in (b) above with the addition of inadmissibility of UFG and recoverability of shortfall (as determined by OGRA) from consumers. The Company filed an appeal against the demand raised by the Tax Authorities with CIR(A). The Company's appeal against the amendment orders was disposed of by CIR(A) substantially in Company's favor and except for the issues of inadmissibility of UFG and recoverability of shortfall(as determined by OGRA) from consumers and tax credit under section 65B of Income Tax Ordinance, 2001 referred above, all other material disallowances were removed. Consequently, the demand has been reduced to Rs 3,288,547 thousand. The Company preferred an appeal against order of CIR(A) before ATIR on June 21, 2018 with respect to the issues decided against the Company. The appeal filed before ATIR is pending adjudication. Except for the disallowance related to tax credit under section 65B of Rs 209,507 thousand, no provision has been made in these financial statements as the management is confident of a favorable outcome.

e) During the year ended June 30, 2018, Income Tax Authorities raised demand of Rs 17,930,455 thousand for Tax Year 2015 on similar grounds as mentioned in (b) above with the addition of inadmissibility of UFG and recoverability of shortfall (as determined by OGRA) from consumers. The Company filed an appeal against the demand raised by the Tax Authorities with CIR(A). The Company's appeal against the amendment orders was disposed of by CIR(A) substantially in Company's favor and except for the issues of inadmissibility of UFG and recoverability of shortfall(as determined by OGRA) from consumers and tax credit under section 65B of Income Tax Ordinance, 2001 referred above, all other material disallowances were removed, Consequently the demand has been reduced to Rs 3,289,623 thousand. The Company preferred an appeal against order of CIR (A) before ATIR on April 28, 2018 with respect to the issues decided against the Company. The appeal filed before ATIR is pending adjudication. Except for the disallowance related to tax credit under section 65B of Rs 139,133 thousand, no provision has been made in these financial statements as the management is confident of a favorable outcome.

f) During the year ended June 30, 2018, Income Tax Authorities raised a demand of Rs 128,000 thousand for Tax Year 2006 relating to compensation on delayed refund of Rs 368,000 thousand which was originally received by the Company from FBR under section 171 of Income Tax Ordinance 2001. An appeal against this was filed with CIR(A) on the grounds that the section 39(1) CC of Income Tax Ordinance, 2001 was incorporated through Finance Act, 2012 which cannot be applied retrospectively. The appeal was dismissed by CIR(A) in favour of Income Tax Department. Consequently, the Company filed an appeal against the decision of CIR(A) with ATIR on the same grounds as mentioned before. ATIR accepted the Company's contention and decided the issue in favour of the Company. The decision of ATIR was challenged by the Income Tax Department in Honorable Lahore High Court who decided the case against the Company. The Company has challenged the decision of the Honorable Lahore High Court before the Honorable Supreme Court of Pakistan on December 18, 2017 which is pending adjudication. No provision has been made in these financial statements as the management is confident of favorable outcome of the appeal.

g) The Company filed appeals before the Customs, Excise and Sales Tax Appellate Tribunal against the orders of Collector of Sales Tax (Appeals) on May 21, 2010 regarding various issues including but not limited to apportionment of input tax, admissibility of input tax on natural gas lost in ruptures, etc. amounting to Rs 45,549 thousand (2017: Rs 45,549 thousand). Subsequently, Company's appeal against the orders of collector of Sales Tax (Appeals) was disposed off by ATIR in Company's favor. However, the department has filed an appeal against the decision of ATIR in Honorable Lahore High Court. Pending the outcome of appeal, no provision against Sales tax refundable has been recognized in the financial statements based on the opinion of legal counsel of the Company.

h) During the year 2011 Sales Tax authorities raised a demand of Rs 406,650 thousand (2017: Rs 406,650 thousand) and Rs 736,000 thousand (2017: Rs 736,000 thousand) for the years 2008 and 2009 respectively on account of inadmissibility of input sales tax in respect of gas lost over and above UFG benchmark fixed by OGRA. In this regard an appeal filed by the Company with CIRA in respect of the year 2008 and 2009 was decided against the Company. The Company filed an appeal against the orders of CIR (Appeals) with ATIR for the year 2008 and 2009 respectively which was decided against the Company. Subsequently, the Company filed an appeal with Honorable Lahore High Court on September 15, 2016, which is pending adjudication. No provision has been made in these financial statements as Company's management is confident of favorable outcome of the appeals.

i) During the year ended June 30, 2014, Sales Tax authorities raised a demand of Rs 555,938 thousand for the Tax Year 2010 on account of inadmissibility of input sales tax in respect of gas lost over and above UFG benchmark fixed by OGRA. In this regard, appeal was filed by Company with CIR(A) which was decided against the Company. The Company filed appeal against the orders of CIR(A) with ATIR on September 17, 2014 which is pending adjudication. No provision has been made in these financial statements as Company's management is confident of favorable outcome of the appeal.

j) During the year ended June 30, 2016, the authorities raised a demand of Rs 2,185,953 thousand for the Tax Year 2013 on account of inadmissibility of input sales tax in respect of gas lost over and above UFG benchmark fixed by OGRA. In this regard, an appeal was filed by Company with CIR(A) which was decided against the Company. The Company filed an appeal against the order of CIR(A) with ATIR which was decided in favour of the Company. However, subsequent to the year end, the department has filed an appeal against the decision of ATIR with Honorable Lahore High Court which is pending adjudication. No provision has been made in these financial statements as the Company's management is confident of a favorable outcome against the appeal.

k) During the year ended June 30, 2016, Income Tax authorities raised a demand of Rs 128,322 thousand as a result of order passed u/s 161/205 of Income Tax Ordinance 2001. This demand was raised on pretext of non-withholding of tax under Section 152(2A) of Income Tax Ordinance 2001 by the Company. An appeal filed by the Company with CIR(A) was decided against the Company, following which the Company filed an appeal on April 01, 2016 with ATIR against the said decision of CIR(A), which is pending adjudication. No provision has been made in these financial statements as the Company's management is confident of a favorable outcome against the appeal.

l) As a consequence of withholding tax audit for Tax Year 2016, the tax department has raised a demand of Rs 2,688,912 thousand during the year ended June 30, 2018. The Company has filed an appeal on March 28, 2018 with CIR(A) against this demand which is pending adjudication. No provision has been made in these financial statements as the Company's management is confident of a favorable outcome against the appeal.

m) Subsequent to the year ended June 30, 2018, Income Tax Authorities raised demand of Rs 12,640,691 thousand for Tax Year 2016 on similar grounds as mentioned in (e) above. The Company has filed an appeal on February 20, 2019 against the demand raised by the Tax Authorities with CIR(A) which is pending adjudication. However, no provision has been made in these financial statements as the Company's management is confident of a favorable outcome.

n) Subsequent to the year ended June 30, 2018, Income Tax Authorities raised demand of Rs 175,827 thousand by levying super tax under section 4B of Income Tax Ordinance 2001 for Tax Year 2016. The Company has filed an appeal on February 26, 2019 against the demand raised by the Tax Authorities with CIR(A) which is pending adjudication. However, no provision has been made in these financial statements as the Company's management is confident of a favorable outcome.

o) Subsequent to the year ended June 30, 2018, Income Tax Authorities raised a demand of Rs 2,069,048 thousand primarily on account of disallowance of tax credit under section 65B of Income Tax Ordinance 2001 and tax deducted under section 148 of Income Tax Ordinance 2001 for Tax Year 2018. The Company has filed an appeal on March 27, 2019 against the demand raised by the Tax Authorities with CIR(A) which is pending adjudication. Except for the disallowance related to tax credit under section 65B of Rs 1,510,748 thousand, no provision has been made in these financial statements as the Company's management is confident of a favorable outcome.

p) Subsequent to the year ended June 30, 2018, Sales Tax Authorities raised a demand of Rs 1,572,027 thousand by disallowing input tax claimed against exempt supplies, short payment of extra tax, output tax charged to CNG stations and discrepancy in collection of further tax for the tax period July 2012 to June 2017. The Company has filed an appeal on March 15, 2019 against the demand raised by the Tax Authorities with ATIR which is pending adjudication. However, no provision has been made in these financial statements as the Company's management is confident of a favorable outcome.

q) Subsequent to the year ended June 30, 2018, Sales Tax Authorities raised demands of Rs 3,343,294 thousand and Rs 4,032,793 thousand for the tax period July 2015 to June 2016 and tax period July 2016 to March 2017 by invoking provision of section 8(1) of Sales Tax Act 1990. The Company has filed an appeal on December 18, 2018 against the demands raised by the Tax Authorities with ATIR which is pending adjudication. However, no provision has been made in these financial statements as the Company's management is confident of a favorable outcome.

r) Subsequent to the year ended June 30, 2018, Income Tax Authorities raised demand of Rs 9,852,122 thousand for Tax Year 2017 on similar grounds as mentioned in (b) above with the addition of inadmissibility of UFG and exchange loss. The Company is in the process of filling an appeal with CIR(A). Except for the disallowance related to tax credit under section 65B of Rs 615,647 thousand, no provision has been made in these financial statements as the issues raised by the tax authorities have already been decided in Company's favor at various forums and Company is confident of a favorable outcome.

17.1.2 Others

Claims against the Company not acknowledged as debts amount to Rs 2,468,552 thousand (2017: Rs 2,365,218 thousand).

a) Included in claims against the Company not acknowledged as debt are claims by the contractors, suppliers and consumers aggregating Rs 84,313 thousand (2017: Rs 84,313 thousand). This also includes a penalty of Rs 1,000 thousand (2017: Rs 1,000 thousand) imposed by SECP for delay in dissemination of price sensitive information to KSE. The Company has filed an appeal in the Lahore

High Court against the said decision. Pending the outcome of these matters/claims, which are being adjudicated, no provision has been made in these financial statements as the Company is confident of favorable outcome.

b) Included in claims against the Company not acknowledged as debt is the claim of employees union for bonus amounting to Rs 255,200 thousand (2017: Rs 255,200 thousand), which has been decided by National Industrial Relations Commission (NIRC) against the Company. The Lahore High Court while admitting Company's writ petition for regular hearing has suspended the order of the NIRC, subject to Company's furnishing an undertaking in respect of the bonus amount. The Company has filed an appeal with the Honourable Supreme Court of Pakistan on September 19, 2001 on the grounds that order of NIRC is without jurisdiction and is therefore void. The appeal filed by the Company has been decided against the Company by the Honourable Supreme Court of Pakistan. The Company has filed a review petition with Honourable Supreme Court of Pakistan, which has not been so far fixed for hearing. No provision has been made in these financial statements for the amount of bonus as the Company's legal advisor is of the view that there is a reasonably fair chance that the case will be decided in favour of the Company.

c) The Company furnished indemnity bonds to the Collector of Customs to avail the exemption under SRO 367(1)/94 in respect of custom duty and sales tax on certain imported items amounting to Rs 195,731 thousand (2017: Rs 195,731 thousand). Liabilities in respect of indemnity bonds may arise on items not consumed within five years from the date of receipt. Such liability, if any, will be treated as part of the cost of such items.

d) During the financial years 2010-12, the Company had entered into gas supply agreements (GSA) with M/s Saif Power Limited, Sapphire Electric and Orient Power (hereinafter referred to as "the claimants") for the supply of a daily contracted quantity of gas during a firm delivery period in a given year i.e. from March 1st to November 30th each year. During certain periods of the year, the Company could not supply the contracted quantity of gas to the claimants due to force majeure events such as ruptures in the pipelines and other sabotage/ terrorism activities in certain gas wells. Such force majeure events were rejected by claimants contesting that they did not fall under the definition "force majeure" as per the GSAs. The total claim of all claimants including ancillary costs is Rs 764,401 thousand (2017: Rs 764,401 thousand). The case was referred to London Court of International Arbitration vide separate arbitration proceedings for each of the claimants. The arbitrator has decided these cases in favour of claimants vide its decision dated March 9, 2016. The Company filed an appeal with the Honourable Lahore High Court against the said decision. The appeal was dismissed by the Honourable Lahore High Court .The Company has now filed an appeal with the Honourable Supreme Court against the said decision, which is pending adjudication. The management is of the view that there are meritorious grounds to defend the Company's claims and consequently no provision has been made in these financial statements. Furthermore, in case the Company exhausts its legal remedies available under law, the matter will be taken with the Oil and Gas Regulatory Authority for determining the cost of the same to the Company. Pending the same, the financial impact can not be determined till OGRA makes a final determination on the matter.

e) During the financial year 2006-2007, the Company entered into gas supply agreement with M/s Orient Power Limited (the Buyer) for supply of daily contracted load of 38 MMCF on firm basis till June 30, 2011. The agreement contained a clause of Take or Pay under which the buyer was required to pay the full amount of committed load if they fail to off take at least 50% of the aforementioned contracted load.

During the financial year 2009-2010, the Buyer failed to utilize the said percentage of the contracted load and the Company, as per the agreement invoiced the Buyer Rs 590 million under the Take or Pay clause of the agreement. The Buyer disputed the invoice from the Company and consequently, both parties, under the dispute resolution clause of the said agreement, referred the dispute to

London Court of International Arbitration (LCIA). LCIA has accepted the stance of the Company and ruled in favour of the Company in respect of amount already charged under the Take and Pay arrangement along with LPS of Rs 104 million. In addition, LCIA has also ruled that the Company shall charge Late Payment Surcharge (LPS) on the outstanding principal amount from the Buyer at 6% of the outstanding balance instead of the 18% per annum for default within the first year and 24% after the end of first year.

The Company, in order to obtain enforcement of the award by LCIA, filed an enforcement petition in the Honourable Lahore High court, while the buyer has filed an objection petition in the civil court challenging the award. In order to enforce this award from LCIA, the Company has filed an enforcement petition with the Honourable Lahore High Court whereas the Buyer has also filed an objection petition in the Civil Court challenging the award. Pending the outcome of both petitions, no provision has been recorded in these financial statements against the principal amount receivable of Rs 590 million and aggregate remaining LPS of Rs 363 million as the Company is confident that the eventual decision will be in its favour.

		Note	2018	2017
			(Rupees in thousand)	
17.2	**Commitments**			
a)	**Capital commitments**			
	Capital expenditure contracted at the statement of financial position date but not yet incurred is as follows:			
	Property, plant and equipment		636,879	1,142,075
	Intangible assets		29,307	25,295
	Stores and spares		18,141,502	23,222,388
			18,807,688	24,389,758
b)	**Other commitments**		684,443	833,625

18. PROPERTY, PLANT AND EQUIPMENT

	Note	2018	2017
Operating fixed assets	18.1	171,406,578	140,804,573
Capital work-in-progress	18.2	19,203,112	23,297,830
		190,609,690	164,102,403

18.1 Reconciliation of the carrying amounts at the beginning and end of the year is as follows:

	Operating Fixed Assets														
	Freehold land	Leasehold land	Buildings and civil construction on freehold land	Buildings on leasehold land	Transmission system	Distribution system	Consumer meter and town border station	Tele-communication system and facilities	Compressor stations and equipment	Plant and Machinery	Furniture and equipment	Transport vehicle	Tools and accessories	Computers and anciliary equipment	Total
	(Rupees in thousand)														
Net Carrying Value basis															
At 30 June 2018															
Opening net book value	1,886,852	392	861,838	-	53,433,306	48,505,189	20,734,569	447,102	7,989,777	5,186,749	344,452	630,265	38,093	745,989	140,804,573
Additions	345,869	-	156,673	10,855	17,957,963	19,833,525	6,856,534	110,170	649,059	685,095	66,133	746,173	51,820	290,363	47,760,232
Disposals															
Cost	-	-	-	-	-	-	(256,981)	(847)	-	(67,787)	(8,133)	(58,128)	(28,308)	(97,223)	(517,407)
Accumulated depreciation	-	-	-	-	-	-	256,981	847	-	67,739	7,255	56,226	28,308	97,041	514,397
	-	-	-	-	-	-	-	-	-	(48)	(878)	(1,902)	-	(182)	(3,010)
Transfers to CWIP for rework															
Cost	-	-	-	-	(333,783)	-	-	-	-	-	-	-	-	-	(333,783)
Accumulated depreciation	-	-	-	-	295,562	-	-	-	-	-	-	-	-	-	295,562
	-	-	-	-	(38,221)	-	-	-	-	-	-	-	-	-	(38,221)
Depreciation charge	-	-	(84,420)	(181)	(5,272,929)	(4,982,098)	(3,608,283)	(108,043)	(744,490)	(1,412,162)	(109,448)	(416,485)	(25,624)	(352,833)	(17,116,996)
Closing net book value	2,232,721	392	934,091	10,674	66,080,119	63,356,616	23,982,820	449,229	7,894,346	4,459,634	300,259	958,051	64,289	683,337	171,406,578
Gross Carrying Value basis															
At 30 June 2018															
Cost	2,232,721	392	2,187,073	19,316	112,128,620	106,158,579	49,057,305	3,003,013	15,632,088	12,196,676	838,040	3,369,261	359,379	1,893,965	309,076,428
Accumulated depreciation	-	-	(1,252,982)	(8,642)	(46,048,501)	(42,801,963)	(25,074,485)	(2,553,784)	(7,737,742)	(7,737,042)	(537,781)	(2,411,210)	(295,090)	(1,210,628)	(137,669,850)
Net Book Value	2,232,721	392	934,091	10,674	66,080,119	63,356,616	23,982,820	449,229	7,894,346	4,459,634	300,259	958,051	64,289	683,337	171,406,578
Depreciation rate	-	-	6%	6%	6-10%	6%	6-10%	15%	6-20%	10-20%	15-20%	25%	33.3%	15-33.33%	
Net Carrying Value basis															
At 30 June 2017															
Opening net book value	1,745,640	392	856,523	-	30,292,087	44,387,413	18,664,664	450,873	4,923,117	5,639,597	307,542	859,750	40,878	619,757	108,788,233
Additions	141,212	-	81,664	-	26,755,903	8,365,255	5,149,471	99,243	3,672,046	866,249	130,394	105,066	22,995	301,884	45,691,382
Disposals															
Cost	-	-	-	-	-	-	(283,457)	(19,566)	-	(129,738)	(2,935)	(64,215)	-	(42,027)	(541,938)
Accumulated depreciation	-	-	-	-	-	-	283,457	19,566	-	129,544	2,935	59,087	-	41,957	536,546
	-	-	-	-	-	-	-	-	-	(194)	-	(5,128)	-	(70)	(5,392)
Depreciation charge	-	-	(76,349)	-	(3,614,684)	(4,247,479)	(3,079,566)	(103,014)	(605,386)	(1,318,903)	(93,484)	(329,423)	(25,780)	(175,582)	(13,669,650)
Closing net book value	1,886,852	392	861,838	-	53,433,306	48,505,189	20,734,569	447,102	7,989,777	5,186,749	344,452	630,265	38,093	745,989	140,804,573
Gross Carrying Value basis															
At 30 June 2017															
Cost	1,886,852	392	2,030,400	8,461	94,504,440	86,325,054	42,457,752	2,893,690	14,983,029	11,579,368	780,040	2,681,216	335,867	1,700,825	262,167,386
Accumulated depreciation	-	-	(1,168,562)	(8,461)	(41,071,134)	(37,819,865)	(21,723,183)	(2,446,588)	(6,993,252)	(6,392,619)	(435,588)	(2,050,951)	(297,774)	(954,836)	(121,362,813)
Net Book Value	1,886,852	392	861,838	-	53,433,306	48,505,189	20,734,569	447,102	7,989,777	5,186,749	344,452	630,265	38,093	745,989	140,804,573
Depreciation rate	-	-	6%	6%	6-10%	6%	6-10%	15%	6-20%	10-20%	15-20%	25%	33.3%	15-33.33%	

18.1.1 Freehold land at cost of Rs 1,574,670 thousand (2017: Rs 1,390,000 thousand) is subject to restriction under The Land Acquisition Act, 1894 and can not be sold by the Company without the prior approval from the respective Provincial Governments.

18.1.2 The cost of assets as at June 30, 2018 include fully depreciated assets amounting to Rs 50,519,450 thousand (2017: Rs 47,986,703 thousand).

18.1.3 The depreciation charge for the year has been allocated as follows:

	Note	2018	2017
		(Rupees in thousand)	
Distribution cost	35	15,419,148	12,154,509
Administrative expenses	38	314,677	248,051
	42	15,733,825	12,402,560
Transmission system		1,252,488	1,166,672
Construction contracts		3,320	28,827
Distribution system		127,363	71,591
		1,383,171	1,267,090
	18.1	17,116,996	13,669,650

18.1.4 Detail of owned assets disposed off during the year is as follows:

Particulars of assets sold to	Cost	Accumulated depreciation	Book value	Sales proceeds	Profit/ (loss) on disposal	Mode of disposal
	2018					
	(Rupees in thousand)					
Transport vehicle						
Employee						
Mr Amjad Latif	2,768	865	1,903	1,934	31	Company policy
Construction Equipments						
Outsiders						
Mr Mushtaq Ahmed	3,529	3,529	–	542	542	Auction
Mr Akram Traders	3,529	3,529	–	622	622	-do-
Mr Syed Yasir Hussain Shah	3,748	3,748	–	1,687	1,687	-do-
Computer Hardware						
Outsiders						
M/S Sajid Ali Traders	4,259	4,259	–	11	11	Auction
M/S Green Traders	3,805	3,805	–	3	3	-do-
M/S Green Traders	3,805	3,805	–	3	3	-do-
Measuring and regulating station equipment						
Items retired as no longer usable	192,125	192,125	–	–	–	Scrapped
Tools And Equipment						
Items retired as no longer usable	4,695	4,695	–	–	–	Write-off
Other assets	295,144	294,037	1,107	38,940	37,833	
Total	**517,407**	**514,397**	**3,010**	**43,742**	**40,732**	

Particulars of assets sold to	2017 Cost	Accumulated depreciation	Book value	Sales proceeds	Profit/ (loss) on disposal	Mode of disposal
	(Rupees in thousand)					
Transport vehicle						
Employee						
Mr. Syed Zahid Hussain	2,454	1,738	716	728	12	Company policy
Mr. Muhammad Iftikhar	1,809	1,018	791	810	19	-do-
Mr. Farrukh Habib	1,045	522	523	567	44	-do-
Mr. Dr Zafar Alvi	2,724	341	2,383	2,414	31	-do-
Construction Equipments						
Outsiders						
Mr Tanveer Ahmad	3,857	3,857	–	711	711	Auction
Mr Tanveer Ahmad	3,857	3,857	–	1,255	1,255	-do-
Mr Tanveer Ahmad	3,857	3,857	–	1,111	1,111	-do-
Mr Tanveer Ahmad	8,140	8,140	–	1,511	1,511	-do-
M/S Ramzan & Company	6,716	6,716	–	788	788	-do-
M/S Ramzan & Company	6,716	6,716	–	788	788	-do-
M/S Ramzan & Company	6,716	6,716	–	788	788	-do-
M/S Ramzan & Company	6,716	6,716	–	788	788	-do-
M/S Ramzan & Company	4,142	4,142	–	600	600	-do-
M/S Ramzan & Company	4,142	4,142	–	600	600	-do-
Mr Muhammad Rauf	7,581	7,581	–	439	439	-do-
M/S Asif Traders	7,581	7,581	–	439	439	-do-
M/S Asif Traders	7,581	7,581	–	439	439	-do-
Telecommunication						
Equipment						
Items retired as no longer usable	17,133	17,133	–	–	–	Write-off
Measuring and regulating station equipment						
Items retired as no longer usable	218,904	218,904	–	–	–	Scrapped
Other assets	220,267	219,288	979	39,176	38,197	
Total	**541,938**	**536,546**	**5,392**	**53,952**	**48,560**	

18.1.5 Transmission lines includes assets held by the Company on behalf of and in trust for the investors under the musharaka arrangements with Bank Alfalah Limited (Lead Bank) entered into by the Company. Assets held under these musharaka arrangement are as follows:

Musharaka Arrangements	2018 Cost	2018 Book value	2017 Cost	2017 Book value
	(Rupees in thousand)			
36" Dia 34.95 Km Harrapa 110.25 Km - 120.25 Km Sahiwal Line	1,621,741	737,892	1,621,741	835,197
24" Dia 81.42 Miles Sawan - Qadirpur Line	997,609	94,773	997,609	154,629

	2018 Cost	2018 Book value	2017 Cost	2017 Book value
	(Rupees in thousand)			
36" Dia 43.49 Miles Qadirpur - Bhong Line	989,327	93,986	989,327	153,346
24" Dia 67.77 Km Sahiwal - Phool Nagar (1st Segment)	830,062	327,874	830,062	377,678
24" Dia 23.30 Km Kohat - Dakhni Line (1st Segment)	1,256,278	948,490	1,256,278	1,023,867
24" Dia 39.01 Km Manzalai - Kohat Line	655,227	281,748	655,227	321,061
30" Dia 31.5 Miles MP6 - AV30 (P6) Kabirwala / Ali Pur	609,570	–	609,570	–
24" Dia 52.00 Km Down Stream Balloki to				
Dawood Hercules Line	599,898	299,949	599,875	335,930
36" Dia 22.78 Miles AV7 A3 (P-7)	537,929	18,828	537,929	51,103
30" Dia 35.40 Km AII - Chanab Crossing	513,753	110,457	513,753	141,282
36" Dia 20.66 Miles Sidhani- AC 7 D/S	486,421	75,395	486,421	104,581
36" Dia 31.93 Km AV20-AC6	481,939	91,537	481,939	120,453
36" Dia 25.48 Km AC4 - AV15	407,217	87,552	407,217	111,985
36" Dia 18.60 Miles A4 AC4 (P-7)	450,064	15,752	450,064	42,756
24" Dia 23.71 Km D/H Offtake (MP 59.9) - B - 3 Loopline	451,644	232,597	451,643	259,695
36" Dia 16.75 Miles Q AC1X-AC7	439,664	68,148	439,664	94,528
24" Dia 10.10 Km Dakhni - FC - 1 Line (1st Segment)	1,104,516	833,910	1,104,516	900,181
30" Dia 29.16 Km CC1 - CC4	432,300	92,945	432,300	118,883
36" Dia 25.93 Km AV29 - A8 - AV30	450,632	96,886	450,632	123,924
30" Dia 16.30 Miles AV29 - A8 (P6)	396,566	–	396,566	–
36" Dia 13.82 Miles AC6-AV - 29 (P-7)	383,026	13,406	383,026	36,387
36" Dia 16.42 Miles AV 40 - AC 8 Line	371,390	25,973	371,390	48,256
36" Dia 13.04 Miles A3 AV10 (P-7)	368,308	12,891	368,308	34,989
30" Dia 21.24 Miles CS - CV25	357,557	–	357,557	–
36" Dia 14.66 Miles A6 AV - 22	351,991	54,559	351,991	75,678
36" Dia 13.11 Miles AV - 20 - MP130 (P-7)	327,276	3,251	327,276	22,888
30" Dia 19.61 Miles CS - CV10	317,078	–	317,078	–
24" Dia 20.48 Km AII - BV - 3	255,920	48,608	255,920	63,963
36" Dia 8.76 Miles AV 10MP 11.57 (P-7)	250,067	2,484	250,067	17,488
30" Dia 12.76 Miles A8 - AV31 Add Loop	248,085	–	248,085	–
30" Dia 14.15 Miles CV74 - CV9	240,483	16,818	240,483	31,247
30" Dia 15.95 Miles AIO	240,089	–	240,089	–
24" Dia 25.63 Km Kohat Darra Adam Khel Line	235,399	108,284	235,399	122,408
36" Dia 9.93 Miles MP 173 - A6	222,876	15,587	222,876	28,959
24" Dia 10.31 Km Kohat - D/S Dara Adamkhel Line	219,507	95,486	219,507	108,656
24" 92" 16" Dia Kamra Noshr	196,057	–	196,057	–
24" Dia 18.46 Km BC1 - B2	193,743	41,655	193,743	53,279
24" Dia 10.38 Km Phool Nagar - Baloki Line	182,430	69,324	182,430	80,269
36" Dia 9.44 Miles MP 112.54 - A4	176,862	12,369	176,862	22,980
36" Dia 4.78 Miles Q MP - 173 A6 AV20	155,737	24,139	155,737	33,483
24" Dia 3.08 Km River Ravi Crossing At Balloki	137,612	74,310	137,612	82,567
30" Dia 6.80 Km MP 160 - CC3 Line	97,760	18,568	97,760	24,434
24" Dia 6.21 Miles Sui MP6 (NT)	83,633	831	83,633	5,849
24" Dia 16 Km MP28.33 - BC1	79,079	23,724	79,079	28,468
24" Dia 1.12 Km Attock Crossing	39,319	14,548	39,319	16,907
30" Dia Construction of AC - A11	11,315	112	11,315	791
24" Dia 24.48 Km AC4 - AV15 Line	6,762	1,995	6,762	2,401
	19,461,718	5,187,641	19,461,694	6,213,426

18.1.6 Particulars of Company's significant immovable property including location and area of land are as follows:

Particulars of land and building	District	Area of land Acre	Kanal	Marlas
Faisalabad Hq/Ac-8/Base Store/ Distribution Office Etc	Faisalabad	63	4	3
Multan Distribution Office/Store	Multan	9	5	10
Multan (T)/Comp.Station Etc	Multan	62	1	8
Multan Terminal A-7 Multan	Multan	3	7	12
Multan Ac-6 Comp. Station	Multan	2	2	10
Gujranwala Distribution Office	Gujranwala	2	2	–
Islamabad Distribution Office I-9	Islamabad	3	3	10
Wah Transmission Office	Rawalpindi	6	2	14
Wah Store	Rawalpindi	–	12	–
Comp. Station Cc-4	Chakwal	7	5	–
Comp.Station Gali Jagir Cc-3	Attock	10	–	4
Comp. Station Haranpur Cc-1	Jhelum	–	7	7
Comp. Station Haranpur C-3	Jhelum	12	1	18
Comp. Station Chakwal C-5	Chakwal	8	3	11
Repater Station Fc-1 Dhullian	Attock	2	7	13
Ahmad Nagar C-1 Station	Chiniot	13	6	9
Kot Moman C-2 Station	Sargodha	10	5	3
Shorkot A-9 Station	Jhang	6	7	–
Shorkot Ac-7	Jhang	6	7	6
Gojra A-10 Station	Toba tek singh	3	5	17
Comp. Station Ac-4 Uch Shareef	Bhawalpur	2	1	18
Uch Shareef Pre-Coating Plant	Bhawalpur	24	5	19
Sahiwal Sub Office	Sahiwal	–	2	10
Sahiwal Comp. Station	Sahiwal	12	–	–
Lahore Distribution Office	Lahore	1	1	6
Head Office Building	Lahore	–	6	4
Vacant Plot Adjacent Head Office Building	Lahore	–	2	–
Shahkot B-1 Station	Nankana	9	3	1
Bhakki B-2 Station	Sheikhupura	17	2	7
Shahdara B-3 Station	Lahore	1	7	9
Repater Station Kot Addu	Muzafar Garh	2	–	4
Central Base Store Manga	Lahore	26	4	11
Metering Workshop Kot Lakhpat	Lahore	15	4	12
Central Base Store Lahore	Lahore	2	1	–
Office Mess Lahore Cantt	Lahore		800 square yards	
Distribution Office Peshawar	Peshwar	–	6	–
Distribution Office Abbottabad	Abbottabad	1	4	17

		Note	2018 (Rupees in thousand)	2017
18.2	**Capital work-in-progress**			
	Transmission system		2,076,420	5,950,447
	Distribution system		8,718,932	8,840,635
	Stores and spare parts held for capital expenditure	18.2.1	7,819,285	8,057,089
	Advances for land and other capital expenditure		588,475	449,659
			19,203,112	23,297,830

		Note	2018	2017
			(Rupees in thousand)	
18.2.1	**Stores and spare parts held for capital expenditure**			
	Stores and spare parts [including in-transit			
	Rs 1,325,451 thousand (2017: Rs 759,424 thousand)]		7,907,479	8,135,499
	Less: Provision for obsolescence		88,194	78,410
			7,819,285	8,057,089

19. INTANGIBLE ASSETS

This represents computer softwares and ERP system.

	Note	2018	2017
Balance as at beginning of the year			
Cost		678,752	647,942
Accumulated amortization		(589,538)	(529,013)
Net book value		89,214	118,929
Movement during the year			
Additions		95,214	30,810
Amortization charge for the year	38, 42	(67,996)	(60,525)
Balance as at year end			
Cost		773,966	678,752
Accumulated amortization		(657,534)	(589,538)
Net book value		116,432	89,214
Rate of amortization		33.33%	33.33%

20. DEFERRED TAXATION

	Note	2018	2017
The deferred taxation asset comprises timing differences relating to:			
Deductible temporary differences			
Provision for doubtful debts		–	6,439,717
Unpaid trading liabilities		–	4,492,626
Carried forward tax losses		–	2,874,483
Minimum and alternate corporate tax available for carry forward		–	4,595,536
Unamortized balance of employee loans at fair value		–	27,374
		–	18,429,736
Taxable temporary differences			
Accelerated tax depreciation		–	(17,119,395)
		–	1,310,341
The gross movement in net deferred tax asset during the year is as follows:			
Opening balance		–	2,232,071
Charged to statement of profit or loss	41	–	(1,657,175)
Credited to other comprehensive income		–	735,445
Closing balance		–	1,310,341

21. LONG TERM INVESTMENT

	2018	2017
Available for sale		
Inter State Gas Systems (Private) Limited		
490,000 (2017: 490,000) ordinary shares of Rs 10 each	4,900	4,900

21.1 Investment in associated company was made in accordance with the requirements under the then applicable Companies Ordinance, 1984.

22. LONG TERM LOANS - CONSIDERED GOOD

	Note	Employee welfare 2018	Employee welfare 2017	House building 2018	House building 2017	Motorcycle/ Scooter 2018	Motorcycle/ Scooter 2017	Total 2018	Total 2017
		(Rupees in thousand)							
Due from:									
Executives	22.1	–	–	4,384	5,709	–	–	4,384	5,709
Other employees		968,358	566,370	4,216	4,699	10,898	20,992	983,472	592,061
		968,358	566,370	8,600	10,408	10,898	20,992	987,856	597,770
Amount due within one year:									
Executives	28	–	–	1,065	1,290	–	–	1,065	1,290
Other employees	28	158,065	108,307	1,266	1,589	8,628	12,045	167,959	121,941
		158,065	108,307	2,331	2,879	8,628	12,045	169,024	123,231
		810,293	458,063	6,269	7,529	2,270	8,947	818,832	474,539

	Employee welfare 2018	Employee welfare 2017	House building 2018	House building 2017	Motorcycle/ Scooter 2018	Motorcycle/ Scooter 2017	Total 2018	Total 2017
22.1 Reconciliation of balance due from executives:								
Opening balance	–	–	5,709	4,168	–	–	5,709	4,168
Disbursements/ reclassification	–	–	–	2,597	–	–	–	2,597
	–	–	5,709	6,765	–	–	5,709	6,765
Repayments/adjustments	–	–	(1,325)	(1,056)	–	–	(1,325)	(1,056)
Closing balance	–	–	4,384	5,709	–	–	4,384	5,709

22.2 House building are repayable in 10 years, while motorcycle / scooter loans are repayable in 3 years. Interest at the rate ranging between 1% and 10% (2017: 1% and 10%) per annum is charged on these loans as per the terms of employment. Loans to employees are secured by deposit of title deeds and joint registration of vehicles in the name of the Company and the employees.

22.3 The maximum amount due from the Chief Executive and Executives at any month end during the year was Nil (2017: Nil) and Rs 5,602 thousand (2017: Rs 5,709 thousand), respectively.

22.4 Fair values of long term loans to employees are estimated at the present value of all future cash flows discounted using rate prevailing on Regular Income Certificates for the relevant year.

22.5 Effective interest rates on the above loans range between 6.54% to 13.44% (2017: 6.55% to 13.44%) per annum.

	Note	2018	2017
		(Rupees in thousand)	
23. EMPLOYEE BENEFITS			
Pension fund - Executive staff		913,120	558,834
Free gas facility fund - Executives		114,877	211,610
Free gas facility fund - Non Executive staff		720,444	318,149
Medical fund - Non Executive Staff		740,197	–
	23.1	2,488,638	1,088,593

23.1 Reconciliation of receivable from employee benefit plans:

		Pension fund - executive staff		Free gas facility fund - executives		Free gas facility fund - non executive	
		2018	2017	2018	2017	2018	2017
	Note	(Rupees in thousand)					
Fair value of plan assets	23.5	2,667,650	2,323,610	203,112	312,865	4,902,558	4,503,541
Present value of funded obligations	23.4	(1,754,530)	(1,764,776)	(88,235)	(101,255)	(4,182,114)	(4,185,392)
Net assets	23.9	913,120	558,834	114,877	211,610	720,444	318,149

		Medical fund - non executive staff		Total	
		2018	2017	2018	2017
	Note	(Rupees in thousand)			
Fair value of plan assets	23.5	9,475,453	–	17,248,773	7,140,016
Present value of funded obligations	23.4	(8,735,256)	–	(14,760,135)	(6,051,423)
Net assets	23.9	740,197	–	2,488,638	1,088,593

23.2 Movement in net assets

		Pension fund - executive staff		Free gas facility fund - executives		Free gas facility fund - non executive	
		2018	2017	2018	2017	2018	2017
	Note	(Rupees in thousand)					
Opening asset		558,834	643,596	211,610	62,825	318,149	(168,336)
Transfer of funds		(100,000)	(118,200)	–	–	–	–
Credit / (charge) for the year	23.3	9,691	21,863	23,017	6,856	(137,167)	(190,304)
Remeasurements chargeable in OCI		87,106	(283,800)	(124,755)	136,984	470,502	438,244
Contribution paid		357,489	295,375	5,005	4,945	68,960	238,545
		913,120	558,834	114,877	211,610	720,444	318,149

		Medical fund - non executive staff		Total	
		2018	2017	2018	2017
	Note	(Rupees in thousand)			
Opening asset		(538,779)	–	549,814	538,085
Transfer of funds		–	–	(100,000)	(118,200)
Credit / (charge) for the year	23.3	(433,247)	–	(537,706)	(161,585)
Remeasurements chargeable in OCI		908,390	–	1,341,243	291,428
Contribution paid		803,833	–	1,235,287	538,865
		740,197	–	2,488,638	1,088,593

23.3 Amounts recognized in profit or loss account are as follows:

	Note	Pension fund - executive staff		Free gas facility fund - executives		Free gas facility fund - non executive	
		2018	2017	2018	2017	2018	2017
		(Rupees in thousand)					
Current service cost		69,598	55,017	–	–	175,075	185,153
Interest on obligation		187,362	137,979	10,616	10,890	446,223	441,573
Expected return on plan assets		(266,651)	(214,859)	(33,633)	(17,746)	(484,131)	(436,422)
Total included in employee benefit (income) / expense	23.2	(9,691)	(21,863)	(23,017)	(6,856)	137,167	190,304
Actual return on plan assets		130,304	215,514	(109,753)	143,855	399,017	263,144

	Note	Medical fund - non executive staff		Total	
		2018	2017	2018	2017
		(Rupees in thousand)			
Current service cost		418,535	–	663,208	240,170
Interest on obligation		938,476	–	1,582,677	590,442
Expected return on plan assets		(923,764)	–	(1,708,179)	(669,027)
Total included in employee benefit (income) / expense	23.2	433,247	–	537,706	161,585
Actual return on plan assets		534,729	–	954,297	622,513

23.4 Changes in the present value of defined benefit obligation are as follows:

	Note	Pension fund - executive staff		Free gas facility fund - executives		Free gas facility fund - non executive	
		2018	2017	2018	2017	2018	2017
		(Rupees in thousand)					
Opening defined benefit obligation		1,764,776	1,340,851	101,255	106,185	4,185,392	4,240,733
Service cost		69,598	55,017	–	–	175,075	185,153
Interest cost		187,362	137,979	10,616	10,890	446,223	441,573
Remeasurements charged to OCI		(223,454)	284,455	(18,631)	(10,875)	(555,616)	(611,522)
Benefits paid		(43,752)	(53,526)	(5,005)	(4,945)	(68,960)	(70,545)
Closing defined benefit obligation	23.1	1,754,530	1,764,776	88,235	101,255	4,182,114	4,185,392

	Note	Medical fund - non executive staff		Total	
		2018	2017	2018	2017
		(Rupees in thousand)			
Opening defined benefit obligation		8,784,355	–	14,835,778	5,687,769
Service cost		418,534	–	663,207	240,170
Interest cost		938,476	–	1,582,677	590,442
Remeasurements charged to OCI		(1,297,425)	–	(2,095,126)	(337,942)
Benefits paid		(108,684)	–	(226,401)	(129,016)
Closing defined benefit obligation	23.1	8,735,256	–	14,760,135	6,051,423

23.5 Changes in the fair value of plan assets are as follows:

		Pension fund - executive staff		Free gas facility fund - executives		Free gas facility fund - non executive	
		2018	2017	2018	2017	2018	2017
		(Rupees in thousand)					
Opening fair value of plan assets		2,323,610	1,984,447	312,865	169,010	4,503,541	4,072,397
Expected return		266,651	214,859	33,633	17,746	484,131	436,422
Remeasurements charged to OCI		(136,347)	655	(143,386)	126,109	(85,114)	(173,278)
Contributions by employer		357,488	295,375	5,005	4,945	68,960	238,545
Benefits paid		(43,752)	(53,526)	(5,005)	(4,945)	(68,960)	(70,545)
Amount transferred from pension fund to gratuity fund		(100,000)	(118,200)	–	–	–	–
	23.6	2,667,650	2,323,610	203,112	312,865	4,902,558	4,503,541

		Medical fund - non executive staff		Total	
		2018	2017	2018	2017
		(Rupees in thousand)			
Opening fair value of plan assets		8,245,576	–	15,385,592	6,225,854
Expected return		923,764	–	1,708,179	669,027
Remeasurements charged to OCI		(389,035)	–	(753,882)	(46,514)
Contributions by employer		803,832	–	1,235,285	538,865
Benefits paid		(108,684)	–	(226,401)	(129,016)
Amount transferred from pension fund to gratuity fund		–	–	(100,000)	(118,200)
	23.6	9,475,453	–	17,248,773	7,140,016

23.6 Plan assets comprise of:

	Pension fund - Executive staff			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificate of deposit	2,066,227	77.46	1,818,166	78.25
Pakistan Investment Bonds	250,553	9.39	201,728	8.68
NIT Units	193,656	7.26	212,874	9.16
Cash at Bank	157,214	5.89	90,842	3.91
	2,667,650	100.00	2,323,610	100.00

	Medical fund - Non executive staff			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	8,781,118	92.67	7,485,091	90.77
NIT Units	211,425	2.23	239,739	2.91
Pakistan Investment Bonds	402,500	4.25	501,051	6.08
Cash at Bank	80,410	0.85	19,695	0.24
	9,475,453	100.00	8,245,576	100.00

	Free gas facility fund - Executives			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificate of deposit	198,998	97.97	253,361	80.98
Pakistan Investment Bonds	–	–	53,708	17.17
Cash at Bank	4,114	2.03	5,796	1.85
	203,112	100.00	312,865	100.00

	Free gas facility fund - Non executives			
	2018 Fair value		2017 Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificate of deposit	4,716,914	96.21	4,158,515	92.34
NIT Units	73,524	1.51	83,370	1.85
Pakistan Investment Bonds	85,000	1.73	257,738	5.72
Cash at Bank	27,120	0.55	3,918	0.09
	4,902,558	100.00	4,503,541	100.00

23.7 Principal actuarial assumptions used (expressed as weighted average)

	Pension fund - executive staff	
	2018	2017
Expected increase in salaries	11.25%	10.75%
Discount rate	11.25%	10.75%
Expected rate of return per annum on plan assets	11.25%	10.75%
Rate of growth in pensions		
- Employees with retirement up to November 11, 2017	8.25%	7.75%
- Employees with retirement after November 11, 2017	5%	7.75%

During the year Company revised its policy of linking pension increase with the pension enhancements announced by the Government to fixed rate of 5% for employee retiring after November 11, 2017. Resultantly, pension increase assumption of 8.25% per annum was used for pensioners who retired before November 11, 2017 and 5% for pensioners who become pensioners after November 11, 2017.

	Free Gas facility fund - Executive staff	
	2018	2017
Discount rate	11.25%	10.75%
Expected rate of growth per annum in average cost of facility	10.25%	9.75%
Expected rate of return per annum on plan assets	11.25%	10.75%

	Free Gas facility fund - Non executive staff	
	2018	2017
Discount rate	11.25%	10.75%
Expected rate of growth per annum in average cost of facility	10.25%	9.75%
Expected rate of return per annum on plan assets	11.25%	10.75%

	Medical fund - Non executive staff	
	2018	2017
Discount rate	11.25%	10.75%
Expected rate of growth per annum in average cost of facility	10.25%	9.75%
Increase in average cost of post retirement medical facility	11.25%	10.75%
Expected rate of return per annum on plan assets	11.25%	10.75%

23.8 The overall expected rate of return on assets is determined based on the market prices prevailing at that date, applicable to the period over which the obligation is to be settled.

23.9 Surplus / (deficit) for current and previous four years are as follows:

	Pension Fund - Executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Plan assets	2,667,650	2,323,610	1,984,447	1,682,038	1,434,829
Defined benefit obligation	(1,754,530)	(1,764,776)	(1,340,851)	(1,833,957)	(1,173,825)
Surplus / (Deficit)	913,120	558,834	643,596	(151,919)	261,004
Experience adjustment on plan liabilities	97,738	31,761	(773,163)	(445,392)	78,895
Experience adjustment on plan assets	(136,347)	655	(43,240)	22,083	(48,083)

	Free Gas Facility - Executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Plan assets	203,112	312,865	169,010	126,487	112,479
Defined benefit obligation	(88,235)	(101,255)	(106,185)	(150,086)	(145,041)
Surplus / (Deficit)	114,877	211,610	62,825	(23,599)	(32,562)
Experience adjustment on plan liabilities	(18,888)	11,023	(53,689)	7,161	8,149
Experience adjustment on plan assets	(143,386)	126,109	29,711	1,177	7,506

	Free Gas Facility - Non executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Plan assets	4,902,558	4,503,541	4,072,397	2,067,563	1,885,591
Defined benefit obligation	(4,182,114)	(4,185,392)	(4,240,733)	(3,966,458)	(3,791,581)
Surplus / (Deficit)	720,444	318,149	(168,336)	(1,898,895)	(1,905,990)
Experience adjustment on plan liabilities	(555,616)	(611,522)	(233,903)	(471,401)	326,409
Experience adjustment on plan assets	(85,114)	173,278	(170,379)	(72,583)	9,425

	Medical fund - Non executive staff				
	2018	2017	2016	2015	2014
	(Rupees in thousand)				
Plan assets	9,475,453	8,245,576	6,640,831	6,127,680	5,585,434
Defined benefit obligation	(8,735,256)	(8,784,355)	(7,674,632)	(6,283,881)	(4,462,941)
Surplus / (Deficit)	740,197	(538,779)	(1,033,801)	(156,201)	1,122,493
Experience adjustment on plan liabilities	(1,321,711)	63,469	531,920	1,092,243	33,247
Experience adjustment on plan assets	(389,035)	180,827	(130,255)	(211,788)	280

		Note	2018	2017
			(Rupees in thousand)	
23.10	**Estimated future contributions**			
	Pension fund - Executive staff		–	290,352
			–	290,352
23.11	**The charge for the year has been allocated as follows:**			
	Distribution cost	35	283,999	79,198
	Selling cost	37	123,608	32,651
	Administrative expenses	38	98,877	30,988
	Capital work-in-progress		31,222	18,748
			537,706	161,585

24. LONG TERM DEPOSITS AND PREPAYMENTS

		Note	2018	2017
	Security and other deposits		24,305	11,122
	Prepayments		123,368	86,222
			147,673	97,344
	Less: Current portion of prepayments	29	121,914	84,723
	Provision against prepayments		1,232	1,232
			123,146	85,955
			24,527	11,389

25. STORES AND SPARE PARTS

		Note	2018	2017
	Stores [including in-transit Rs 351,338 thousand (2017: Rs 162,370 thousand)]		2,957,216	2,625,058
	Spares [including in-transit Rs 89,202 thousand (2017: Rs 220,699 thousand)]		897,944	1,247,701
		25.1	3,855,160	3,872,759
	Less: Provision for obsolescence		22,635	41,768
			3,832,525	3,830,991

25.1 This includes stores and spare parts of Rs Nil (2017: Rs 1,150 thousand) which are not in possession of the Company.

		Note	2018 (Rupees in thousand)	2017
26.	**STOCK-IN-TRADE**			
	- Gas in pipelines		3,211,724	1,205,578
	- Held with third parties	26.1	28,192,845	9,065,312
			31,404,569	10,270,890

26.1 This represents gas purchased by the Company that is yet to be delivered by Engro Elengy Terminal (Private) Limited ('EETL') and Sui Southern Gas Company Limited ('SSGCL'). Subsequent to the year end, OGRA vide its decision dated November 20, 2018, and further clarification dated February 4, 2019, directed that this stock be sold to SSGCL on historical weighted average cost. Thereafter, SSGCL shall record sales as per relevant applicable OGRA notified rates. The gain / loss owing to the difference between the current and historical rates shall be passed on to the Company within a month of sale of RLNG stock by SSGCL to its consumers and is to be realised / adjusted in form of future price adjustments of the Company's RLNG consumers. The Company and SSGCL are in the process of finalising an agreement to implement the decision of OGRA.

		Note	2018 (Rupees in thousand)	2017
27.	**TRADE DEBTS**			
	Considered good:			
	Secured	27.1, 27.3	40,870,650	42,803,096
	Unsecured	13.5, 27.1, 27.3	25,658,877	15,216,042
	Deferred gas sales		(214,927)	(201,817)
			66,314,600	57,817,321
	Considered doubtful		21,202,850	21,330,027
			87,517,450	79,147,348
	Provision for doubtful debts	27.2	(21,202,850)	(21,330,027)
			66,314,600	57,817,321
27.1	These include amounts due from the following related parties:			
	Oil and Gas Development Company Limited		4	–
	Sui Southern Gas Company Limited		1,938,154	896,834
	State Life Insurance Corporation of Pakistan		273	–
	The Bank of Punjab		2	–
	Pak Aarab Refinery Limited		52,979	–
	Sheikh CNG		1,342	901
	City CNG		1,532	827
	National Power Parks Management			
	Company (Private) Limited		3,970,359	748,365
	Quaid-e-Azam Thermal Power (Private) Limited		3,908,249	647,532
	Fuji Fertilizers Company Limited		1,010	–
	Water and Power Development Authority		15,690,108	12,427,409
			25,564,012	14,721,868
27.1.1	**Ageing of related party balance**			
	One to six months		14,471,243	5,170,735
	More than six months		11,092,769	9,551,133
			25,564,012	14,721,868

27.1.2 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 25,564,012 thousand (2017: Rs 19,433,148 thousand).

		Note	2018	2017
			(Rupees in thousand)	
27.2	**Provision for doubtful debts**			
	Balance as on July 1		21,330,027	20,461,845
	(Reversal of) / provision charged during the year	36, 37 & 42	(127,177)	868,182
	Balance as on June 30		21,202,850	21,330,027

27.3 Included in trade debts are amounts receivable from Government owned power generation companies and independent power producers of Rs 27,294,107 thousand (June 2017: Rs 15,900,153 thousand) along with interest thereon of Rs 15,155,518 thousand (June 2017: Rs 12,143,639 thousand) due to delayed payments. While trade and other payables referred to in note 13 include an amount of Rs 138,142,072 thousand (June 2017: Rs 76,007,263 thousand) due to Pakistan Petroleum Limited, Sui Southern Gas Company Limited (SSGCL), Oil and Gas Development Company Limited and Government Holding (Private) Limited on account of gas purchases along with interest on delayed payments of Rs 24,770,686 thousand (June 2017: Rs 19,211,141 thousand), interest on delayed payment of Gas Development Surcharge of Rs 4,101,732 thousand (June 2017: Rs 4,101,732 thousand) is payable to Government of Pakistan, the settlement of these amounts is dependent upon the resolution of inter-corporate circular debt by the Government of Pakistan. Further an amount of Rs 122,176,517 thousand (June 2017: Rs 65,758,692 thousand) (refer note 30.1) is receivable from Government of Pakistan on account of differential margin. The recoverability of this amount is dependent upon settlement by the Government of Pakistan directly or indirectly inter alia including increase in future gas prices.

		Note	2018	2017
			(Rupees in thousand)	
28.	**LOANS AND ADVANCES**			
	Current portion of loans to employees - considered good:			
	Executives	22	1,065	1,290
	Other employees	22	167,959	121,941
			169,024	123,231
	Advances - considered good:			
	- Employees		630,375	1,213,955
	- Suppliers and contractors	28.1	461,546	159,603
	Advances to suppliers and contractors:			
	- considered doubtful		3,227	3,227
	Less: Provision for doubtful receivables		3,227	3,227
			–	–
			1,260,945	1,496,789
28.1	These include amounts due from the following related parties:			
	The General Tyre & Rubber Company of Pakistan limited		765	1,954
	Pakistan Cables Limited		705	611
	Sui Southern Gas Company Limited		1,299	1,299
			2,769	3,864

28.1.1 These are in the normal course of business and are interest free.

28.1.2 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 3,389 thousand (2017: Rs 23,173 thousand).

		Note	2018 (Rupees in thousand)	2017
28.1.3	**Ageing of related party balance**			
	One to six months		573	1,682
	More than six months		2,196	2,182
			2,769	3,864
29.	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Trade deposits and short term prepayments		126,588	98,476
	Provision for doubtful deposits		(22,290)	(22,290)
			104,298	76,186
	Current portion of long term prepayments	24	121,914	84,723
			226,212	160,909
30.	**OTHER RECEIVABLES**			
	Excise duty recoverable		108,945	108,945
	Less: Provision for doubtful recoverable		(108,945)	(108,945)
			–	–
	Differential margin recoverable	27.3 & 30.1	122,176,517	65,758,692
	Due from customers	44	1,438	106,333
	Current account with Sui Southern Gas Company Limited		17,132	17,132
	Others		143,075	25,442
			122,338,162	65,907,599
30.1	**Differential margin recoverable**			
	Opening balance		65,758,692	36,934,536
	Differential margin determined for the year:			
	- Recognized in statement of profit or loss		56,837,244	26,373,156
	- Recognized in OCI		(419,419)	2,451,000
	Closing balance		122,176,517	65,758,692
31.	**CASH AND BANK BALANCES**			
	At banks:			
	On deposits accounts	31.1	5,821,947	3,034,713
	On current accounts		1,248,816	611,069
			7,070,763	3,645,782
	In hand		4,270	2,000
			7,075,033	3,647,782

31.1 Rate of return on bank deposits ranges between 3.75% to 6.40% (2017: 3.00% to 6.25%) per annum.

		2018	2017
		(Rupees in thousand)	
31.2	**Balance with related parties**		
	Askari Bank Limited	2,784,106	420,801
	Bank of Punjab	51,887	52,659
	JS Bank Limited	–	575,114
	Soneri Bank Limited	2,208	5,731
		2,838,201	1,054,305

31.3 Included in deposit accounts are amounts deposited by the Company in separate bank account(s) for funds released by the government as grant to finance distribution development projects being the government share of cost. Withdrawal from this account(s) is made on periodic basis to the extent of projects approved and sanctioned therefrom and until then, these funds amounting to Rs 5,426,673 thousand (June 30, 2017: Rs 1,665,450 thousand) are not used for the normal treasury operations of the Company. Any profit earned there on is credited to the funds instead of accounting for as Company's income.

		Note	2018	2017
			(Rupees in thousand)	
32.	**GAS SALES**			
	Gross sales - Indigenous gas		162,901,496	191,911,282
	Gross sales - RLNG	32.1	346,736,734	172,311,158
			509,638,230	364,222,440
	Sales tax - Indigenous gas		(22,992,515)	(26,593,104)
	Sales tax - RLNG		(39,879,878)	(17,932,962)
			(62,872,393)	(44,526,066)
			446,765,837	319,696,374

32.1 Included in gross RLNG sales is an amount of Rs 17,178 million (2017: Nil) representing revenue recognized under Take or Pay ("ToP") arrangements. This comprises of Rs 5,578 million from M/s Quaid-e-Azam Thermal Power (Private) Limited ("QATPL") and Rs 11,600 million from M/s National Power Parks Management Company Limited ("NPPMCL") (collectively referred to as Government Power Producers ("GPPs")).

The Company entered into Gas Supply Agreements ("GSAs") for supply of RLNG to GPPs. Under clause 3.6 of the respective GSAs, the GPPs shall take and if not taken, pay for the unutilized gas on account of Take or Pay ("ToP") arrangements. If the GPPs do not fully utilize the ToP quantity, they can request the Company to divert any unutilized quantity to other power plants, after seeking their consent. In case the power plants refuse or the Company due to technical constraints or other reasons is unable to supply the unutilized quantity to the power plants, it can divert that quantity to any of its consumers. The amounts recovered from these consumers, after deduction of any additional charges incurred by the Company in arranging the sale is required to be paid to the GPPs. The revenue of Rs 17,178 million recorded is net of amounts recovered by the Company from such other consumers.

The Company has also partially recovered the ToP amounts by encashment of Standby Letter of Credit of NPPMCL for a net amount of Rs 10,384 million and withdrawal of Rs 3,265 million from the Escrow Account of QATPL against the invoices raised under ToP arrangement. The GPPs disputed the invoices under ToP arrangements on various grounds and filed a writ petition with the Honourable Lahore High Court (“LHC”). The LHC on June 22, 2018 directed that the disputed invoices should be dealt with in accordance with the dispute resolution mechanism available in the GSAs. In light of Section 18.1 of the GSAs, various attempts were made to settle this dispute by mutual discussions but the matter remained unresolved. As required under section 18.2 of the GSAs, the dispute has thereafter been referred to an Expert after mutual agreement of the parties involved on October 9, 2018 and the decision of the Expert is awaited.

The management and legal advisor of the Company believes that the Company has reasonably good arguments in its favour and expects a favorable outcome.

The Company, under the terms of the license granted to it by OGRA, the guidelines issued by the Federal Government vide decision of the Economic Coordination Committee of the Cabinet (“ECC”) dated May 11, 2018, and as per determination of Final Revenue Requirement of the Company for FY 2017-18 (“FRR 2017-18”) dated January 15, 2019, operates under a fixed rate of return regime. In case the decision of the Expert is not in favour of the Company or is partially in favour of the Company, and the Company has exhausted its legal remedies available under the law, the matter will be taken up with OGRA for determining the cost of the same to the Company in its revenue requirement decision. However, due to guaranteed return available under the said fixed rate regime, the Company does not expect any material loss.

	Note	2018 (Rupees in thousand)	2017
33. DIFFERENTIAL MARGINS			
Differential margin on indigenous gas	33.1	56,837,244	26,373,156
Differential margin on RLNG	13.8	179,309	238,754
		57,016,553	26,611,910

33.1 This represents receivable from Government of Pakistan (GOP) 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 17.50% per annum 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.

During the year, the Company could not meet the benchmarks prescribed by Oil and Gas Regulatory Authority (OGRA) and as a result the return for the year on the aforesaid basis works out to be 13.86% (2017: 12.83%). Among other disallowances made by OGRA, the Company has also incorporated the effect of Unaccounted for Gas (UFG), which represents the volume difference of gas purchases and sales, amounting to Rs 6,356,066 thousand (2017: Rs 5,448,059 thousand), which is in excess of the UFG benchmark of 6.991% as determined by OGRA.

During the year, OGRA vide its decision dated June 21, 2018 on the Estimated Revenue Requirement (‘ERR’) of the Company for the year 2018-19 decided in consultation with the Federal Government and other licensees in the natural gas sector to revise the tariff regime including the rate of return which is to be based on Weighted Average Cost of Capital (‘WACC’) from the financial year 2018-19 in place of the existing rate of return which amounts to 17.5% of the average operating assets.

		Note	2018	2017
			(Rupees in thousand)	
34	**COST OF GAS SALES**			
	Opening stock of gas in pipelines		10,270,890	967,110
	Gas purchases:			
	Southern system		60,495,204	83,618,677
	Northern system		79,355,022	56,554,161
	RLNG	34.1	316,702,545	157,871,116
	Cost equalization adjustment	34.2	12,526,232	16,278,226
			469,079,003	314,322,180
	Gas swapping deferral account	13.9	2,640,675	–
			481,990,568	315,289,290
	Less: Gas internally consumed		4,437,854	2,969,980
	Closing stock of gas in pipelines	26	3,211,724	1,205,578
	Closing stock of gas - Held by third parties	26	28,192,845	9,065,312
			35,842,423	13,240,870
	Distribution Cost	35	30,637,506	24,561,212
			476,785,651	326,609,632

		2018	2017
34.1	**Gas purchases - RLNG**		
	Cost of RLNG	297,593,275	138,798,937
	Cost of Capacity and Utilization charges	11,271,676	13,690,118
	Service Cost & Margin	7,837,594	5,382,061
		316,702,545	157,871,116

34.2 In accordance with the policy guidelines issued by the Government of Pakistan, under section 21 of the Oil & Gas Regulatory Authority Ordinance, 2002, the Company has entered into an agreement with Sui Southern Gas Company Limited (SSGCL) for uniform pricing of gas. Under this agreement, the Company with a higher weighted average cost of gas will raise a demand to the other company of the amount necessary to equalize the cost of gas for both the companies. This represents the impact of cost equalization till May, 2018. The arrangement has been held in abeyance by the Economic Coordination Committee (ECC) of the Cabinet in the meeting held on May 17, 2018.

34.3 Unaccounted For Gas (UFG) in the 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 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. As a result of UFG study conducted by OGRA, the parameters used for the purpose of calculation of UFG have been revised with effect from July 01, 2017. Consequently non- consumer and law affected area’s volumes which were earlier allowed by OGRA, over and above the benchmark, have now become part of UFG. However, this has been partly compensated by an increase in UFG benchmark from 4.5% to 5% and a further 2.6% dependent on achievement of Key Monitoring Indicators (KMIs) as prescribed by OGRA. The UFG for each region of SNGPL network is given below in terms of volume and percentage.

Serial no	Region	Number of consumers	UFG	
			MMCF	%
1	Multan	537,033	3,311	11.10
2	Bahawalpur	251,835	1,447	1.49
3	Sargodha	226,017	993	9.33
4	Faisalabad	706,749	1,866	5.41
5	Sahiwal	224,366	248	3.49
6	Sheikhupura	304,377	852	4.28
7	Lahore	1,095,321	8,298	12.85
8	Sialkot	278,565	872	8.56
9	Gujranwala	503,451	1,909	9.14
10	Gujrat	240,028	510	6.69
11	Islamabad & Rawalpindi	1,018,314	5,760	10.58
12	Mardan	215,397	2,886	11.34
13	Peshawar	419,442	17,951	33.75
14	Abbottabad	168,092	167	0.93
	Total distribution system	6,188,987	47,070	10.55
	Transmission system	–	2,812	0.38
	Total	6,188,987	49,882	10.93

	Note	2018	2017
		(Rupees in thousand)	
35. DISTRIBUTION COST			
Salaries, wages and benefits	35.1, 12.12 & 23.11	8,005,046	7,367,263
Employees medical and welfare		625,075	624,961
Stores and spare parts consumed		686,618	593,398
Fuel and power		4,217,724	2,717,374
Repairs and maintenance		1,712,795	1,257,871
Rent, rates, electricity and telephone		270,928	349,636
Insurance		278,355	243,584
Travelling and conveyance		93,427	80,853
Stationery and postage		27,302	22,555
Transportation charges		703,106	597,417
Professional services		5,433	887
Security expenses		664,124	458,558
Advertisement		22,000	20,029
Depreciation	18.1.3	15,419,148	12,154,509
Others		459,439	340,996
		33,190,520	26,829,891
Allocated to fixed capital expenditure		(2,553,014)	(2,268,679)
	34	30,637,506	24,561,212

35.1 Included in salaries, wages and benefits are Rs 199,284 thousand (2017: Rs 193,148 thousand) in respect of the Company's contribution to the Employees Provident Fund.

	Note	2018	2017
		(Rupees in thousand)	
36. OTHER INCOME			
Income from financial assets			
Interest on staff loans and advances		61,247	60,357
Reversal of provision for doubtful debts		127,177	–
Return on bank deposits	42	301,139	261,340
Gain on initial recognition of financial liabilities at fair value	42	6,113	49,449
		495,676	371,146
Interest income on late payment of gas bills			
- Government owned and other power generation companies	27.3	1,614,934	688,558
- Fertilizer and cement companies		316,151	791,949
- Interest income on late payment of gas bills - other consumers	36.1	4,258,146	2,151,494
		6,189,231	3,632,001
		6,684,907	4,003,147
Income from assets other than financial assets			
Net gain on sale of fixed assets	42	40,732	48,560
Meter rentals and repair charges		2,176,138	1,926,025
Amortization of deferred credit	10, 41	3,837,509	3,249,670
Insurance claim	36.4	4,343	4,197
		6,058,722	5,228,452
Others			
Sale of tender documents		10,681	4,877
Sale of scrap		86,913	79,470
Liquidated damages recovered		154,964	81,271
Gain on construction contracts		288,370	144,691
Bad debt recoveries		8,879	4,093
Urgent fee for new meter connections		840,686	1,437,494
Miscellaneous		25,365	9,452
		1,415,858	1,761,348
		14,159,487	10,992,947

	Note	2018	2017
36.1 Interest Income on late payment of gas bills - other consumers			
Interest on gas sales arrears	36.2	3,207,374	1,053,597
Surcharge on late payments	36.3	1,050,772	1,097,897
		4,258,146	2,151,494

36.2 This represents interest charged on gas sales arrears at the rate of 1.5% (2017: 1.5%) per month up to one year and thereafter 2% (2017: 2%) per month from other than domestic consumers.

36.3 Late payment surcharge is charged to domestic consumers on over due amounts at the rate of 10% (2017: 10%) per annum.

36.4 This represents claims received on account of rupture of gas pipelines.

		Note	2018 (Rupees in thousand)	2017
37.	**SELLING COST**			
	Salaries, wages and benefits	37.1, 12.12 & 23.11	4,130,036	3,805,995
	Employees medical and welfare		305,673	305,857
	Stores and spare parts consumed		2,116	1,774
	Fuel and Power		6	–
	Repairs and maintenance		238,495	166,886
	Rent, rates, electricity and telephone		44,211	41,401
	Travelling and conveyance		30,551	36,627
	Stationery and postage		77,079	51,004
	Dispatch of gas bills		122,604	95,109
	Transportation charges		95,798	81,757
	Provision for doubtful debts	27.2	–	868,182
	Professional services		3,774	3,543
	Gathering charges of gas bills collection data		45,000	36,660
	Gas bills collection charges		472,326	405,430
	Security expenses		17,671	16,762
	Others		63,907	60,247
			5,649,247	5,977,234
	Allocated to fixed capital expenditure		(366,530)	(331,079)
			5,282,717	5,646,155

37.1 Included in salaries, wages and benefits is Rs 103,587 thousand (2017: Rs 98,940 thousand) in respect of the Company's contribution to the Employees Provident Fund.

		Note	2018 (Rupees in thousand)	2017
38.	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	38.1, 12.12 & 23.11	4,886,737	4,584,778
	Employees medical and welfare		317,060	325,174
	Stores and spare parts consumed		85,553	68,759
	Fuel and power		44,898	39,488
	Repairs and maintenance		154,869	127,190
	Rent, rates, electricity and telephone		164,587	115,829
	Insurance		21,959	22,112
	Travelling and conveyance		47,282	39,231
	Stationery and postage		49,734	45,814
	Transportation charges		98,369	70,920
	Professional services	38.3	222,006	208,105
	Loans to deceased employees written off		–	160
	Security expenses		225,105	177,012
	Service charges		15,000	105,273
	OGRA fee and expenses		216,969	215,162
	Advertisement		167,215	143,198
	Depreciation	18.1.3	314,677	248,051
	Amortization of intangible assets	19	67,996	60,525
	Others		340,081	306,611
			7,440,097	6,903,392
	Allocated to fixed capital expenditure		(474,262)	(477,386)
			6,965,835	6,426,006

38.1 Included in salaries, wages and benefits is Rs 134,328 thousand (2017: Rs 123,485 thousand) in respect of the Company's contribution to the Employees Provident Fund.

38.2 Number of employees

	2018		2017	
	As as 30 June	Average during the year	As as 30 June	Average during the year
	(Rupees in thousand)			
Operations	8,654	8,724	8,764	8,792
Projects	407	420	420	402
Total	9,061	9,144	9,184	9,194

	Note	2018	2017
		(Rupees in thousand)	
38.3 Professional services			
The charges for professional services include the following			
in respect of auditors' services for:			
Statutory audit		3,762	3,420
Half yearly review and other certifications		3,390	3,547
Income tax advisory		6,976	3,259
Out of pocket expenses		700	600
		14,828	10,826
39. OTHER OPERATING EXPENSES			
Exchange loss - net		1,254,705	42,250
Workers' profit participation fund	13.7	814,494	659,958
Loss on initial recognition of financial assets at fair value	42	93,639	27,511
Reversal of transportation income	39.1	463,280	–
		2,626,118	729,719

39.1 This represents reversal of transportation income along with late payment surcharge thereon in respect of RLNG transported to Pak Arab Fertilizer Limited during the financial years 2015 & 2016 resulting from the revision in the transportation tariff pursuant to the order of the Honourable Lahore High Court dated July 13, 2018, and as determined by OGRA vide its decision dated August 3, 2018.

	Note	2018	2017
		(Rupees in thousand)	
40. FINANCE COST			
Interest and mark up including commitment charges on			
- Long term finances - secured		4,376,979	3,284,113
- Long term finances - unsecured		76,261	84,435
- Short term borrowing		117,403	34,709
- Late payment to gas suppliers		5,875,072	2,978,126
- Security deposits		686,931	639,343
Bank charges		8,455	7,248
		11,141,101	7,027,974
Allocated to fixed capital expenditure		(334,946)	(1,677,454)
	42	10,806,155	5,350,520

		2018	2017
		(Rupees in thousand)	
41.	**TAXATION**		
	Current Tax		
	Current year	2,607,308	2,265,077
	Prior year	(505,044)	2,447
		2,102,264	2,267,524
	Deferred tax	2,251,662	1,657,175
		4,353,926	3,924,699

41.1 By virtue of amendments introduced through Finance Act 2018, the provisions of section 5A of the Ordinance have been amended to the effect that a listed company that derives profit for a tax year but does not distribute at least 20% of its after tax profits within six months of the end of the said tax year through cash or bonus shares, shall be liable to pay tax at the rate of 5% of its accounting profit before tax. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires.

		Note	2018	2017
			(%)	
41.2	**Tax charge reconciliation**			
	Numerical reconciliation between the average			
	effective tax rate and the applicable tax rate			
	Applicable tax rate as per Income Tax Ordinance, 2001		30.00	31.00
	Super tax	41.3	2.28	1.06
	Effect of changes in current tax of prior years		(3.26)	0.02
	Effect of change in tax rate		(4.34)	(0.75)
	De-recognition of previously recognised minimum and			
	alternate corporate tax available for carry forward		3.48	–
	Others		(0.03)	(0.03)
	Average effective tax rate charged to statement of profit or loss		28.13	31.30

41.3 It represents tax expense pertaining to super tax, which has been levied at the rate of 3% for the tax year 2018 on all Companies having taxable income of Rs 500 million or above through amendments introduced in the Income Tax Ordinance, 2001 vide Finance Act, 2015.

41.4 Management assessment on sufficiency of provision for income taxes

A comparison of provision on account of income taxes with most recent tax assessment for last three tax years is as follows:

Tax year	Note	Tax assessed as per most recent tax assessment	Provision in accounts for the income tax
		(Rupees in thousand)	
2017		1,144,387	1,760,034
2016	17.1.1(m) & (n)	14,009,520	1,212,797
2015	17.1.1(e)	4,529,689	971,456

The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Company has assessed the sufficiency of the tax provisions and believes that the tax provisions are sufficient to reflect the actual tax liability of the Company.

		Note	2018	2017
			(Rupees in thousand)	
42.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		15,475,401	12,539,199
	Adjustment for non-cash charges and other items:			
	Depreciation on owned assets	18.1.3	15,733,825	12,402,560
	Amortization on intangible assets	19	67,996	60,525
	Employee benefits		3,192,516	2,782,922
	Amortization of deferred credit	36	(3,837,509)	(3,249,670)
	Net gain on sale of fixed assets	36	(40,732)	(48,560)
	Finance cost	40	10,806,155	5,350,520
	Return on bank deposits	36	(301,139)	(261,340)
	Provision for doubtful debts	27.2	–	868,182
	Reversal of provision for doubtful debts	27.2	(127,177)	–
			40,969,336	30,444,338
	Loss on initial recognition of financial assets at fair value	39	93,639	27,511
	Gain on initial recognition of financial liabilities at fair value	36	(6,113)	(49,449)
	Net loss / (gain) on initial recognition of financial instruments at fair value		87,526	(21,938)
	Net interest expense due to the impact of IAS-39		(32,855)	(38,168)
	Working capital changes	42.1	(6,258,115)	(14,384,371)
			34,765,892	15,999,861
42.1	**Working capital changes**			
	(Increase) / decrease in current assets:			
	Stores and spare parts		(1,534)	(283,633)
	Stock-in-trade		(21,133,679)	(9,303,780)
	Trade debts		(8,370,102)	(805,587)
	Loans and advances		281,637	309,858
	Trade deposits and short term prepayments		(65,303)	(47,368)
	Other receivables		(78,990,273)	(32,023,729)
			(108,279,254)	(42,154,239)
	Increase in current liabilities:			
	Trade and other payables		102,021,139	27,769,868
			(6,258,115)	(14,384,371)

		Note	2018	2017
			(Rupees in thousand)	
42.2	**Cash and cash equivalents**			
	Cash and bank balances	31	7,075,033	3,647,782
	Short term borrowing		(3,986,546)	(999,258)
			3,088,487	2,648,524

42.3 Reconciliation of liabilities arising from financing activities

	Note	Long term financing	
		Secured	Unsecured
Net debt as at July 1, 2016 (including current portion shown under current liabilities)		35,800,000	1,029,279
Cash flows		18,474,800	(10,533)
Others	42.3.1	–	(65,957)
Net debt as at June 30, 2017 (including current portion shown under current liabilities)		54,274,800	952,789
Cash flows		7,235,200	(84,146)
Others	42.3.1	–	29,234
Net debt as at June 30, 2018 (including current portion shown under current liabilities)		61,510,000	897,877

42.3.1 Other changes include non-cash movements and interest payments which are presented as operating cash flows in the statement of cash flows.

43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration including certain benefits, to the Chief Executive and executives of the Company is as follows:

	Managing Director		Executives	
	2018	2017	2018	2017
Number of persons	1	1	657	414
	(Rupees in thousand)			
Remuneration	24,654	13,901	1,572,157	898,748
Contribution to Provident, Pension and Gratuity fund	7,710	4,589	521,471	295,821
Housing and utilities	13,560	7,646	826,507	457,376
Medical Reimbursement	317	266	36,057	33,400
Conveyance and other allowances	4,553	56	610,969	82,229
Special allowance	4,931	2,780	720	720
Leave encashment	9,875	–	2,782	12,494
Club subscription	8	12	10,118	17,721
	65,608	29,250	3,580,781	1,798,509

Comparative figures have been restated to reflect changes in the definition of executive as per Companies Act, 2017.

In addition, the Chief Executive and certain executives are provided with free transport subject to certain specified limits for petrol consumption, residential telephone/mobile facilities for both business and personal use and free medical facilities.

The aggregate amount charged in the financial statements in respect of directors' fee paid to sixteen (2017: seventeen) directors was Rs 64,700 thousand (2017: Rs 48,200 thousand).

The aggregate amount charged in the financial statements in respect of medical reimbursement to one (2017: one) director was Rs 305 thousand (2017: Rs 260 thousand).

	Note	2018	2017
		(Rupees in thousand)	

44. LONG-TERM CONSTRUCTION CONTRACTS

	Note	2018	2017
Contract revenue for the year		398,102	405,243
Method used to determine revenue		Fixed price Contract	
Method used to determine stage of completion		Cost incurred to date	
Contract cost incurred to date		2,085,457	1,960,364
Contract cost incurred during the period		125,093	219,853
Gross profit realized to date		807,986	695,333
Gross profit realized		112,653	24,624
Retention money receivable		92,712	59,241
Gross amount due from customers	30	1,438	106,333
Gross amount due to customers	13	68,066	12,605
Estimated future costs to complete projects in progress		153,721	185,215

45. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertaking, other related group companies, directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables, amounts due from directors and key management personnel are shown under receivables and remuneration of directors and key management personnel is disclosed in note 43. Other significant transactions with related parties are as follows:

	2018	2017
	(Rupees in thousand)	
Gas sales		
Sui Southern Gas Company Limited	1,046,499	1,047,328
Fauji Fertilizer Company Limited	6,897	–
Pak-Arab Refinery Limited (PARCO)	1,413,685	–
Oil and Gas Development Company Limited	45	–
The Bank of Punjab	13	–
WAPDA	6,835,786	15,920,972
Quaid-e-Azam Thermal Power (Pvt.) Limited	31,529,835	5,331,920
National Power Parks Management Company Limited	45,412,019	1,440,801
State Life Corporation	2,850	–
City CNG	16,376	14,849
Sheikh CNG F/S	25,801	11,384
	86,289,806	23,767,254

	2018	2017
	(Rupees in thousand)	
Purchase of gas		
Sui Southern Gas Company Limited	31,635,501	16,278,226
Government Holdings (Pvt) Ltd	11,191,888	8,825,520
Pakistan Petroleum Limited	51,109,854	58,314,435
Oil and Gas Development Company Limited	48,754,186	42,801,539
Mari Petroleum Company Limited	3,778,387	–
Pakistan State Oil Company Limited	217,841,426	138,798,937
	364,311,242	265,018,657
Purchase of materials		
The General Tyre & Rubber Company of Pakistan limited	10,395	45,872
International Industries Limited	4,611,689	29,210
Sui Southern Gas Company Limited	–	8,072
Pakistan Cables Limited	6,797	7,319
	4,628,881	90,473
Purchase of services		
Pakistan Telecommunication Company Limited	22,105	–
Minto and Mirza	13,000	20,600
Pakistan Cricket Board	303	500
Petroleum Institute of Pakistan	–	3,783
National Management Foundation / LUMS	–	225
	35,408	25,108
Profit received on bank deposits.		
Askari Bank Limited	16,150	7,264
JS Bank Limited	–	4,597
Soneri Bank Limited	2,222	2,156
MCB Bank Ltd	–	9,259
The Bank of Punjab	6,131	–
	24,503	23,276
Dividend paid		
Sui Southern Gas Company Limited	18,106	–
National Investment Trust	148,163	–
Millat Tractors Limited	36,144	–
The General Tyre & Rubber Company of Pakistan limited	2,051	–
State Life Insurance Corporation of Pakistan	206,124	–
National Insurance Company Limited	2,136	–
The President Of Islamic Republic Of Pakistan	1,506,984	–
SNGPL Employees Empowerment Trust	205,498	–
	2,125,206	–
Insurance expenses		
National Insurance Corporation	332,492	314,533
Postal Life Corporation	–	9,894
State Life Corporation	20,779	20,362
	353,271	344,789

	Note	2018	2017
		(Rupees in thousand)	
Insurance claimed received			
National Insurance Corporation		15,867	93,806
Postal Life Corporation		3,200	21,114
State Life Corporation		7,784	1,489
		26,851	116,409
Contribution to defined contribution plan	45.1	525,458	332,528
Contribution to defined benefit plans	45.1	3,275,756	2,850,241
Transportation charges - Sui Southern Gas Company Limited		244,853	362,610
Transmission charges - Pakistan Petroleum Limited		4,564	4,840

Transaction with related parties are carried out on mutually agreed terms and conditions.

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

45.2 The names of related parties with whom the Company has entered into transactions or had agreements / arrangements in place during the year and whose names have not been disclosed elsewhere in these financial statements are as follows:

Name of the related party	Basis of relationship	Percentage of shareholding
Government Holdings (Pvt) Limited	GoP holdings	Not applicable
Pakistan State Oil Company Limited	GoP holdings	Not applicable
WAPDA	GoP holdings	Not applicable
National Insurance Corporation	GoP holdings	Not applicable
Postal Life Corporation	GoP holdings	Not applicable
National Investment (Trust) Limited	GoP holdings & common directorship	Not applicable
Oil and Gas Development Limited	GoP holdings & common directorship	Not applicable
State Life Insurance Corporation of Pakistan	GoP holdings & common directorship	Not applicable
Pakistan Petroleum Limited	GoP holdings & common directorship	Not applicable
Sui Southern Gas Company Limited	GoP holdings & common directorship	Not applicable
Pak-Arab Refinery Limited (PARCO)	GoP holdings & common directorship	Not applicable
Quaid-e-Azam Thermal Power (Pvt.) Limited	GoP holdings & common directorship	Not applicable
National Power Parks Management Company Limited	GoP holdings & common directorship	Not applicable
Millat Tractors Limited	Common directorship	Not applicable
Askari Bank Limited	Common directorship	Not applicable
Fauji Fertilizer Company Limited	Common directorship	Not applicable
The General Tyre & Rubber Company of Pakistan limited	Common directorship	Not applicable
Soneri Bank Limited	Common directorship	Not applicable
International Industries Limited	Common directorship	Not applicable
Pakistan Cables Limited	Common directorship	Not applicable
The Bank of Punjab	Common directorship	Not applicable
Pakistan Telecommunication Company Limited	Common directorship	Not applicable
Mari Petroleum Company Limited	Common directorship	Not applicable
Minto and Mirza	Common directorship	Not applicable
Pakistan Cricket Board	Common directorship	Not applicable
City CNG	Common directorship	Not applicable
Sheikh CNG F/S	Common directorship	Not applicable

46. CAPACITY AND ACTUAL PERFORMANCE

The average daily gas transmitted during the year was 611,927 Hm3 (2017: 309,349 Hm3) against the designed capacity of 747,282 Hm3 (2017: 473,321 Hm3). The Company has no control over the rate of utilization of its capacity as the use of available capacity is dependent on off-takes by the consumers.

		Note	2018	2017
47. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit for the year	Rupees in thousand		11,121,475	8,614,500
Average ordinary shares in issue	Numbers of shares	6	634,216,665	634,216,665
Basic earnings per share	Rupees		17.54	13.58

47.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument carrying options which would have an impact on the basic earnings per share, when exercised.

48. FINANCIAL RISK MANAGEMENT

48.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from currency exposure to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to the gas suppliers. The exchange gain / (loss) on the payment to gas suppliers is passed on to the Government, due to the reason more fully explained in note 4.20 to the financial statements.

	2018	2017
	Rupees per US Dollar	
The following significant exchange rates were applied during the year:		
Average rate	112.50	104.82
Reporting date rate	121.60	105.00

(ii) Price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity and equity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term financing and short term borrowing. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk.

At the statement of financial position date, the interest rate profile of the Company's interest bearing financial instruments was:

	2018	2017
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Loans to employees	987,856	597,770
Financial liabilities		
Long term financing	700,448	683,056
Security deposit	–	–
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	5,821,947	3,034,713
Financial liabilities		
Long term financing	62,407,877	54,544,532
Security deposit	23,941,173	21,886,959
Short term borrowing	3,986,546	999,258

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 profit or loss. Therefore, a change in interest rate at the statement of financial position date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If floating interest rates on financial liabilities at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit after taxation for the year would have decreased / increased by Rs 591,596 thousand (2017: Rs 469,552 thousand), mainly as a result of higher / lower interest expense in the year ended June 30, 2018. This analysis is prepared assuming the amount of floating rate instruments outstanding at the statement of financial position dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2018	2017
	(Rupees in thousand)	
Loans and advances	1,618,231	1,811,725
Deposits	128,003	22,108
Trade debts	66,314,600	57,817,321
Interest accrued	16,585	10,546
Other receivables	160,207	42,988
Bank balances	7,070,763	3,645,782
	75,308,389	63,350,470

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate. The table below shows the bank balances held with some major counterparties at the statement of financial position date:

	Rating				
	Short term	Long term	Agency	2018	2017
				(Rupees in thousand)	
Banks					
MCB Bank Limited	A1+	AAA	PACRA	60,864	46,812
National Bank of Pakistan	A1+	AAA	PACRA	43,125	23,017
Habib Bank Limited	A-1+	AAA	JCR-VIS	164,235	104,093
United Bank Limited	A-1+	AAA	JCR-VIS	63,464	15,673
Allied Bank Limited	A1+	AA+	PACRA	35,228	87,513
Askari Bank Limited	A1+	AA+	PACRA	2,784,106	420,801
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	13,075	23,229
Bank Al-Habib Limited	A1+	AA+	PACRA	26,466	126,985
Faysal Bank Limited	A-1+	AA	JCR-VIS	2,598	2,442
Bank Alfalah Limited	A1+	AA	PACRA	2,712,699	1,265,653
Soneri Bank Limited	A1+	AA-	PACRA	2,208	5,731
The Bank of Punjab	A1+	AA	PACRA	51,887	52,660
Citi Bank N.A.	P-1	A1	Moody's	823	36,287
First Women Bank Limited	A2	A-	PACRA	6,489	6,055
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	12,813	3,314
Al Baraka Bank (Pakistan) Limited	A1	A	PACRA	2,797	2,145
Summit bank Limited	A-1	A-	JCR-VIS	8,666	2,486
JS Bank Limited	A1+	AA-	PACRA	342	575,114
Bank Islami Pakistan Limited	A1	A+	PACRA	-	795
Samba Bank Limited	A-1	AA	JCR-VIS	250	703
The Bank of Khyber	A1	A	PACRA	35	706
Punjab Provincial Co-operative Bank				167	348
Sindh Bank Limited	A-1+	AA	JCR-VIS	697	382,153
Silk Bank Limited	A-2	A-	JCR-VIS	8,255	1,955
Meezan Bank Limited	A-1+	AA	JCR-VIS	1,540	400
				6,002,829	3,187,070

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed as follows:

As at June 30, 2018, trade debts of Rs 40,120,636 thousand (2017: Rs 34,932,338 thousand) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2018	2017
	(Rupees in thousand)	
1 to 6 months	18,601,173	22,334,828
More than 6 months	21,519,463	12,597,510
	40,120,636	34,932,338

As at June 30, 2018, trade debts of Rs 16,219,245 thousand (2017: Rs 11,855,704 thousand) were past due but not impaired. These relate to receivables from a number of related parties from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2018	2017
	(Rupees in thousand)	
1 to 6 months	5,126,476	2,304,571
More than 6 months	11,092,769	9,551,133
	16,219,245	11,855,704

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

As at June 30, 2018, trade debts of Rs 21,202,850 thousand (2017: Rs 21,330,027 thousand) were impaired and provided for. The ageing analysis of these trade debts is as follows:

	2018	2017
	(Rupees in thousand)	
Up to 1 month	42,546	16,374
1 to 6 months	320,174	81,871
More than 6 months	20,840,130	21,231,782
	21,202,850	21,330,027

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing 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. In spite the fact that the Company is in a negative working capital position at the year end, the management believes the liquidity risk to be low.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to their contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	Over 5 years
	(Rupees in thousand)				
June 30, 2018					
Long term financing	62,407,877	80,431,848	16,349,277	45,475,069	18,607,502
Trade and other payables	219,807,814	219,807,814	219,807,814	–	–
Short term borrowings	3,986,546	4,615,295	4,615,295	–	–
	286,202,237	304,854,957	240,772,386	45,475,069	18,607,502

	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	Over 5 years
	(Rupees in thousand)				
June 30, 2017					
Long term financing	55,227,588	71,721,705	9,617,544	43,184,667	18,919,494
Trade and other payables	121,723,309	121,723,309	121,723,309	–	–
Short term borrowings	999,258	1,009,770	1,009,770	–	–
	177,950,155	194,454,784	132,350,623	43,184,667	18,919,494

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2018. The rates of mark-up have been disclosed in respective notes to the financial statements.

48.2 Fair values 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 measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

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

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

As of reporting date of the current and prior period, there were no Level 1, 2 or 3 assets or liabilities during prior or current year.

		Loans and receivables	
		2018	2017
		(Rupees in thousand)	
48.3	**Financial instruments by categories**		
	As at 30 June		
	Assets as per statement of financial position		
	Loans and advances	1,618,231	1,811,725
	Trade deposits and short term prepayments	128,003	22,108
	Trade debts	66,314,600	57,817,321
	Interest accrued	16,585	10,546
	Other receivables	160,207	42,988
	Cash and bank balances	7,075,033	3,647,782
		75,312,659	63,352,470

	Financial liabilities at amortized cost	
	2018	2017
	(Rupees in thousand)	
Liabilities as per statement of financial position		
Long term financing	62,407,877	55,227,588
Security deposit	43,782,459	38,566,630
Accrued mark-up	31,363,988	25,212,533
Short term borrowings	3,986,546	999,258
Trade and other payables	219,807,814	121,723,309
	361,348,684	241,729,318

48.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain healthier capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholders, return on capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes from the previous year. The Company monitors capital using gearing ratio, which is debt divided by equity plus net debt. Debt represent long-term financing (including current portion) plus short term borrowing obtained by the Company as referred to in note 7, 8, 16 and 17. Total capital employed includes 'total equity' as shown in the statement of financial position plus debt. The Company's strategy, which was unchanged from last year, was to maintain optimal capital structure in order to minimize cost of capital.

The gearing ratio as at June 30, 2018 and June 30, 2017 were as follows:

	Note	2018	2017
		(Rupees in thousand)	
Debt	7, 8, 16 and 17	66,394,423	56,226,846
Equity		18,676,681	10,595,793
Total capital employed		85,071,104	66,822,639
Gearing ratio		78.05%	84.14%

(a) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants in respect of the loans referred to in note 7. The Company has complied with these covenants throughout the reporting period.

49. EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors have proposed a final dividend for the year ended June 30, 2018 of Rs 5.55 per share (2017: Rs 6 per share), amounting to Rs 3,519,902,491 (2017: Rs 3,805,299,990) at their meeting held on April 20, 2019 for approval of the members at the forthcoming Annual General Meeting. These financial statements do not include the effect of the above dividend that will be accounted for in the period in which it is approved.

50. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on April 20, 2019 by the Board of Directors of the Company.

51. CORRESPONDING FIGURES

The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. The preparation and presentation of these financial statements for the year ended June 30, 2018 is in accordance with the requirements in Companies Act, 2017. Accordingly the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. Furthermore, corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. Following major reclassifications have been made during the year:

	Reclassified		
Description	**From**	**To**	**Rupees in thousand**
Unclaimed dividend	Trade and other payables	Unclaimed dividend	73,365
Differential margin on RLNG	Gas sales	Differential margins	238,754

52. GENERAL

The figures have been rounded off to the nearest thousand Rupees.

Saghir-ul-Hassan Khan
Chief Financial Officer

Mahmood Zia Ahmad
Managing Director / CEO

Syed Dilawar Abbas
Chairman

حصص کی صورت حال (Share Watch)

3 جولائی 2017ء کو کمپنی کے شیئرز کی خرید وفروخت 147.80 روپے سے شروع ہوئی اور 29 جون 2018ء کو 100.22 پر بند ہوئی۔ زیرِ نظر عرصہ کے دوران زیادہ سے زیادہ قیمت 169.95 روپے اور کم سے کم قیمت 81.08 روپے رہی۔ مالی سال مختتمہ 30 جون 2018ء کے اختتام پر کمپنی کے حصص کی مجموعی مالیت 77,695 ملین روپے تھی۔

کاروباری توسیع (Business Development)

آپکی کمپنی، دیگر ملکی وکثیر الملکی کمپنیوں کیلئے مختلف پائپ لائنز کے تعمیری منصوبہ جات میں مصروف عمل ہے۔ MOL, SNGPL پاکستان لیمیٹڈ کے مختلف گیس کنوؤں جیسا کہ مرم زئی، منزلئی، مامی خیل، مکوڑی ڈیپ-1، مغربی تولنج اور مکوڑی کیلئے ضلع کوہاٹ/ہنگو میں بہاؤ/ٹرنک لائنز اور فائبر آپٹک کیبل (FOC) کی انجینئر نگ اور تعمیر کی ذمہ داریاں، پچھلے پندرہ سالوں سے نبھا رہی ہے۔ گیس کی فراہمی کو مستحکم کرنے میں MOL پاکستان ایک بہت اہم کردار ادا کر رہی ہے۔ فی الوقت MOL پاکستان مردان خیل-3 گیس کے کنویں پر کام کر رہی ہے۔ اس منصوبے کی تکمیل پر 1.5 سے 2 کروڑ مکعب فٹ روزانہ اضافی گیس ملے گی جو کہ ملک میں جاری گیس کی قلت کو دور کرنے میں اہم کردار ادا کریں گی کمپنی نے MOL پاکستان کے لیے بالترتیب 6 انچ قطر کی 6 کلومیٹر اور 10 سے 12 انچ قطر کی 22 کلومیٹر پائپ لائن کی تعمیر کا کام برائے مردان خیل-1 اور مردان خیل-2 منصوبہ جات مکمل کرلیا ہے جس کی وجہ سے کمپنی کے نظام میں 4 سے 5 کروڑ مکعب فٹ گیس روزانہ کا اضافہ ہوا ہے۔

پیش بینی (Future Outlook)

آپ کی کمپنی، صارفین کو گیس کی فراہمی میں بہتری کیلئے جانفشانی سے کئی ذیل اقدامات اُٹھا رہی ہے:

- غیر محسوب برائے گیس کی اونچی سطح کو فعالی وتکنیکی دونوں حوالوں سے سے کم کر کے قابل قبول سطح تک لانے کیلئے، خصوصاً زیادہ غیر محسوب برائے گیس والے علاقوں میں، ٹھوس اقدامات اُٹھانا۔
- نظام میں آنے والی اضافی 1.2 ارب مکعب فٹ روزانہ درآمدی گیس کی نقل وحمل کیلئے ترسیلی نظام کو سرعت کے ساتھ ترقی دی جا رہی ہے۔ جو کہ آپکی کمپنی کے اثاثہ جات کو وسعت دے گی اور اسکے ثمرات براہِ راست کمپنی کے اثاثہ جات/منافع کی ادائیگی پر ہوں گے۔
- منافع کے دوسرے ذرائع کیلئے مستعدی کے ساتھ تلاش جاری ہے جن میں کھوج وپیداوار برائے گیس کمپنیوں کے لیے پائپ لائنز کی انجینئر نگ وتعمیر شامل ہے۔ آپ کی کمپنی کی انتظامیہ پُراعتماد ہے کہ اس لائحہ عمل سے جس کا خلاصہ مذکورہ بالا پیشِ خدمت ہے، کمپنی مستقبل قریب میں اُمید افزاء نتائج پیش کرے گی۔

اظہارِ تشکر (Acknowledgements)

ہم بورڈ کے اراکین کا تہہ دل سے شکر گزار ہیں جنھوں نے اپنی جانفشانی اور قیمتی وقت کے ساتھ کمپنی کی بہتری کیلئے نمایاں کردار ادا کیا۔ آپکے ڈائریکٹرز، معزز حصے داران اور صارفین کی طرف سے ملنے والی مسلسل حمایت وسرپرستی پر شکریہ ادا کرتے ہیں۔ ہم تمام ملازمین کی اُن تمام قابلِ قدر خدمات، جو اُنہوں نے کمپنی کو بہ طریق احسن چلانے میں ادا کی ہیں، پر مشکور ہیں۔

ہم حکومت پاکستان، وزارتِ توانائی (پیٹرولیم ڈویژن) اور اوگرا کی مسلسل رہنمائی وحمایت پر بھی مشکور وممنون ہیں۔

منجانب بورڈ

(سید دلاور عباس)
چیئرمین بورڈ آف ڈائریکٹرز

(محمود ضیاء احمد)
مینیجنگ ڈائریکٹر/منتظم اعلیٰ

لاہور
مورخہ: 20 اپریل 2019ء

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

(ح) گزشتہ 6 سالہ اہم افعالی و مالیاتی اعداد و شمار اختصار کے ساتھ اس سالانہ رپورٹ کا حصہ بنا دیے گئے ہیں۔

(خ) تمام وہ قانونی ادائیگیاں جو کہ 30 جون 2018ء تک قابلِ ادا تھی جن میں محصولات، ڈیوٹیز (Duties)، لگان اور کاروباری مصروفیات میں آنے والے اخراجات شامل ہیں، سال کے آخر تک ادا کیے جا چکے ہیں۔

(د) فنڈز برائے سبکدوش ملازمین میں کی جانے والی سرمایہ کاری کی قدر، جو کہ فنڈز کے سال مختتمہ 30 جون 2018ء کے پڑتال شدہ گوشوارہ جات پر مشتمل ہے، درج ذیل ہے:

	(روپے ہزاروں میں)
SN سینیر سٹاف پینشن فنڈ	2,667,651
SN جونیر سٹاف پینشن فنڈ	17,712,654
SN ایگزیکٹیو سٹاف گریجوٹی فنڈ	167,960
SN نان ایگزیکٹیو سٹاف گریجوئی فنڈ	4,441,762
SN ٹرسٹی پرویڈینٹ فنڈ	12,443,168
SNGPL سپرانیوایشن فری گیس ایگزیکٹیو فنڈ	83,205
SNGPL سپرانیوایشن فری گیس سبورڈینیٹ فنڈ	4,053,316
SNGPL سپرانیوایشن کمپن سیٹڈ ابسینس ایگزیکٹیو فنڈ	635,837
SNGPL سپرانیوایشن کمپن سیٹڈ ابسینس سبورڈینیٹ فنڈ	1,249,040
SNGPL سپرانیوایشن میڈیکل ایگزیکٹیو فنڈ	4,471,306
SNGPL سپرانیوایشن میڈیکل سبورڈینیٹ فنڈ	8,892,445
SN ملازمین حادثاتی اموات وقف فنڈ	10,965
ٹوٹل	56,829,309

(ذ) بورڈ اور کمیٹیوں کے اجلاس کی تعداد اور حاضری اس رپورٹ کے ادارتی نظم و نسق (Corporate Governance) سے متعلقہ جُز میں بیان کر دی گئی ہیں۔

(ذ) اس رپورٹ کی تفصیلی بیان میں بورڈ اور اُنکی کمیٹیوں میں شامل تمام مرد و خواتین خود مختار، نان-ایگزیکٹیو منتظمین (Directors) کے اسمِ گرامی اور تعداد بیان کر دی گئی ہے۔

(ر) کمپنی ضوابط برائے ادارتی نظم و نسق کے تحت ڈائریکٹر تربیتی پروگرام پر عمل ہے۔

(ڑ) حصے داران کی درجہ بندی اور پیٹرن برائے سال مختتمہ 30 جون 2018ء کو بطور علیحدہ ز اس رپورٹ کا حصہ بنا دیا گیا ہے۔

(ژ) قرضہ جات کی ادائیگی میں کوئی کوتاہی ہوئی نہ ہی اس کا امکان ہے۔

ڈائریکٹران، منتظم اعلیٰ (CEO)، کمپنی سیکریٹری اُنکے Spouse، زیرِ کفالت بچوں (اگر کوئی ہیں) نے کسی بھی حصص سے متعلقہ تجارتی سرگرمی، علاوہ وہ جو کہ قانونی طور پر بیان کر دی گئی ہیں، میں حصہ نہیں لیا۔ اس رپورٹ کے اندر درجہ بندی برائے حصص داران میں اُن کے حصص کی تعداد کو اگر کوئی جو وہ رکھتے ہیں بیان کر دیا گیا ہے۔

پڑتال کنندگان (Auditors)

میسرز اے۔ ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کو کمپنی کے حسابات برائے سال 18-2017 کی پڑتال کے لیے مورخہ 20 دسمبر 2017ء کے سالانہ اجلاس عام میں بطور بیرونی پڑتال کنندہ (External Auditors) تعینات کیا گیا تھا۔ تاہم 19-2018 کے مالی سال کیلئے اُنہوں نے بطور پڑتال کنندگان اپنی خدمات کی سرانجام دہی کیلئے رضامندی کا اظہار نہیں کیا۔ میسرز ای-وائے فورڈ روڈز، میسرز کے پی ایم جی (KPMG) تاثیر ہادی اینڈ کمپنی اور میسرز ریاض اینڈ کمپنی کی جانب سے رضامندی وصول ہو گئی ہیں۔ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے مالی سال 19-2018 کیلئے میسرز ای-وائے فورڈ روڈز کا نام بطور پڑتال کنندگان، تقرری کیلئے تجویز کیا ہے۔

انتظامات برائے خدشات (Risk Management)

سوئی ناردرن گیس پائپ لائنز لمیٹڈ کو بہت سے مسائل کا سامنا ہے بشمول (مگر یہ ان تک محدود نہیں ہیں) غیر محسوب برائے گیس UFG گیس کی قیمت برائے صارفین کے حوالے سے نقد و مالیاتی مسائل اور قدرتی گیس کی رسد و طلب کی وسیع ہوتی خلیج کمپنی کی شہرت پر براہِ راست اثر انداز ہو رہی ہے۔

کمپنی کی انتظامیہ بورڈ کی رہنمائی میں ان مسائل سے بہترین منصوبہ بندی بروقت فیصلہ جات اور موثر انتظام برائے تقسیم گیس کے ذریعے نبرد آزما ہے۔ رسد اور طلب کی وسیع ہوتی خلیج کو کم کرنے کیلئے بذریعہ ذرائع ابلاغ وسیع مہمات سے توانائی کی بچت کا ماحول پیدا کرنا، جیسے ٹھوس اقدامات اُٹھائے جا رہے ہیں۔

انتظامات برائے خدشات کے حوالے سے ایک علیحدہ شعبہ بورڈ کی کمیٹی برائے خدشات کی براہِ راست نگرانی میں قائم کر دیا گیا۔ جو بڑے خدشات کی نشاندہی اور ہمہ وقت بدلتے حالات کے نتیجے میں ادارے پر ہونے والے کسی بھی منفی اثرات کو مستعدی سے نمٹنے کیلئے بنائی تخفیفی حکمتِ عملیوں پر پیش رفت کا جائزہ لینے کیلئے کل وقتی کام میں مصروف ہے۔

انتظامات برائے خدشات کا ڈھانچہ/فریم ورک:

فریم ورک تمام متعلقہ خدشات پر غور کرتے ہوئے فیصلہ سازی اور کاروباری مقصد کو حاصل کرنے میں سوئی گیس کے اصول و ضوابط اور عملی طریقہ کار پر توجہ مرکوز کرتا ہے۔

ان مقاصد کے حصول کیلئے خدشات کے انتظامات کا شعبہ سوئی گیس کے آپریٹنگ ڈھانچے کا استعمال کرتے ہوئے مندرجہ ذیل مراحل پر مشتمل بہترین طریقہ کار اختیار کرتا ہے۔

خدشات کی شناخت:

نئے اور اُبھرتے ہوئے خدشات کی نشاندہی کرتا ہے تاکہ انتظامیہ بہتر انداز میں خدشات کے جوابات کا تعین کر سکے۔

خدشات کی شدت کا اندازہ:

تفہیم کے ساتھ خدشات کی شدت کا اندازہ کرتا ہے ادارے کی سطح پر منحصر ہے کہ کس طرح خدشات کی شدت کا اندازہ کرتا ہے۔

خدشات کی ترجیح:

خدشات کی ترجیح مینجمنٹ کو اجازت دیتی ہے کہ وہ ان خدشات کے تدارک کیلئے موجودہ وسائل کو بروئے کار لاتے ہوئے اقدامات کر سکیں۔

خدشات کے تدارک کا پلان:

خدشات کے تدارک کیلئے لائحہ عمل کا انتخاب کرنا اور اس پر عمل درآمد کرنا۔

جائزہ اور رپورٹ:

مستقل طور پر خدشات کی نگرانی اور نظرِ ثانی اور سوئی گیس کے اندر مختلف سطحوں پر باقاعدگی سے رپورٹ فراہم کرتے رہنا۔

ادارے بھر میں خدشے کی شناخت کی جاتی ہے اور ان کے اثرات اور امکانات کی بنیاد پر درجہ بندی کی جاتی ہے بڑے پیمانے پر اسٹریٹیجک، تجارتی/آپریشنل، کمپلائنس، معتبر اور مالیاتی خدشات کے درمیان درجہ بندی کی جاتی ہے۔ خدشے کی شناخت پر ایک حکمتِ عملی تشکیل دی جاتی ہے جس کے اثرات کو کم کرنے کیلئے سینئر مینجمنٹ اس کی نگرانی کرتی ہے اس کا مقصد ادارے کو منظم اور رسمی انداز میں خدشات کا انتظام اور خدشات کو کم کرنا ہے۔

فلاح وبہبود کیلئے ہوں تاکہ کمپنی کے امور میں خلل واقع نہ ہو۔ ملازمین کے تمام معاملات و مطالبات کو مذاکرات کے ذریعے پر احسن طریقے سے حل کئے جاتے ہیں۔ سی۔ بی۔ اے کی طرف سے موصول شدہ مطالبات برائے سال 2017 تا 2019 کا تصفیہ نکالا جا رہا ہے۔ اور جلد انتظامیہ اور ملازمین کے نمائندگان کے درمیان مذاکرات کی گفت و شنید جاری ہے، تاکہ یہ جمہوری سرگرمی بخیر انجام پائے۔

خصوصی افراد کی ملازمت

ایس این جی پی ایل خصوصی افراد کو روزگار فراہم کرنا اپنا اولین سماجی اور قانونی فرض سمجھتی ہے۔ تاکہ یہ افراد بھی معاشرے میں اپنا بہترین کردار ادا کر سکیں۔ کمپنی کی انتظامیہ پرعزم ہے کہ ان افراد کو موجودہ قانون برائے معذور افراد کے مطابق دو فیصد آسامیوں کا حصہ دیا جائے۔ بورڈ اور انتظامیہ اس سلسلے میں موجودہ خالی آسامیوں کو پُر کرنے کے لیے پرعزم ہیں۔

کاروباری اقدار اور انسداد بدعنوانی کیلئے اقدامات

کمپنی نظم و ضبط کی اعلیٰ روایات کو قائم رکھتے ہوئے پوری طرح کوشاں ہے کہ کمپنی کے تمام شراکت داروں کے مالی مفادات کا تحفظ کرے۔ اور ملازمین سے امید رکھتی ہے کہ وہ ادارے کے مقاصد کے حصول کیلئے اپنی بھرپور توانائیوں کو بروئے کار لائیں گے۔ کمپنی کا انضباطی ڈھانچہ تمام زاویوں سے ملکی قانون کا احاطہ کئے ہوئے ہے اور بدعنوانی کو قابو کرنے میں اہم کردار ادا کر رہا ہے۔ یہ ڈھانچہ بدعنوانی کے خاتمے کیلئے کی جانے والی انتظامیہ کی کاوشوں میں کلیدی کردار رکھتا ہے تاکہ غیر جانبداری، شفافیت اور پیشہ وارانہ مہارت کا سبب بنے۔ ہر گزرتے سال کے ساتھ کمپنی نے اپنی سرگرمیوں کے تمام شعبہ جات میں بدعنوانی کے خاتمے، اس کے اثرات کم کرنے اور ہم آہنگی کے اعلیٰ معیار کیلئے اہم اصلاحات کی ہیں۔ کمپنی نے ان لوگوں کے خلاف سخت اقدامات اٹھائے جو بدعنوانی میں ملوث پائے گئے تاکہ انہیں دوسروں کیلئے مثال بنایا جا سکے۔ اس عمل نے ناقابل قبول رویوں کی تبدیلی میں اہم کردار ادا کیا ہے اور اس عمل کی مسلسل نگرانی کی جا رہی ہے۔

نظام برائے اندرونی کنٹرول (Internal Control System)

SNGPL اندرونی تسلط کے ایک مضبوط نظام کی حامل ہے۔ اندرونی تسلط کے طریقہ ہائے کار کمپنی اثاثہ جات کے تحفظ اور مناسب اندراج سے کمپنی کو درپیش خطرات سے نمٹنے اور ان میں تخفیف کیلئے وضع کئے گئے ہیں۔ اندرونی تسلط کا دائرہ کار بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی سے منظور شدہ ہے، جو کہ افعال کی اہلیت اور موثریت کی آزادانہ جانچ یقینی، قابل اعتماد رپورٹنگ، کمپنی کے اثاثہ جات کے تحفظ اور قانون و ضوابط پر عملداری پر مشتمل ہے۔ کمپنی سربراہ شعبہ اندرونی آڈٹ کے ساتھ جو کہ براہ راست بورڈ کی آڈٹ کمیٹی کو جواب دہ ہیں، ایک واضح ادارتی ڈھانچے پر مشتمل ہے۔

کمپنیز ایکٹ 2017، ضوابط برائے محکمتی ادارہ جات (ادارتی نظم و نسق) مجریہ 2013، لسٹڈ کمپنیز کارپوریٹ گورننس ریگولیشنز 2017، اور ادارہ برائے اندرونی جانچ کنندگان کی بہترین روایات کو مدنظر رکھتے ہوئے شعبہ اندرونی آڈٹ کی اپنی ذمہ داریوں کی انجام دہی بھی شامل ہے۔

بورڈ میں ردوبدل

زیر نظر سال، جناب نوید کامران بلوچ اور جناب شاہ محمود کی جگہ بالترتیب جناب شعیب میر اور جناب عارف احمد خان نے بطور ڈائریکٹرز کمپنی کے بورڈ میں شمولیت اختیار کی۔ بورڈ آف ڈائریکٹرز نے سبکدوش ہونے والے ڈائریکٹرز کی رہنمائی، حمایت و خدمات پر بطور ریکارڈ اظہار تحسین و تشکر پیش کیا۔

ترکیب بورڈ

زیر نظر سال، جناب محمد سعید مہدی، جناب امجد لطیف، جناب احمد عقیل، جناب شاہ محمود، جناب مرزا محمود احمد، جناب منظور احمد، میاں مصباح الرحمٰن، جناب محمد عامر قریشی، جناب محمد جلال سکندر سلطان، جناب محمد جہانزیب خان، جناب قاضی محمد سلیم صدیقی، جناب مصطفیٰ احمد خان، جناب سجاد حسین، جناب شعیب میر، جناب نوید کامران بلوچ اور جناب عارف احمد خان کمپنی کے بورڈ میں شامل رہے۔ فی الوقت موجودہ بورڈ جناب سید دلاور عباس (چیئرمین)، جناب محمود ضیاء احمد (منتظم اعلیٰ)، جناب شیر افگن خان، جناب محمد یونس ڈاگھا، جناب احمد عقیل، جناب مرزا محمود احمد، جناب منظور احمد، جناب میاں مصباح الرحمٰن، جناب قاضی محمد سلیم صدیقی، جناب مصطفیٰ احمد خان، محترمہ روحی رئیس خان اور جناب حمایت اللہ خان پر مشتمل ہے۔

جائزہ کارکردگی برائے بورڈ، منتظم اعلیٰ اور اعلیٰ انتظامیہ

کارپوریٹ گورننس رولز 2013 کے رول 8 سب رول 2 اور لسٹڈ کمپنیز کارپوریٹ گورننس ریگولیشنز 2017 کے تحت بورڈ اور کمیٹیوں کی کارکردگی کی جائزہ بذریعہ فریق ثالث (Third Party) مکمل کرنا لازمی ہے۔ کمپنی پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) جو کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) سے منظور شدہ ہے، بورڈ کے ارکان کی کارکردگی کے جائزہ کیلئے بذریعہ Online استفسار نامہ ارسال کیا جاتا ہے۔ سالانہ بنیادوں پر بورڈ کے بہتر نظم و ضبط کو موثر بنانے کیلئے جائزہ ضروری ہے۔

مشاہرہ ڈائریکٹرز

قوانین اور ضوابط کی روشنی میں بورڈ نے ڈائریکٹرز کے مشاہرہ جات پر حسب ضابطہ شفاف پالیسی اور ضابطہ کار وضع کیا ہے۔ بورڈ اور اس کی کمیٹی کے اجلاس میں شرکت پر نان ایگزیکٹو ڈائریکٹرز کو کمپنی کے آرٹیکل آف ایسوسی ایشن کے مطابق مشاہرہ ادا کیا جاتا ہے۔

احوال بعد از میزانیہ

20 اپریل 2019 تک، جو کہ مالیاتی گوشوارہ جات کی منظوری کی تاریخ ہے، ڈائریکٹرز نے کسی بھی قسم کی معلومات موصول نہیں کی علاوہ ان کے جو کہ مالی گوشوارہ جات میں بیان کر دی گئی ہیں جن کا تعلق منظوری تک آنے والی کسی بھی ایسی بات سے ہو جو پیش کردہ گوشواروں پر اثر انداز ہو سکیں۔

ادارتی نظم و نسق

بورڈ آف ڈائریکٹرز نے ادارتی نظم و نسق کے متعلقہ اصولوں کی تعمیل کی ہے جو کہ اس رپورٹ کے تعمیلی بیان کے طور پر منسلک کر دی گئی ہے اور اس رپورٹ میں شامل تعمیلی بیان میں ان تمام غیر تعمیلی افعال کو، بشمول وجوہات، ضوابط کی نشاندہی کے ساتھ اگر کوئی ہے، علیحدہ سے بیان کر دیا گیا ہے۔

بیان برائے ادارتی اور مالیاتی ضابطہ کار

بورڈ آف ڈائریکٹرز سال مختتمہ 30 جون 2018 کیلئے اقرار کرتے ہیں کہ:

(الف) مالیاتی گوشوارے اور ان سے متعلقہ نوٹس کمپنیز ایکٹ 2017، کے جدول نمبر 4 سے مطابقت رکھتے ہیں۔ ان بیانات میں کمپنی کو چلانے کیلئے ترسیلات زر (Cash Flow) اور ایکوئٹی میں تبدیلیوں کو احسن طریقے سے بیان کیا گیا ہے۔

(ب) کمپنی کے حسابات کو احسن طریقے سے سنبھالا گیا ہے۔

(پ) درست محسوب حکمت عملی (Accounting Policies) تسلسل کے ساتھ نافذ العمل ہے۔ تمام مالیاتی گوشواروں اور محسوب اندازوں کی تیاری میں، جن کی بنیاد مناسب اور دانشمندانہ فیصلے ہیں۔

(ت) بین الاقوامی مالیاتی معیارات برائے رپورٹنگ کے تحت، جو کہ پاکستان میں نافذ العمل ہیں، مالیاتی گوشوارہ جات کی تیاری کی گئی ہے اور کسی بھی اخراج کو پوری وضاحت کے ساتھ بیان کر دیا گیا ہے۔

(ٹ) اندرونی کنٹرول کا نظام اپنی وضع کے لحاظ سے مستحکم ہے اور موثر نفاذ کے ساتھ مسلسل نگرانی میں ہے۔

(ث) اچھی روایات کے مطابق چیئرمین صاحب اور بورڈ کے دیگر ارکان کی تعیناتی اور ان کے معاوضہ جات کی ادائیگی کے طریقہ کار میں کمپنی کے بہترین مفاد کو مدنظر رکھا گیا ہے۔

(ج) بطور "ایک کامیاب ادارہ" کمپنی کی اہلیت کے تسلسل پر کوئی ابہام نہیں ہے۔ بورڈ کا اعتقاد ہے کہ کمپنی کے وسائل مستقبل میں آپریشنز جاری رکھنے کیلئے کافی ہیں۔ کمپنی کے مالیاتی گوشوارہ جات بطور "ایک کامیاب ادارہ" کی بنیاد پر تیار کئے گئے ہیں۔

(چ) پچھلے سال کے تجارتی نتائج سے اہم متغیرات کو جیسا مناسب سمجھا گیا "جائزہ چیئرمین اور ڈائریکٹرز رپورٹ" اور گوشوارہ جات سے متعلقہ نوٹس جو کہ اس سالانہ رپورٹ کے ساتھ منسلک ہیں، میں پیش کر دیا گیا ہے۔

تحفظ، توانائی کی بچت اور حفاظت کیلئے مناسب جگہوں پر پوسٹر آویزہ کردیے گئے ہیں۔

کمپنی کی تمام گاڑیوں/ جنریٹرز اور ویلڈنگ پلانٹس کا ہر ماہ معائنہ کیا جاتا ہے۔ جو گاڑیاں جنریٹرز اور ویلڈنگ پلانٹس اس معائنے کو پاس کرتے ہیں اُن کو فٹنس سرٹیفکیٹ جاری کیا جاتا ہے۔ جو اس معائنہ میں کامیاب نہیں ہوتے اُن کو چلانے کی اجازت نہیں دی جاتی جب تک وہ ٹھیک نہ کروالئے جائیں۔

آپکی کمپنی تمام نافذ العمل قوانین وضوابط کی تعمیل کو یقینی بناتے ہوئے ماحول کے تحفظ کیلئے پُرعزم ہے اور اس مقصد کیلئے ماحولیاتی نگرانی کا طریقہ کار، مربوط رسالہ انتظامیہ امور کا حصہ ہے۔

ادارتی سماجی ذمہ داری

آپکی کمپنی مندرجہ ذیل بہترین بین الاقوامی اصولوں پر مشتمل ایک CSR حکمتِ عملی رکھتی ہے۔

- کاروبار، معاشرہ کیلئے منفعت بخش ومفید ہونا چاہیے۔
- طبقات کے معیارِ زندگی کو بہتر بنانا خصوصاً وہ جو کم مراعات یافتہ ہیں۔
- پائیدار ترقی کے اصولوں پر، سرکاری وغیر سرکاری رفاہی اداروں سے مل کر اپنے متعلقین کے ساتھ ہم آہنگی کو یقینی بنانا۔

CSR منصوبہ جات کو بروئے کار لانے کیلئے مختلف مقامات پر CSR مراکز کا قیام۔ مختلف CSR منصوبہ جات، جن کی تکمیل مالی سال 18-2017 میں ہوئی، درج ذیل ہیں۔

تعلیم

(i) سونے کے تمغوں کیلئے مالی امداد

تعلیم کے فروغ کیلئے، SNGPL نے ایک لاکھ روپے مالیت کے ایک سونے کا تمغہ سے غلام اسحاق خان انسٹی ٹیوٹ، ٹوپی کو اور 2 سونے کے تمغوں، مالیتی ایک لاکھ چالیس ہزار، سے این ایف سی ملتان کو نوازا۔

گیس انجینئرنگ کی چیئر کیلئے مالی امداد

SNGPL پنجاب اور خیبر پختون خوا کی جامعات میں تین چیئرز کیلئے مالی امداد کر رہی ہے۔ SNGPL کے حوالے سے آنے والے مسائل کے حل کیلئے خصوصاً توانائی بچت کے حوالے سے تحقیقی کام کو فروغ دینے کیلئے ان چیئرز کو سالانہ 33 لاکھ 20 ہزار روپے کا اجراء کیا جا رہا ہے۔

ذیل میں درج جامعات میں گیس انجینئرنگ چیئرز قائم کی گئی ہیں۔

1) شعبہ کیمیائی انجینئرنگ، جامعہ انجینئرنگ وٹیکنالوجی، لاہور
2) ادارہ کیمیائی انجینئرنگ، جامعہ پنجاب، لاہور
3) شعبہ میکینکل انجینئرنگ، جامعہ انجینئرنگ وٹیکنالوجی، پشاور

تحقیقی کام، اہم شمارہ جات میں شائع کیا جاتا ہے۔ SNGPL کی فراہم کردہ امداد سے ہر جامعہ میں تجربہ گاہ قائم کروی گئی ہے۔ یہ قدم، گیس انجینئرنگ سے متعلقہ اعلیٰ سطحی تحقیقی کام کیلئے طالب علم کیلئے مددگار رہوگا۔

پینے کے پانی کی فراہمی

SNGPL نے مختلف مقامات پر 35 لاکھ روپے کی لاگت سے 6 مختلف مقامات پر RO پلانٹس نصب کیئے ہیں۔ جن سے کم وبیش 20 ہزار افراد فائدہ اُٹھا رہے ہیں۔

SNGPL نے اپنے تمام 13 علاقائی دفاتر میں بھی لوگوں کو صاف پانی کی فراہمی کے پیشِ نظر RO / پانی فلٹر پلانٹس نصب کردیئے ہیں۔

WWF پاکستان کے ساتھ شراکت

SNGPL، WWF پاکستان کی تحفظِ توانائی کے درج ذیل دو پروگرامات کی تائید کرتی ہے۔

(i) زرعی فضلہ منصوبہ برائے سماج

49 لاکھ روپے کی لاگت سے آپکی کمپنی WWF پاکستان کے ساتھ، منصوبہ برائے زرعی فضلہ کیلئے، شراکت کررہی ہے۔

(ii) SNGPL میں ایکو تربیت پروگرام

اس پروگرام کے تحت 12 سے 22 سال تک کے نوجوانوں پر توجہ دی جاتی ہے ماحولیاتی مسائل کے حوالے سے آگاہی کو فروغ دینے کیلئے WWF ان بچوں کو اُنکے تعلیمی اداروں کے ذریعے پروگرام سے منسلک کرتی ہے اور اُن کو تحفظِ ماحول کے حوالے سے ایک اہم کردار ادا کرنے کیلئے ترغیب دیتی ہے۔ اس پروگرام سے، 2013 سے دس ہزار کے قریب طلبا استفادہ کر چکے ہیں۔

صحت

فاطمید اور سُندس فاؤنڈیشن جیسے اداروں کو عطیہ خون کی مہم کیلئے SNGPL اپنی تائید سے اپنے ملازمین کو ترغیب دیتی ہے اور اپنے ہیڈ آفس لاہور، علاقائی آفس لاہور مرکزی میٹر شاپ فیصل آباد، ساہیوال، گجرات اور گجرانوالہ میں قائم دفاتر میں عطیہ خون کیمپ کا انتظام کرتی ہے۔ جہاں ملازمین کی قابلِ ذکر تعداد حصہ لیتی ہے۔

سماجی خدمت

SNGPL کا شعبہ HSE عوامی/سرکاری کاروباری گاڑیوں کے اخراجِ دھواں پر نظر رکھنے کیلئے موٹروے ٹول پلازہ اسلام آباد پر قومی شاہراہ وموٹروے پولیس کی معاونت سے مشترکہ طور پر اخراجِ دھواں کے ٹیسٹ کیلئے انتظام کرتا ہے۔

تمام کمپنی میں HSE حکمت عملی کو بروئے کار لانے کے عزم کے ساتھ انتظامیہ اپنا اجلاس منتظم اعلیٰ کی سربراہی میں، HSE انتظامی نظام کی جانچ اور متواتر جائزہ کیلئے سال میں دو مرتبہ منعقد کرتی ہے۔

قابلِ ذکر بات یہ ہے کہ SNGPL، اقدام متحدہ کے عالمی معاہدے (UNGC)، جن کی بنیاد انسانی حقوق، صحت، ماحول اور عدم بدعنوانی کے اصولوں پر ہے، کے تحت رجسٹرڈ ہوگئی ہے۔ SNGPL نے اپنی پہلی بطور فعال GC رپورٹ جمع کروادی ہے اور یہ رپورٹ (UNGC) کی ویب سائٹ پر دستیاب ہے۔

قومی خزانے میں ادائیگی:

مالی سال 18-2017 کیلئے کمپنی نے قومی خزانے میں ایک بھاری رقم کی ادائیگی کی ہے سات ارب اکہتر کروڑ روپے (تقریباً) کی رقم محصولات کی مد میں ادا کی گئی ہیں۔ کمپنی نے 1 ارب 51 کروڑ روپے (تقریباً) کی ادائیگی نقد مقسوم کی صورت میں بھی کی ہے۔

انسانی وسائل کی ترقی:

ادارہ تربیت سوئی ناردرن گیس (SNGTI) نے مالی سال 18-2017 میں افرادی قوت کی پیشہ وارانہ تربیت کیلئے SNGTI میں ادارتی روایتی اُمور پر، ملازمین کی ضروریات کے مدِ نظر، 378 کورسز کا انعقاد کیا اور 5200 ملازمین نے اِن میں حصہ لیا۔ کورسز کا طریقہ کار صرف کلاس روم لیکچرز پر مشتمل نہ تھا بلکہ تکنیکی ورکشاپ، عملی، مطالعہ مثال، مقررہ کام، پریزنٹیشن، انٹرویوز، تحریری وعملی ترامتحانات بھی شامل تھے۔ کھدائی وویلڈنگ مشینوں پر عملی تربیت کا بھی انتظام کیا گیا۔

صنعتی تعلقات

صنعتی تعلقات مختلف مقاصد واقدار، منافع وسماجی فوائد اور اختیار وصنعتی جمہوریت کے درمیان مقاصد واقدار کی کشمکش کو رفع کرنے کی کوشش کرتا ہے۔ انتظامیہ کی ہمیشہ یہ کوشش ہوتی ہے کہ سی۔ بی۔ اے۔ کیساتھ پرخلوص/دوستانہ تعلقات قائم رکھے تاکہ کمپنی کے ملازمین اپنے فرائض خوش اسلوبی اور بلا روک ٹوک سرانجام دیتے رہیں۔ صنعتی تعلقات کی ترجیحات میں یہ شامل ہے کہ ایسے نازک اور پیچیدہ معاملات کو پہلے سے ہی حل کرلیا جائے جو کہ کسی طرح کے تنازعہ کی

تحفظ قدرتی گیس کے مدنظر آپکی کمپنی تحفظ توانائی پر عملدرآمد کیلئے کئی منصوبہ جات پر برسرپیکار ہے جس میں گیس کی بچت کیلئے مختلف آلات کو متعارف کروانے سے لیکر سکول جانے والے بچوں تک آگاہی پروگرامات شامل ہیں۔

SNGPL اپنے محترم صارفین کیلئے بغیر منافع کی بنیاد پر 24 آسان اقساط میں شمسی واٹر ہیٹر مہیا کر رہا ہے۔ شمسی واٹر ہیٹر دراصل گیزر کا متبادل ہے جو کہ پورا دن گرم پانی مہیا کرتا ہے۔ مالی سال 2017-18 میں 1 کروڑ 83 لاکھ 60 ہزار روپے کی لاگت سے کل 500 شمسی واٹر ہیٹرز لاہور، فیصل آباد، اسلام آباد، راولپنڈی، سرگودھا، واہ کینٹ، فتح جنگ، جھنگ، ایبٹ آباد، بہاولپور، پشاور، ملتان، ساہیوال، اوکاڑہ، مردان، گوجرانوالہ اور ڈیرہ غازی خان کے مختلف مقامات پر نصب کیے جا چکے ہیں۔

SNGPL، 12 آسان اقساط میں بغیر منافع کی بنیاد پر محترم صارفین کو ریڈی ایٹرز کے تھرموسٹیٹ کو پابندی وقت میں بدلنے والا آلہ دے رہا ہے جس کی وجہ سے 20% سے 30% تک گیس میں بچت ہوتی ہے اور گیس کے بل بھی کم آتے ہیں۔

یہاں اس بات کا ذکر کرنا مناسب ہے کہ تمام ایچ ایس ای انجینئرز "نیشنل امریکن سوسائٹی آف سیفٹی پروفیشنل" کے ممبر ہیں۔ اس سلسلے میں ایچ ایس ای انجینئرز نے اسلام آباد میں مرینا ہوٹل میں 28 جولائی 2017 کو ہونے والی "سیفٹی پروفیشنل ڈویلپمنٹ کانفرنس" میں شرکت کی ہے۔ سوئی ناردرن گیس اس کانفرنس کے منتظمین اور اس تقریب کے تائید کنندگان میں سے ایک تھا۔ "امریکن سوسائٹی آف سیفٹی پروفیشنل" عالمی سطح پر پیشہ ورانہ صحت اور حفاظت کو فروغ دینے کیلئے تعلیم اور تعاون کے ذریعے سے بھرپور کوشش کر رہا ہے۔

سوئی ناردرن گیس نے امریکن سوسائٹی آف سیفٹی پروفیشنل اور یونیورسٹی آف انجینئرنگ اینڈ ٹیکنالوجی لاہور (ڈیپارٹمنٹ آف کیمیکل انجینئرنگ) کی مدد سے 2017 میں پیشہ ورانہ صحت اور حفاظت سے متعلق عالمی دن کا انعقاد کیا۔ سوئی ناردرن نے عالمی ماحولیاتی دن کا انعقاد کیا جس میں پلاسٹک کی آلودگی کو ختم کرنے پر زور دیا گیا۔ اس سرگرمی میں درخت لگانا، ماحول پر مضامین کی تقریری مقابلہ، ماحول کے بارے میں سوالات و جوابات ایک سیشن کو منعقد کیا گیا جس نے ملازمین میں ماحول کی آگاہی سے متعلق پمفلٹ بانٹے۔ ان سرگرمیوں کے علاوہ آرٹ اور دستکاری کا مقابلہ تمام کمپنی میں ترتیب دیا گیا جس میں ملازمین اور ان کے اہل خانہ نے گھریلو قابل استعمال اشیاء سے ماڈلز اور پوسٹرز بنائے جس میں ماحول کو محفوظ بنانے اور استعمال کے قابل بنانے کے تصور کو فروغ دیا گیا۔ تقریب کے اختتام پر ملازمین کو انعامات دیئے گئے اور مینجمنٹ کی طرف سے پذیرائی کی گئی۔

ہمارا یقین ہے کہ "صحت مند افرادی قوت ہی پیداواری افرادی قوت ہے"۔ HSE اپنے تمام ملازمین کے کام اور مصروفیات سے قطع نظر کے لیے میڈیکل کیمپس کا انعقاد کرتی ہے جو کہ موقع پر ہی ملازمین کی صحت کا جائزہ اور صحت کی آگاہی کو فروغ دینے کیلئے کمپنی کا ایک انتہائی مؤثر قدم ہے اور ساتھ ہی HSE اقدامات کے بارے میں عمومی آگاہی کا شاندار موقع فراہم کرتی ہے۔

HSE نظام کے مؤثر نفاذ کیلئے انتظامیہ کی جانب سے رکھے گئے اہداف کی وجہ سے گزشتہ سالوں میں، ماضی کے مقابلے میں، حادثات میں نمایاں کمی واقع ہوئی ہے۔ 26 فروری سے 2 مارچ 2018 تک پوری کمپنی میں "ہفتہ HSE" منایا گیا۔

ہفتہ HSE کی سرگرمیوں کیلئے تفصیلی پروگرام کو SNGTI میں تمام HSE انجینئرز کے لیے اجلاس منعقد ہوا اور طریقہ کار زیر بحث آیا۔

ایچ ایس ای ڈیپارٹمنٹ اور میڈیا ڈیپارٹمنٹ کی طرف سے صحت، حفاظت اور ماحول پر ایک خط بھی بنایا گیا جو پورے ہفتے تمام کمپنی کے آفس میں چلایا گیا تاکہ ملازمین کا حوصلہ بلند کیا جائے۔ ملازمین کا بھرپور انداز میں ایچ ایس ای کی سرگرمیوں میں حصہ لینا قابل ستائش تھا۔ کم از کم 4000 ملازمین نے ایچ ایس ای ہفتہ کے دوران مختلف سرگرمیوں میں حصہ لیا۔ دوسری طرف بڑی تعداد میں انجینئرز اور سٹاف نے رضاکارانہ خدمات انجام دیں۔

گاڑیوں کے حادثات میں کمی لانے کیلئے کمپنی کی 215 گاڑیوں میں ٹریکر نصب کیے گئے ہیں۔ ہر ماہ گاڑیوں کی سیفٹی رپورٹ کا جائزہ لیا جاتا ہے اور خلاف ورزی کرنے والے ڈرائیور کے خلاف کارروائی کی جاتی ہے۔ سیفٹی کتابچے فائر فائٹنگ، ایمرجنسی، ابتدائی طبی امداد پر بھی کتابچے اردو اور انگریزی دونوں زبانوں میں بنا کر کمپنی میں تقسیم کیے گئے ہیں۔ ماحولیاتی

مالی سال 2018-19 کیلئے اہم منصوبہ جات، جن کیلئے پلاننگ ہو چکی ہے، میں ساہیوال میں علاقائی دفتر، میرپور میں علاقائی دفتر، فیصل آباد ٹریننگ آفس میں انجینئر ہاسٹل کی توسیع، ملتان مرکزی سٹور میں شیڈز کی تعمیر بشمول سیکیورٹی کمروں کی تعمیر کے ساتھ گوجرانوالہ آفس کی عمارت کی تعمیرات شامل ہیں۔

شعبہ صحت، سلامتی و ماحول

سوئی ناردرن گیس پائپ لائنز لمیٹڈ کے ڈیپارٹمنٹ ہیلتھ سیفٹی اینڈ انوائرنمنٹ (ایچ ایس ای) نے کمپنی میں ایچ ایس ای مینجمنٹ سسٹم متعارف کروایا ہے جو کہ ISO14001:2004 اور OHSAS 18001: 2007 جیسے بین الاقوامی معیارات پر مشتمل ہے۔ جس کا مقصد اس بات کو یقینی بنانا ہے کہ ایچ ایس ای پالیسی منظم طریقے سے لاگو ہے اور ہر کام کو بہترین طریقہ کار سے سرانجام دیا جائے۔ ایس این جی پی ایل "نیشنل سیفٹی کونسل" کا ممبر ہے، جو کہ امریکہ کی ایک غیر منافع بخش تنظیم ہے جس کا مقصد رضاکارانہ تحقیق اور تعلیم کے ذریعے لوگوں کی کام کی جگہ، گھروں اور معاشرے میں زندگی بچانا ہے۔

ایس این جی پی ایل (ایچ ایس ای) مینجمنٹ سسٹم کی بنیاد پلین-ڈو-چیک-ایکٹ کے طریقہ کار پر رکھی گئی ہے۔ ایچ ایس ای کی نمایاں کارکردگی کو برقرار رکھنا ایس این جی پی ایل کا ایک بنیادی اصول ہے۔

ایچ ایس ای ڈیپارٹمنٹ نے کمپنی کی آپریشنل سرگرمیوں کیلئے ڈاکومنٹس تیار کئے ہیں جو ڈیجیٹل کمپنی کے ویب پورٹل پر بھی دستیاب ہیں۔ OHSAS 18001/ ISO 14001 سٹینڈرڈز کے بیرونی آڈٹ United (URS) Registrar of System نے 21 سے 24 نومبر 2017 اور 20 سے 28 اپریل 2017 کو کمپنی کی مندرجہ ذیل سائٹوں پر فالو اپ آڈٹس کروائے گئے:

1) فیصل آباد ٹرانسمیشن
2) فیصل آباد کمپریشن
3) ایبٹ آباد - ڈسٹری بیوشن
4) کوروژن کنٹرول سنٹر
5) گوجرانوالہ ڈسٹری بیوشن
6) مانگا ورکشاپ
7) مانگا سٹور

آڈٹ کا کامیابی سے ہونا ایک مؤثر ایچ ایس ای مینجمنٹ سسٹم کی عکاسی کرتا ہے۔ ایس این جی پی ایل مینجمنٹ کا ایچ ایس ای کو لے کر پختہ عزم ہونا آڈیٹر کی طرف سے سراہا گیا۔ یہاں اس بات کا ذکر کرنا مناسب ہے کہ یہ تمام سائٹس ISO 14001 : 2004 اور OHSAS 18001: 2007 کے معیار پر پورا اترنے کیلئے اندرونی وسائل سے تیار کی گئی تھیں اور اس مقصد کے حصول کیلئے خصوصی مشیر کی خدمات حاصل نہیں کی گئیں۔

ایچ ایس ای انجینئرز اپنی سائٹ پر ایچ ایس ای پروسیجرز اور قوانین پر عملدرآمد کرانے کیلئے سٹاف کو تربیت دیتے ہیں۔ مندرجہ ذیل موضوعات پر سٹاف کو تربیت دی جاتی ہے۔

1) ایچ ایس ای کی آگاہی
2) آگ سے بچاؤ
3) آپریشن اور مینٹیننس ایچ ایس ای مینول
4) حادثات کی رپورٹنگ
5) ایمرجنسی کی صورت میں انخلاء کا طریقہ کار
6) محتاط ڈرائیونگ
7) بیہیویئرل سیفٹی کے ذریعے زیرو ایکسیڈنٹ کے مقصد کا حصول
8) ابتدائی طبی امداد اور اس سے متعلقہ موضوعات

شعبہ بلنگ

بلنگ کی بہترین کوالٹی، معتبر رپورٹنگ اور بقایاجات کی وصولی کے لئے بلنگ ڈیپارٹمنٹ ہر ممکن قدم اٹھا رہا ہے۔ ان مقاصد کے حصول کے لئے مختلف پہلوؤں پر کام ہو رہا ہے، جس میں تربیت، ٹیکنالوجی کی ترقی، رپورٹوں کی تیاری اور رپورٹنگ کے طریقہ کار کو معیاری بنانا وغیرہ شامل ہیں۔

منقطع اور بندگان صارفین سے بقایاجات کی ہر ممکن وصولی کے لئے بلنگ ڈیپارٹمنٹ نے گیس (چوری کنٹرول اور وصولی) ایکٹ 2016 کے تحت وصولی مہم شروع کی ہے۔ اس تناظر میں وصولیوں کو بڑھانے اور اہداف کو حاصل کرنے کے لئے مختلف ریگولیٹرز، مالیاتی اداروں اور دیگر اسٹیک ہولڈرز کی مدد اور اشتراک حاصل کیا جا رہا ہے تاکہ کمپنی کا اولین ہدف حاصل کیا جا سکے جو کہ وصولیوں کے حجم کو زیادہ سے زیادہ کرنا ہے۔

منقطع شدہ نادہندگان صارفین کے متعلق معاملات، جن کی بابت ریکوری کا قانونی عمل ہو چکا ہے اور جن کے فیصلے ہو چکے ہیں، کو ایس ای سی پی کو بھیجا گیا ہے تاکہ وہ متعلقہ صارف کمپنی یا شراکت کی تفصیل اور کاغذات مہیا کریں۔ اس سلسلے میں ایس ای سی پی سے مثبت جواب موصول ہوا ہے۔

جن قانونی دعووں کے متعلق احکامات (کمپنی کے حق میں) جاری ہو چکے ہیں وہ انتہائی اہمیت کے حامل ہیں ان کو اب متعلقہ ڈی سی او کو بھیجا جائے گا جو کہ نادہندگان کی تفصیلات کی عدم دستیابی کی وجہ سے التوا میں ہیں۔ جن منقطع شدہ نادہندگان صارفین کی تفصیلات / معلومات ایس ای سی پی سے موصول ہوئی ہیں، ان کو ڈپٹی کمشنر ریونیو کو بھیجا گیا ہے، تاکہ منقطع شدہ نادہندگان صارفین کی ملکیت اور شراکت داری کے متعلق تصدیق شدہ کاغذات حاصل کئے جا سکیں۔ یہ توقع ہے کہ متعلقہ ڈی سی او کے ذریعے ریکوری دعووں کی رقم کی وصولی میں کامیابی کے امکانات میں اضافہ ہو جائے گا۔ لینڈ ریونیو اتھارٹی کے متعلقہ واجبات کی وصولی، نادہندگان کی جائیداد کی نیلامی جیسے اقدامات اس میں شامل ہیں۔ ہماری تمام افرادی قوت سرگرم ہے اور حتی الامکان کوشش کر رہی ہے کہ کمپنی کے مفاد کو مد نظر رکھتے ہوئے اس وصولی مہم کو کامیاب کیا جائے۔

کمپنی میں ٹیکنالوجی کے جدید استعمال جیسا کہ کسٹمر کیئر اینڈ بلنگ (سی سی اینڈ بی)، الیکٹرانک والیوم کوریکٹرز (ای وی سی)، انٹرپرائز ریسورس پلاننگ (ای آر پی) ماڈیول وغیرہ کی وجہ سے مختلف طریقہ کار اور قوانین کو از سرِ نو ترتیب دے کر کے بلنگ ماحول کو مرتب کیا گیا ہے۔ آر ایل این جی بلنگ اور موٹر وہیکلز کے نظام پر بھی خصوصی توجہ دی گئی ہے تاکہ اس بات کو یقینی بنایا جائے کہ گیس سپلائی اور متعلقہ اداروں کی ادائیگیوں کے اوقات کے درمیان توازن برقرار رہے۔

آپ کی کمپنی اپنے معزز صارفین کے لئے بروقت گیس کے بلوں کی فراہمی کے لئے پرعزم ہے، جس میں شفافیت کو برقرار رکھنے کے لئے گیس بلز کی ڈسٹری بیوشن کی تصویر پر مبنی رپورٹ شائع کی جا رہی ہے۔ ہر ممکن کوشش کی جاتی ہے کہ غلطیوں سے مبرا بلنگ کے لئے تمام بلنگ کیسز اور معیاری بلنگ کے مسائل کو حل کیا جائے۔ موقع پر موجود ریڈنگز اور تضادات کی بروقت رپورٹنگ اور ان کی جانچ کے لئے بروقت عملدرآمد پر خصوصی توجہ دی جا رہی ہے تاکہ گیس کے نقصان کو کم کرنے کے کمپنی کے اولین مقصد کو حاصل کیا جا سکے۔

شعبہ آئی ٹی

آپ کی کمپنی کا شمار اس ملک کی ان صف اول کی کمپنیوں میں ہوتا ہے جو کہ انفارمیشن ٹیکنالوجی سے بھرپور استفادہ حاصل کرتی ہیں جیسے کہ صارف کا بھرپور اعتماد، کام کرنے کے عمل کی کارکردگی میں اضافہ، اس کی شفافیت اور جانچ پڑتال ہیں۔ ہماری باصلاحیت ٹیمیں نظام کی خودکاری میں جدت لانے میں بھرپور کوشاں رہتی ہیں جیسا کہ بزنس انٹیلیجنس، ای آفس اور دنیا کا بہترین انفارمیشن سسٹم جو کہ کمپنی کے ویژن اور مشن کی تکمیل کے لیے ایک بنیادی اہمیت کا حامل ہے۔

اس وقت اوریکل کسٹمر کیئر اینڈ بلنگ سسٹم کمپنی کے تمام ڈیپارٹمنٹس میں ان کے اپنے اپنے کاموں کی تکمیل کے لیے نہایت مستعدی سے استعمال کیا جا رہا ہے۔ اس سسٹم کو تمام ضروریات جن میں KMIs، انڈسٹری اور کمرشل صارفین کی نگرانی شامل ہیں کے مطابق ڈھالا گیا ہے۔

اور اس کے ساتھ ساتھ اس سسٹم کی موجودہ استعداد کار کو بھی مزید بہتر کرنے کا عمل جاری رہتا ہے جیسے کہ زمین سے اوپر اور زیر زمین ہونے والی گیس لیکیج والے ایریاز کی دیکھ بھال اور کنٹرول کے سسٹم وغیرہ۔ اس کے علاوہ صارف کے لیے بل اور کسی بھی قسم کی شکایت کے ازالے کے لیے کمپنی کی ویب سائیٹ کے ذریعے کمپنی تک رسائی کو آسان بنانا۔ مزید برآں آئی ٹی ڈیپارٹمنٹ نے صارف کی سہولت کے لیے گوگل پلے سٹور پر ایک ایپ بھی تیار کر کے رکھی ہوئی ہے جس کے ذریعے صارف خود نہ صرف اپنا بل اور پچھلے ایک سال کا ریکارڈ دیکھ سکتا ہے بلکہ اس کے ذریعے فوری طور پر شکایت کا اندراج اور اس کے بارے میں جانکاری لے سکتا ہے۔

اس وقت ای آر پی کا سسٹم کمپنی کے تمام ریجنل ہیڈ کوارٹرز / تمام پراجیکٹ لوکیشنز پر لگایا جا چکا ہے۔ اور اس حوالے سے اس سسٹم کی کارکردگی بہت تسلی بخش ہے۔ خاص کر e-MR اور e-MRV کے حوالے سے۔ اور اس کے علاوہ انٹرپرائز ایسٹ مینجمنٹ سسٹم بھی کمپنی میں فعال کر دیا گیا ہے جس کو ڈیپارٹمنٹ گاڑیوں کے ریکارڈ کے لیے استعمال کر رہا ہے۔

آئی ٹی / ایم آئی ایس ڈیپارٹمنٹ ڈیٹا کی حفاظت پر بھی خصوصی توجہ دیے ہوئے ہے اور اس ضمن میں ISO27003-(ISMS) کے تحت ڈیٹا کی حفاظت کو یقینی بنانے کے لیے مختلف ٹولز استعمال کر رہا ہے جن میں آئی پی ایس، فائروال، سسکو ای میل سیکیورٹی اور اینٹی وائرس وغیرہ شامل ہیں۔ مزید برآں بوقت ضرورت کسی بھی قسم کی انٹری کی جانچ پڑتال، اس کے سراغ اور کھوج کے لیے بھی سسٹم کو مزید موثر اور بہتر کیا گیا ہے۔

شعبہ مواصلات

زیر جائزہ سال کے دوران ٹیلی کام ڈیپارٹمنٹ نے سوئی ناردرن گیس کے ریڈیو نیٹ ورک کو تمام تر سرمایہ کاری کے بغیر کسی خلل کے کامیابی سے چلایا۔ ٹیلی کام ڈیپارٹمنٹ نے ریڈیو نیٹ ورک سوئی ناردرن I-9 آفس اور پیٹرولیم ہاؤس اسلام آباد کے درمیان لگایا تاکہ اس پر DG گیس آفس اور وزارت توانائی کو سکائپ اور ویڈیو کانفرنس کی سہولت دی جا سکے۔ سکائپ کے لیے ایک مزید ریڈیو لنک تیمر گرہ / خیبر پختونخوا اور وزارت بجلی اور توانائی کو اور SNGPL ریجنل آفس پشاور کے درمیان بھی لگایا گیا۔ سوئی ناردرن گیس اور سوئی سدرن گیس کے درمیان ایکسچینج نیٹ ورک کو مواصلات کیلئے جوڑا گیا۔

شعبہ مواصلات سکیڈا HOST کو تبدیل کرنے کا پراجیکٹ بھی کر رہا ہے۔ شعبہ نے 'Functional Design Specification' کو کامیابی سے بنانے کا سنگ میل طے کر لیا ہے۔ مزید اس پر GPRS والے سکیڈا نظام کی مواصلات کی جانچ کر لی گئی ہے تاکہ مستقبل میں سکیڈا کو اس پر پھیلایا جا سکے۔

شعبہ مواصلات نے IT/MIS کو سہولت دینے کے لیے اپنے Router نیٹ ورک کو سرگودھا، گجرات، ایبٹ آباد، سیالکوٹ، راولپنڈی، ساہیوال اور بہاولپور ریجنل آفس تک پھیلا دیا ہے۔

RLNG اور GPPs نے سکیڈا اور آٹومیٹک کنٹرول نظام کی اہمیت کو دیکھتے ہوئے ان پر پوری طرح لائسنس شدہ ماسٹر ریڈیو نظام لگایا ہے تاکہ گیس کنٹرول کی سروس میں کوئی خلل نہ آ سکے۔

سوئی ناردرن گیس کی توانائی کے تحفظ کی پالیسی کو مد نظر رکھتے ہوئے شعبہ مواصلات نے 10 ریپیٹر سٹیشنز پر سولر پاور سسٹم نصب کیا ہے، جس کی وجہ سے 50KW بجلی سورج کی روشنی سے بننا شروع ہو گئی ہے اور بلڈنگ لوڈ اس پر منتقل ہونے سے بجلی پر ہونے والی لاگت میں کمی ہوتی ہے۔

سول تعمیرات (Civil Construction)

موجودہ دور میں تعمیراتی میدان میں آنے والے نئے اور جدید رجحانات اور ایجادات کو سامنے رکھتے ہوئے شعبہ سول تعمیر آپ کی کمپنی کے زیر استعمال عمارات کو بہتر سے بہتر بنانے کیلئے مستقل اقدامات اٹھا رہی ہے۔ مالی سال 2017-18 میں اہم تکمیل شدہ منصوبہ جات میں لاہور آفس کی رہائشی کالونی میں بیچلر ہاسٹل، واہ چوک شریف میں کوٹنگ پلانٹ کیلئے ویئر ہاؤس / سٹور شیڈ، BC-1 ملتان میں کوٹنگ یارڈ اور گوجرانوالہ آفس میں سٹور شیڈ کی تعمیرات شامل ہیں۔ جبکہ ملتان میں پارکنگ سہولت، سٹور شیڈ، بجلی پلانٹ، سیکیورٹی کیمپ کی تعمیر، ملتان میں ریجنل آفس عمارت اور فیصل آباد آفس میں علاقائی ٹریننگ سنٹر کی تعمیر کے منصوبہ جات پر شعبہ مصروف عمل ہے۔

موجودہ سال میں میٹر شاپس جو پہلے سے ہی کوالٹی مینجمنٹ سسٹم (QMS) (ISO-9001:2015) کے تحت تصدیق شدہ تھیں ان کا آڈٹ خود مختار ادارہ M/S URS، اسلام آباد نے کیا اور تمام سرگرمیوں کو انٹرنیشنل سٹینڈرڈز کے مطابق قرار دیا۔

اس کے علاوہ میٹر شاپس میٹرز اور ای وی سی کی ٹیسٹنگ اور معائنے کو انٹرنیشنل سٹینڈرڈ ISO-17025:2005 اور ISO-17020:2012 کے تحت Pakistan National Accreditation Council (PNAC) سے تصدیق / منظور کروانے کیلئے کوششیں کر رہی ہیں۔ تصدیق کے اس عمل کو مندرجہ ذیل بیان کردہ تین مراحل میں تقسیم کیا گیا ہے۔

- گیپ اینلسز اور سسٹم ڈویلپمنٹ (Gap Analysis & System Development)
- ٹریننگ اور انٹرنل آڈٹ (Training and Internal Audit)
- پری اسیسمنٹ (Pre Assessment) اور فائنل آڈٹ کیلئے PNAC کو درخواست جمع کرانا۔

مالی سال 18-2017 میں، پہلے دو مراحل کنسلٹنٹ کے تعاون سے کامیابی سے مکمل کر لئے گئے ہیں۔ تیسرے مرحلے کیلئے درخواستیں PNAC کو جمع کروا دی گئی ہیں اور اس کو مکمل کرنے کیلئے ان کے دورے کا انتظار کیا جا رہا ہے۔ میٹر شاپس صحت، حفاظت اور ماحولیاتی مینجمنٹ کے اصولوں پر کام کر رہی ہیں اور اس ضمن میں OHSAS-18001:2007 اور ISO-14001:2004 کے سرٹیفکیشن بھی حاصل کر چکی ہیں۔

میٹرنگ ڈیپارٹمنٹ اپنے کام میں بہتری لانے کیلئے بھرپور کوشش کر رہا ہے جس کیلئے جدید سائنٹفک طریقہ کار کو اپنایا جا رہا ہے تاکہ بین الاقوامی اصولوں کے مطابق ہوں اور سائنٹفک آلات کی تصریح / تحقیق اور تجدید کے ذریعے بہتر بنایا جا رہا ہے۔ میٹر مینجمنٹ ماڈیول کو IT/MIS ڈیپارٹمنٹ کے ساتھ مل کر تیار اور نافذ کر دیا گیا ہے جس سے میٹر شاپس میں موجود مختلف سیکٹر میں گیس میٹر کی بہتر طریقے سے نشاندہی کی جا سکتی ہے یعنی کہ ری میٹرنگ کے دوران میٹر کی وصولی سے لے کر ان کی مختلف جگہوں پر اس کی موجودگی کا پتہ لگایا جا سکتا ہے۔

مالی سال 18-2017 کے دوران مندرجہ ذیل جدید آلات (Latest Equipments) سینٹرل میٹر شاپ میں شامل کیے گئے ہیں۔

- تجارتی میٹرز میں واپس بہاؤ کو روکنے کیلئے NRVs (نان ریٹرن والوز) کی تنصیب کی گئی ہے جو میٹرز میں گیس کو مخالف سمت میں گزرنے کو روکیں گے اور جس کی وجہ سے گیس کی چوری کو کم کیا جا سکے گا جو کہ صارف کی طرف سے میٹر کو الٹا لگانے سے کی جاتی تھی۔ موجودہ سال میں میٹرنگ ڈیپارٹمنٹ نے میٹر AL-425 اور ACT-400 میٹر کیلئے NRVs (نان ریٹرن والوز) خود ڈیزائن کیے ہیں اور ان کی تنصیب کا کام بھی ان میٹروں پر کامیابی سے جاری ہے۔
- کمرشل میٹروں کیلئے نیومیٹک پریس مشین (Pneumatic Press Machine) کو سینٹرل میٹر شاپ (CMS) میں نصب کر دیا گیا ہے جو سٹیل باڈی / کیسنگ کو جوڑنے کیلئے ہے تاکہ گیس لیک کو روکا جا سکے۔
- ہائیڈرولک انجن ہوسٹ (Hydraulic Engine Hoist) 1000Kg's اور ہائیڈرولک اسٹیکر (Hydraulic Stacker) 1500Kg's X1.6m خریدے گئے ہیں اور بھاری میٹرز کی نقل و حمل کیلئے سینٹرل میٹر شاپ (CMS) میں کامیابی سے استعمال کیے جا رہے ہیں۔
- G-1.6 گیس میٹرز کے سکرو کو مناسب قوت سے کسنے کیلئے خودکار طریقے سے چلنے والی سکرو ٹائٹننگ مشین (Screw Tightening Machine) خریدی گئی ہے جس سے نہ صرف وقت کی بچت ہوتی ہے بلکہ انسانی غلطیوں پر بھی قابو پانے میں مدد ملتی ہے۔
- میٹر کے مختلف حصوں پر زنگ لگنے کی جانچ پڑتال کیلئے سالٹ سپرے مشین کو خرید کر استعمال کیا جا رہا ہے۔

اس کے علاوہ ڈومیسٹک میٹر انسپکشن شاپس (DMISs) میں موجود وسائل کو بہترین طریقے سے بروئے کار لاتے ہوئے میٹرنگ ڈیپارٹمنٹ نے درج ذیل اقدامات اٹھائے ہیں۔

- ڈومیسٹک میٹر انسپکشن شاپس (DMISs) کے انجینئرز اور سٹاف کی ٹریننگ فوری طور پر منعقد کی گئی اور ان کو باقاعدہ سسٹم کا حصہ بنا دیا گیا ہے۔
- میٹر انسپکشن رپورٹ (MIR) بنانے کے عمل کو تیز کیا گیا ہے تاکہ بقایا جات کو ختم کیا جا سکے۔ مالی سال 18-2017 میں 669991 ڈومیسٹک میٹر انسپکشن رپورٹس (MIR's) بنائی گئیں جو کہ اس سے پچھلے سال کی 580894 میٹر انسپکشن رپورٹس (MIR) سے 15% زیادہ ہیں۔
- میٹر انسپکشن رپورٹ (MIR) کے پراسس کو سٹینڈرڈائز کیا گیا ہے اور تمام ڈومیسٹک میٹر انسپکشن شاپس (DMISs) کے انچارج کو اس بارے میں بتا دیا گیا اور ان کو نافذ العمل کروایا گیا ہے۔
- میٹروں کی وصولی / اجراء، فلو پروونگ، انسپکشن، سکریپ میٹرز کی لوڈنگ اور ایڈجسٹمنٹ کو چلانے کے سٹینڈرڈ طریقہ کار وضع کر دیے گئے ہیں اور تمام ڈومیسٹک میٹر انسپکشن شاپس (DMISs) میں نافذ العمل کروا دیا گیا ہے۔
- نگرانی اور بہتر کنٹرول کے حصول کیلئے باقاعدگی سے گھریلو میٹر انسپکشن شاپس کا دورہ کیا جاتا ہے۔
- ڈومیسٹک میٹر انسپکشن شاپس (DMIS) میں مستقل انجینئرز کی کمی کو پورا کرنے کیلئے کنٹریکٹ انجینئرز کی تقرری کی گئی تاکہ مسلسل کام اور بہتر نگرانی کو یقینی بنایا جا سکے۔

سوئی ناردرن گیس ٹریننگ انسٹیٹیوٹ (SNGTI) میں پائپ لائن کی جدید تکنیک اور پائپ لائن کے آلات کی بہتر سمجھ بوجھ اور استعمال کے بارے میں باقاعدہ بنیادوں پر انجینئرز اور سٹاف کو تربیت دی جاتی ہے۔ سوئی ناردرن گیس ٹریننگ انسٹیٹیوٹ (SNGTI) میں ٹریننگ کے علاوہ میٹرنگ اور بلنگ کے عملے کی سینٹرل میٹر شاپ لاہور میں بھی تربیت دی گئی ہے۔

کمپنی کے UFG نقصانات کو کم کرنے کیلئے مالی سال 18-2017 میں 265,887 ڈومیسٹک، کمرشل اور انڈسٹریل میٹروں کو تیار / مرمت کر کے ڈسٹری بیوشن ریجنز کے حوالے کیا گیا ہے تاکہ مشتبہ خراب اور مقررہ مدت پوری کرنے والے میٹرز کو بدلا جائے۔ اس کے علاوہ میٹرز کے ساتھ 9959 ای وی سیز (Electronic Volume Corrector) کو مرمت اور درست پیمانہ بندی کر کے ریجنز (Regions) کو بھیجا گیا ہے۔ مقررہ وقت میں میٹر انسپکشن رپورٹس (MIR's) کا بھیجا جانا میٹرنگ ڈیپارٹمنٹ کی اولین ترجیح رہی ہے۔ تقریباً 700000 ڈومیسٹک، کمرشل اور انڈسٹریل میٹر انسپکشن رپورٹس (MIR's) ڈسٹری بیوشن ریجنز کو بھیجی گئی ہیں۔ ڈسٹری بیوشن ریجنز نے ان رپورٹس کے پیش نظر بلنگ اور جرم میں پائی گئی غلطیوں کا تعین کر کے چارجز کو بک کر دیا ہے۔

خدمات برائے صارفین (Customer Services)

اطمینان صارفین کمپنی کی حکمت عملی اور فیصلہ سازی میں بنیادی اہمیت رکھتا ہے اور ساتھ ہی ساتھ ہمارے وژن اور مشن کا مظہر بھی ہے۔ کمپنی 16 علاقائی، 34 ذیلی علاقائی، 88 مراکز برائے خدمات صارفین اور 178 دفاتر برائے شکایات کے ساتھ 62.9 لاکھ سے زائد صارفین کی شکایات کی وصولی و درستگی کیلئے بصوبہ پنجاب، خیبر پختونخوا، وفاقی حکومت اسلام آباد اور آزاد جموں کشمیر میں پھیلے ہوئے ہیں۔ کسی بھی ہنگامی صورت حال سے نبرد آزما ہونے کیلئے تمام مراکز 24 گھنٹے پورا ہفتہ اور 365 دن لگاتار مستعد ہیں۔ ان دفاتر کے علاوہ، کمپنی نے ہر قسم کی شکایات کی وصولی اور معلومات کی بروقت ترسیل کیلئے مرکزی اطلاعاتی مرکز کو قائم کر رکھا ہے۔ اس اطلاعاتی مرکز تک ایک آفاقی رسائی نمبر (UAN) 1199 کے ذریعے کمپنی کے زیر انتظام علاقے میں موبائل فون یا لینڈ لائن فون کے ذریعے رسائی حاصل کی جا سکتی ہے۔ اپنے معزز صارفین کے معیار اطمینان میں بہتری کیلئے اس اطلاعاتی مرکز کو شکایات سے متعلق صارفین کی آراء کو جمع کرنے کا کام بھی سونپا گیا ہے۔ وصول شدہ شکایات ایک سافٹ ویئر (CC&B) جو خصوصی طور پر بنائے گئے پروگرام پر مشتمل ہے کے ذریعے خودکار طریقے سے متعلقہ دفتر منتقل ہو جاتی ہیں۔ اس سافٹ ویئر کے ذریعے ہر مرحلے کا مکمل ریکارڈ محفوظ کیا جاتا ہے اور گراف کے معیارات کے مطابق ان شکایات کو مناسب انداز سے سلجھایا اور ان کی تکمیل کے ساتھ فوری اقدام کے لیے تیار رہتی ہے۔ زیر نظر سال 547,906 شکایات وصول ہوئیں اور تمام پر صارفین کے اطمینان کے مطابق کارروائی درستگی کی گئی۔

مزید برآں، عزت مآب وزیراعظم نے لوگوں کی مشکلات کے حل کو مد نظر رکھتے ہوئے نومبر 2018 میں "پاکستان سیٹیزن پورٹل" وزیر اعظم ڈیلیوری یونٹ (PMDU) کی بنیاد رکھی۔ اس پورٹل کے ذریعے آنے والی شکایات کو سیل / آفس میں قائم ایک شعبے کے ذریعے فوری طور پر متعلقہ شعبے کی طرف ازالے کیلئے بھیج دیا جاتا ہے تو اندر متعلقہ قوانین کی روشنی میں شکایت وصول ہوتے ہی فوری طور پر ہر شکایت کے ازالے کیلئے متعلقہ شعبہ کارروائی کرتا ہے اور اس کا جواب (PMDU) کو بھی بھیجا جاتا ہے۔

حکومت پاکستان کی ہدایات پر، بتدریج کم ہوتے ہوئے گیس ذرائع اور تمام شعبہ جات میں بڑھتی ہوئی طلب کے پیشِ نظر نئے LNG ٹرمینلز کی وساطت سے 1 ارب 20 کروڑ مکعب فٹ گیس روزانہ لانے کے لیے کمپنی نے ساون سے لاہور تک مزید ایک نئی "42 قطر اور 770 کلومیٹر طویل پائپ لائنز کو اپنے دائرے کار میں تعمیر کا منصوبہ تیار کر لیا ہے جبکہ سوئی سدرن کراچی سے ساون تک پائپ لائن کی تعمیر کرے گی۔ نظام میں اس توسیعی منصوبے کی تکمیل پر آپ کی کمپنی اپنے نظام کے ذریعے 1.2 ارب سے 1.5 ارب مکعب فٹ گیس روزانہ نقل وحمل کے قابل ہوگی۔ آپ کی کمپنی نے پنجاب میں زیرِ تعمیر RLNG کی بنیاد پر نئے بجلی کے پیداواری کارخانوں کو 70 کروڑ مکعب فٹ گیس روزانہ کی ترسیل کے لیے پائپ لائن کی تعمیر کا کام مکمل کر لیا ہے۔ آپ کی کمپنی RLNG کی بنیاد پر تعمیر ہونے والے، پنجاب، ضلع جھنگ میں تریموں کے مقام پر، نئے بجلی پیداواری یونٹ کو 20 کروڑ مکعب فٹ گیس روزانہ کی ترسیل کے لیے پائپ لائن کی تعمیر کے لیے مصروفِ عمل ہے۔ تاہم "42 قطر اور 770 کلومیٹر طویل پائپ لائنز بشمول 89,750 ہارس پاور کمپریشن کی تعمیر کے منصوبے کی تکمیل پر، جو کہ ساون سے لاہور تک ہے، آپ کی کمپنی 1 ارب 20 کروڑ مکعب فٹ گیس روزانہ کی نقل وحمل کے قابل ہوگی۔ بورڈ آف ڈائریکٹرز نے اس منصوبے کی ابتدائی منظوری دے دی ہے۔ معاشی رابطہ کمیٹی نے بھی منصوبے کی مالیاتی منظوری دے دی ہے۔ فی الحال کمپنی حکومتِ پاکستان (پیٹرولیم ڈویژن) کی جانب سے منصوبے کی مکمل صلاحیت کے استعمال کیلئے ضروری اقدامات کی ضمانت حاصل کرنے میں کوشاں ہے۔

مائع قدرتی گیس:

منصوبہ برائے مصنوعی قدرتی گیس

حکومت پاکستان کی ہدایات پر، توانائی کے بنیادی ڈھانچے کی ترقی کیلئے، توانائی کی دستیابی میں بہتری اور ناقابلِ تجدید توانائی ذرائع کے استعمال کو بہتر بنایا جا سکے، آپکی کمپنی مختصر وطویل مدتی کئی منصوبہ جات پر مصروفِ عمل ہے۔ شعبہ LNG/LPG اپنے صارفین کو اپنے پائپ لائن نظام سے علیحدہ بنیاد پر (LNG Air Mix) المعروف مصنوعی قدرتی گیس (Synthetic Natural Gas) پنجاب کے شمالی پہاڑی علاقہ جات، خیبر پختونخواں، آزاد جموں و کشمیر اور گلگت بلتستان کے گھریلو صارفین کو مصنوعی قدرتی گیس کی فراہمی کیلئے کابینہ کی معاشی رابطہ کمیٹی نے 33 منصوبہ جات کی منظوری دے دی ہے۔

انتہائی قلیل مدت میں LNG/LPG کی تکمیل کی ٹیم نے تمام 33 مقامات کا جائزہ لے لیا ہے۔ کمپنی اپنی موجودہ گیس پائپ لائن نظام کے قریبی مقامات کو قدرتی گیس کی فراہمی کیلئے اقدامات اُٹھا رہی ہے۔ تاہم 20 MMBTU فی گھنٹہ کے تین مصنوعی قدرتی گیس کے پلانٹ کی تنصیب دیرکوٹ، ایوان اور دروش میں جاری ہے۔ مزید برآں گلگت میں بھی مصنوی قدرتی گیس پلانٹ کی تنصیب جاری ہے۔ باقی مقامات کیلئے زمین کی خریداری کی جاری ہے۔

مائع قدرتی گیس درآمد کا منصوبہ:

مصنوعی قدرتی گیس کے منصوبہ جات کے علاوہ شعبہ ملک میں مائع قدرتی گیس کی نقل وحمل میں ایک اہم کردار ادا کر رہا ہے۔ اب تک تقریباً 30 جون 2018ء تک مائع قدرتی گیس کی 196 کھیپ (Cargos) کی ملک میں درآمد ہو چکی ہیں۔ RLNG پنجاب کے CNG صنعت اور بجلی پیداواری کارخانوں کی توانائی ضروریات کو پورا کرنے کیلئے فراہم کی جا رہی ہے۔

شعبہ کمپریشن

شعبہ کمپریشن، مختلف فیلڈز میں موجود متفرق بہاؤ اور دباؤ کی حامل قدرتی گیس حاصل کرنے کے بعد مناسب بہاؤ اور دباؤ پر ترسیلی نظام میں سوئی گیس پائپ لائنز ڈسٹری بیوشن کی ضروریات کے مطابق گیس کی ترسیل میں اہم کردار ادا کر رہا ہے۔ اس مقصد کے لیے گیارہ کمپریسر اسٹیشن میں 226,200 ہارس پاور کے حامل 69 گیس کمپریسر پیکیجز لگائے گئے ہیں۔

شعبہ کمپریشن، سولار کمپنی (M/s Solar) کی فراہم کردہ Saturn اور Centaur کمپریسر پیکیجز کو مقامی طور پر مرمت کرنے میں خود کفیل ہے۔ اس کے علاوہ شعبہ کمپریشن کے پاس کمپریسرز کی اوور ہالنگ کے بعد ان کی کارکردگی کی تشخیص اور پائیداری جانچنے کی سہولت بھی موجود ہے۔ اوور ہالنگ کے لیے سولار کمپنی کی ٹیکنالوجی منتقلی کے بعد اب کمپریشن ڈیپارٹمنٹ کے پاس سولار کے معیار کی سہولت موجود ہے۔

سولار کمپنی کی ہدایت اور معیار کے مطابق کمپریشن ڈیپارٹمنٹ وہ ٹربائنز (جو کہ ایک لاکھ گھنٹے پورے کر چکی ہیں) کے پانچ سالہ زیرو اوور ہالنگ منصوبے پر کام کر رہا ہے جس سے نہ صرف ٹربائن انجنوں کی کارکردگی بہتر ہوگی بلکہ فیول کی بھی بچت ہوگی۔ پچھلے مالی سال کے دوران ملتان کمپریشن میں 3 عدد Centaur یونٹس اور 2 عدد Saturn یونٹس کو مقامی طور پر کامیابی سے نہ صرف اوور ہال کیا بلکہ 2 مزید یونٹس کو ازسرِ نو مرمت کیا اور ٹیسٹ سیل پر ان کی صلاحیت اور کارکردگی جانچنے کے بعد کمپریسر اسٹیشن میں نصب کر دیا گیا۔ گیس کے دباؤ کو بڑھانے والے سنٹری فیوجز کمپریسرز کی اوور ہالنگ کے معاملے میں بھی کمپریشن ڈیپارٹمنٹ خود کفیل ہے۔ عام طور پر یہ کمپریسرز 50,000-60,000 گھنٹے چلنے کے بعد اوور ہال کیے جاتے ہیں۔ پچھلے مالی سال کے دوران C-304 ماڈل کے چار عدد کمپریسر فیلڈ میں ہی اوور ہال کیے گئے جبکہ مزید چار کمپریسر اس مالی سال کے دوران اوور ہال کیے جائیں گے۔

مذکورہ بالا انجنوں کی زیرو اوور ہالنگ کے ساتھ ساتھ گیارہ عدد کمپریسر پیکیجز کے بہت سے فرسودہ سسٹم جیسے کنٹرول سسٹم، اسٹارٹ سسٹم، فیول سسٹم، فائر گیٹ سسٹم وغیرہ کو مرمت کر کے نئے سرے سے ان کی کارکردگی میں اضافہ کیا جا رہا ہے۔ مشین شاپ بھی نئی اور جدید بیلنسنگ مشین کی شمولیت سے استعداد کار بڑھ گئی ہیں۔

شعبہ خوردگی کنٹرول (Corrorion Control)

سوئی ناردرن گیس پائپ لائنز لمیٹڈ اپنے زیرِ زمین قیمتی سٹیل پائپ لائن نیٹ ورک کو کیتھوڈک پروٹیکشن تکنیک کا استعمال کرتے ہوئے کیمیائی تحلیل سے بچانے کے لیے کوشاں ہے۔ اس امر کو یقینی بنانے کے لیے ۱۷۰۰ کیتھوڈک پروٹیکشن سٹیشنز نصب کیے گئے ہیں۔ ڈسٹری بیوشن نیٹ ورک میں ۲۹۱۸۴ ٹیسٹ پوائنٹس اور ٹرانسمیشن نیٹ ورک میں ۶۲۴۵ ٹیسٹ پوائنٹس پر کیتھوڈک پروٹیکشن سسٹم کی نگرانی کی جا رہی ہے۔

مالی سال ۱۸-۲۰۱۷ کے دوران ۱۰۵ عدد نئے کیتھوڈک پروٹیکشن سٹیشنز کا اضافہ کیا گیا جبکہ موجودہ کیتھوڈک پروٹیکشن سسٹم میں استعمال شدہ ۱۳۲ عدد گراؤنڈ بیڈز کو تبدیل کیا گیا۔ NACE معیار کو مدِنظر رکھتے ہوئے مختلف قطر کی ٹرانسمیشن پائپ لائنز کی سالمیت کی تشخیص کے لئے ECDA ٹیکنالوجی کا استعمال کیا گیا۔ اوگرا کی طرف سے متعین کردہ کے۔ ایم۔ آئی کے تحت یو ایف جی ریڈکشن کے لئے مالی سال کے دوران، شعبہ کروژن کنٹرول نے گیس کے ضیاع کو روکنے کے لیے جدید آلات کے ذریعے ۲۵۹۵۲ کلومیٹر ڈسٹری بیوشن نیٹ ورک کو سروے کرتے ہوئے ۴۳۰۳۰۰ زیرِ زمین لیکیج پوائنٹس شناخت کیے۔ مالی سال ۱۸-۲۰۱۷ کے دوران، چاروں ٹرانسمیشن سیکشنز میں ۱۱.۹۱ کلومیٹر ٹرانسمیشن پائپ لائنز پر دوبارہ کوٹنگ کا کام بھی سرانجام دیا گیا۔ گہرائی والے گراؤنڈ بیڈ اور افقی گراؤنڈ بیڈ کیلئے بالترتیب ۱۱۱۳ میٹرک ٹن اور ۳۲۴ میٹرک ٹن کاربونیشیس بیک فل مواد تیار کیا گیا اور اس تیار شدہ مواد کو ۴۸۷۵۰ پلاسٹک بیگ میں پیک کیا گیا۔ اس کے علاوہ کروژن کنٹرول سنٹر میں ۸۰ عدد ہوا سے ٹھنڈے ہونے والے ٹرانسفارمر ریکٹیفائر یونٹس تیار کئے گئے اور میٹیریل ٹیسٹنگ لیبارٹری میں مختلف میٹیریل کے ۱۶۴ نمونوں کی جانچ کی گئی۔ ASME B31.8S کے معیار کے تحت ٹرانسمیشن نیٹ ورک پر پائپ لائن کی سالمیت کو یقینی بنانے کے لیے (PIMP) پروگرام کو لاگو کیا جا رہا ہے۔ تحقیق و ترقی کے ضمن میں، کروژن کنٹرول ڈیپارٹمنٹ نے کیتھوڈک پروٹیکشن سٹیشنز کی آن لائن نگرانی کیلئے جی ایس ایم ریموٹ مانیٹرنگ یونٹس کو اپنی ورکشاپ میں خود تیار کیا ہے جبکہ اسکاڈیٹا سوفٹ ویئر آئی ٹی/ایم آئی ایس ڈیپارٹمنٹ کی مدد سے تیار کر لیا گیا ہے اور اس کو مزید بہتر بنانے کی کوشش کی جا رہی ہے۔ جس کی بدولت کروژن پروٹیکشن سسٹم کی کارکردگی میں بہتری آئے گی، نیز وسائل کو نظام میں مزید اچھے طریقے سے استعمال کیا جا سکے گا۔

شعبہ پیمائش (Metering)

میٹر اور ای وی سی (Electronic Volume Corrector) نہ صرف کمپنی کے نقد رجسٹر ہیں بلکہ کمپنی کے یو ایف جی (UFG) کے نقصانات کے ازالے کیلئے گیس کی چوری (Pilleferage) کا پتہ لگانے میں بھی اہم کردار ادا کرتے ہیں۔ بلنگ کے ذریعے کمپنی کی آمدن کا انحصار ان حساس آلات کے درست کام کرنے پر منحصر ہے۔ میٹرنگ کا ادارہ مخصوص تکنیکی سرگرمیوں کے ذریعے گیس کے حجم کی درست پیمائش کیلئے سرتوڑ کوششیں کر رہا ہے۔ جس میں میٹر اور ای وی سی (Electronic Volume Corrector) کی درست پیمانہ بندی (Calibration) کرنا، ای وی سی (Electronic Volume Corrector) میں پیمائش کے پیرامیٹرز کی درجہ بندی کرنا، ریپئرنگ (Repairing) اور مینٹیننس (Maintanence) کے ذریعے خرچہ بچانا، میٹر کی احتیاط سے چھان بین کرنا تاکہ ٹیمپرنگ کا پتہ لگایا جا سکے اور میٹر کو بین الاقوامی طریقہ کار کے مطابق فلو پرووکرنا شامل ہیں۔

فیصلہ آنا ابھی باقی ہے اور ان کے لیے اس موقع پر ممکن نہیں ہے کہ وہ اس معاملے سے متعلق مالی فوائد کے کمپنی کے حق میں منتقل کریں۔ لہٰذا اس معاملے پر کمپنی کے پڑتال کنندگان نے اپنی پڑتال رپورٹ میں اس پر اپنے تحفظات کا اظہار کیا ہے۔

کمپنی نے پڑتال کنندگان کے موقف سے اختلاف کیا ہے اور کمپنی سمجھتی ہے کہ مالی فوائد پہلے ہی کمپنی کو منتقل ہو چکے ہیں جیسا کہ "حصول یا ادائیگی" کے تحت قائداعظم تھرمل پاور لمیٹڈ کے جاری اکاؤنٹ اور SBLC سے 7 ارب 18 کروڑ روپے میں سے 13 ارب 65 کروڑ روپے ادا کر دیے گئے ہیں مزید برآں ادائیگی دستاویزات سرکاری بجلی پیداواری اداروں کی طرف سے اتفاق سے ہے تاہم کمپنی کے قانونی مشیران کی رائے ہے کہ معاملے کا فیصلہ کمپنی کے حق میں آنے کا کوئی شک نہیں اس بات کا یقین ہے کہ کمپنی کے موقف کو صحیح ثابت کرنے کے لیے ٹھوس وجوہات موجود ہیں جو کہ ذیل میں درج کی جا رہی ہیں۔

- RLNG کی مکمل فراہمی "حصول یا ادائیگی" کے انتظام پر منحصر ہے۔
- "حصول یا ادائیگی" کی شق 3.6 کے تحت۔
- سالانہ منصوبہ برائے مائع گیس کے تحت 43,875.5 MMSCF حجم کی مستقل بنیادوں پر فراہمی کیلئے فریقین رضامند تھے۔
- معاہدہ گیس فروخت کی شق 3.6 کے تحت اگر خریدار کسی دوسرے بجلی پیداواری یونٹ کو اپنی بابت "حصول یا ادائیگی" کے گیس کی مقدار استعمال کیلئے منتقل کرنے میں ناکام رہتا ہے تو پھر فروخت کنندہ خریدار کی لاگت اور خطرات پر اپنے صارفین بشمول گھریلو صارفین کو گیس مہیا کر سکتا ہے۔
- سالانہ منصوبہ برائے مائع گیس کی فراہمی یا اس پر عمل نہ ہونے کی صورت میں "حصول یا ادائیگی" کی دستاویزات ادائیگی کم از کم گیس آرڈر پر تیار کی جا سکتی ہیں۔

کسی بھی فیصلے سے متعلق شرح منافع کی ضمانت کی وجہ سے کمپنی کے منافع پر منفی اثرات نہیں ہوں گے۔

غیر محسوب برائے گیس - کنٹرول (UFG - Control)

کسی بھی گیس ترسیل نیٹ ورک میں کچھ نہ کچھ گیس نقصانات کا ہونا ناگزیر ہوتا ہے جس کا انحصار مختلف عوامل داخلی اسباب (اندرونی) اور خارجی اسباب (بیرونی) عوامل پر ہوتا ہے۔

بورڈ آف ڈائریکٹرز کی غیر محسوب برائے گیس کنٹرول کمیٹی اور اعلیٰ انتظامیہ کے فیصلوں کی روشنی میں ڈسٹری بیوشن کے علاقائی دفاتر کو ہدایات جاری کرنا شعبہ غیر محسوب برائے گیس کنٹرول کی ذمہ داری ہے۔ شعبہ غیر محسوب برائے گیس کنٹرول، ڈسٹری بیوشن کے علاقائی دفاتر (زونز) کی کارکردگی کا جائزہ لیتا ہے اور اس حوالے سے بورڈ آف ڈائریکٹرز، کمپنی انتظامیہ اور مختلف بیرونی فورم کے لیے رپورٹس اور پریزنٹیشن تیار کرتا ہے۔ شعبہ ڈسٹری بیوشن کے علاقائی سربراہان، علاقائی دفاتر میں تعینات اپنے ماتحت افسروں اور ملازمین، جن کا تعلق کمپنی کے مختلف شعبہ جات کے ساتھ ہے، کی مدد سے غیر محسوب برائے گیس کنٹرول کرنے کے ذمہ دار ہیں۔

اوگرا نے معیار برائے غیر محسوب برائے گیس کے جائزہ کے لیے میسرز کے پی ایم جی (KPMG) کنسلٹنٹ فرم کو تعینات کیا اور اس کی حتمی ڈرافٹ رپورٹ مورخہ 30-08-2017 کو کمپنی کو بھیجی اور اس پر عمل درآمد کی ہدایات جاری کی۔ اوگرا کمیٹی برائے مالی ضروریات کے ضمن میں اس رپورٹ کو زیر غور لائی ہے۔ اس کے مطابق، مالی سال 2017-18 کیلئے اوگرا نے غیر محسوب برائے گیس کی پیمائش کا کلیہ تبدیل کر دیا ہے۔

بطور "فرضی فروخت" (Deemed Sale) حجم کی مد میں ملنے والی سابقہ رعایت، دو وجوہات پر ہے جو کہ کمپنی کے کنٹرول سے باہر ہیں۔ جن میں (اول) خیبر پختونخوا کے خدشات امن وامان والے علاقوں میں ہونے والے نقصانات اور (دوم) گیس صارفین کی چوری کو بحیثیت مستقل حصہ کے تحت ذیل لکھے گئے ہیں "بہ برائے مقامی متاثرہ حالات" کی مد میں درج کر دیا گیا ہے۔

$$UFG_{Allowance} = Gas_{Received} \times (Rate_1 \times \alpha + Rate_2 \times \beta)$$

- ریٹ ون (Rate-1) کی مقدار "5%" مقرر کی گئی ہے۔
- الفا کی مقدار اگلے پانچ سالوں کے لیے "ایک" ہے۔
- ریٹ ٹو (Rate-2) کی مقدار "2.6" ہے۔
- بیٹا (Beeta) کے اہم آئیز (KMIs) کے حوالے سے کمپنی کا مجموعی سکور کا ظاہر کرتا ہے جس کا تعین اوگرا کرے گی۔

کمپنی کے مختلف شعبہ جات بشمول ڈسٹری بیوشن کے علاقائی دفاتر کو اوگرا کی طرف سے جاری کردہ 30 عدد اہم اشاریے برائے جانچ کے حوالے سے غیر محسوب برائے گیس کنٹرول کرنے کے لیے اہداف دیے گئے ہیں اور اس حوالے سے کمپنی نے مالی سال 2017-18 کی حتمی مالی ضروریات کی درخواست دائر کرتے وقت اپنی ترقیاتی رپورٹ جمع کروائی ہے۔

غیر محسوب برائے گیس میں رعایت کی پیمائش کے لیے کلیے میں تبدیلی کے باوجود ساہیوال، فیصل آباد، شیخوپورہ، سیالکوٹ، گوجرانوالہ، گجرات اور اسلام آباد ریجنز نے غیر محسوب برائے گیس کی مد میں مالی سال 2017-18 کیلئے سب سے زیادہ کمی کی اور دیگر علاقائی دفاتر نے بھی اپنی غیر محسوب برائے گیس کم کی جو کہ ان کی اس حوالے سے کی گئی کوششوں کو ظاہر کرتی ہے۔ تاہم کلیے کی تبدیلی کا سب سے زیادہ اثر پشاور ریجن کی غیر محسوب برائے گیس پر ہوا کیونکہ خدشات امن وامان والے خیبر پختونخوا کے علاقوں اور غیر صارف کی گیس چوری کا زیادہ تر حجم پشاور ریجن سے ہی تعلق رکھتا ہے۔ پشاور ریجن کی غیر محسوب برائے گیس کو الگ کر دیا جائے تو باقی کمپنی کی غیر محسوب برائے گیس کافی حد میں ہے۔

انتظامی جائزہ (Operational Review)

آپ کی کمپنی نے اپنے مقررہ دائرہ کار میں ترسیلی نظام (Transmission System) کو 6 سے 42 انچ قطر کی انتہائی دباؤ کی حامل لائنوں کے ساتھ 8,876 کلومیٹر تک وسیع کر دیا ہے۔ دوران سال 802 نئے دیہات / قصبہ جات کو مرکزی نظام کے ساتھ اضافی 11,732 کلومیٹر تقسیمی (Distribution) لائنوں کے ذریعے منسلک کر دیا ہے۔ لہٰذا اب 4,345 دیہات، قصبہ جات اور ضلعی / تحصیل ہیڈکوارٹرز کمپنی کے نظام سے منسلک ہیں اور ان کی دہلیز تک قدرتی گیس کی سہولت فراہم کی جا رہی ہے۔ زیر جائزہ سال کمپنی نے اپنے ویژن و مشن کے تحت صارفین کے معیار زندگی میں بہتری کیلئے 604,919 نئے گیس کنکشن فراہم کیے۔

شعبہ منصوبہ جات (Projects Department)

شعبہ منصوبہ جات (Projects Department) نے 6 سے 36 انچ قطر کی (بشمول کنٹریکٹ لائنز) 355.33 کلومیٹر لائنز مکمل کی ہیں۔ ترسیلی لائنوں کے علاوہ 1233.58 کلومیٹر تقسیمی لائنز بھی اسی مالی سال 2017-18 میں نئے قصبہ جات کو گیس فراہمی اور گیس نیٹ ورک میں بہتری کیلئے بچھائی گئی ہیں جو کہ صارفین کے اطمینان میں مزید اضافہ کرے گا۔

اب آپ کی کمپنی اپنے نظام میں 120 کروڑ مکعب فٹ گیس روزانہ کی شمولیت کے ساتھ :

- کمپنی کے نظام میں توسیعی منصوبہ جات (System Augumentation Project) کے تحت ساہیوال سے لاہور تک 1.2 ارب مکعب فٹ روزانہ گیس کی ترسیل کا کام مکمل ہو چکا ہے۔ اس منصوبے کی تکمیل سے نظام کی صلاحیت 1.2 سے بڑھ کر 1.5 ارب مکعب فٹ روزانہ کی ہو گئی ہے۔
- مجموعی طور پر 3600 میگاواٹ پیداواری صلاحیت کے حامل بجلی پیدا کرنے کے تین کارخانوں بھکھی، حویلی بہادر شاہ اور بلوکی کیلئے 100% اشتراکی لاگت کی بنیاد پر کارخانہ 20 کروڑ مکعب فٹ روزانہ RLNG کی فراہمی کا کام بھی مکمل ہو گیا ہے۔
- تریموں پاور پلانٹ کو 10 کروڑ مکعب فٹ روزانہ گیس فراہمی کیلئے بھی کام مکمل کیا جا چکا ہے۔
- پنجاب پاور پلانٹ کی 20 کروڑ مکعب فٹ گیس روزانہ کی فراہمی کیلئے بھی منصوبے کا آغاز کیا جا چکا ہے جو کہ جون 2019 تک مکمل کر لیا جائے گا۔

جائزہ چیئرمین اور ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے 55ویں سالانہ رپورٹ اور سال مختتمہ 30 جون 2018ء کیلئے پڑتال شدہ مالیاتی گوشوارے معہ پڑتال کنندہ (آڈیٹرز) رپورٹ پیشِ خدمت ہے۔

مالیاتی جائزہ (Financial Review)

ہم بمسرت، سال مختتمہ 30 جون 2018ء کیلئے آپکی کمپنی کے پڑتال شدہ مالیاتی گوشواراجات بشمول اوگرا کی جانب سے سال 18-2017 کیلئے تعین کردہ حتمی مالیاتی ضروریات (FRR) کے بعد پیش کررہے ہیں۔ مشکل معاشی اور مالی حالات کے باوجود، آپ کی کمپنی نے سال مختتمہ 18-2017 کیلئے بلندترین تاریخی منافع حاصل کیا ہے۔ گذشتہ سال، حاصل ہونے والے 8 ارب 62 کروڑ روپے (تقریبا) منافع کے مقابلے میں اِس سال 11 ارب 12 کروڑ روپے (تقریبا) منافع حاصل کیا۔ فی حصہ منافع بھی گزشتہ سال کے دوران ہونے والے 13 روپے 58 پیسے منافع سے بڑھ کر 17 روپے 54 پیسے ہوا ہے۔

مختصر مالیاتی جائزہ زیرِ نظر سال کیلئے درج ذیل ہے:

		ملین روپے
1	منافع قبل از محاصل (Taxation)	15,475
2	محاصل کی دستیابی	(4,354)
3	بعداز محاصل منافع	11,121

مالی سال 18-2017 کیلئے منافع میں اس قابلِ قدر اضافے کی وجہ سے کمپنی نے 70.50% یعنی 7 روپے 5 پیسے بشمول پہلے سے اداشدہ نقد مقسوم (بشمول 15% عبوری نقد مقسوم) کا اعلان کیا ہے۔

وہ اہم نکات جو کمپنی کے تاریخی منافع کے حصول کا باعث بنے، درج ذیل ہیں:

(الف) اوسط اثاثہ جات پر ملنے والے منافع میں اضافے کی اصل وجہ بڑھتی ہوئی سرمایہ بندی (Capitalization) ہے جو کہ زیرِ نظر سال میں 47 ارب 76 کروڑ (تقریبا) ہوچکی ہے۔

(ب) اوگرا کی جانب سے ہونے والی غیر محسوب برائے گیس (UFG) سٹڈی کے نتیجے میں UFG کی پیائش میں استعمال ہونے والے معیارات یکم جولائی 2017ء سے تبدیل ہوگئے ہیں۔ نتیجتاً غیر صارف اور مخدوش امن وامان والے علاقوں میں استعمال کی گئی گیس حجم کو پہلے ہدف کا حصہ نہیں بنایا گیا تھا جو کہ اب UFG کا حصہ ہے۔ جبکہ اس کی کچھ تلافی اوگرا کی جانب سے 18-2017 کیلئے حتمی مالی ضروریات (FRR) میں متعین سابقہ مقررہ حد 4.5% سے بڑھ کر 5% تک اضافے سے ہوئی اور مزید 2.6% کے حصول کے لیے اہم اشاریے برائے جانچ کے حصول کا ہدف مقرر کیا گیا ہے۔ دوارنِ سال اہم اشاریے برائے جانچ کے 76.58% تک حصول کی بنیاد پر، جن کا اوگرا نے سال 18-2017 کیلئے FFR میں تعین کیا ہے، کمپنی کیلئے UFG کی حد 6.991% (5%+1.991%) مقرر کی ہے۔

(ج) اوگرا نے 13-2012 سے 17-2016 کے حوالے سے FRR کے تعین کیلئے ازسرِنو جائزہ کی تحریک پر فیصلہ لیتے ہوئے UFG کی مد میں اضافی حجم کی اجازت کے ساتھ ان ادوار کیلئے 7.1% (4.5% +2.6%) کا معیار مقرر کیا ہے اور ان ادوار میں غیر صارف اور مخدوش امن وامان والے علاقوں کی بنیاد پر دیئے جانے والے UFG کی مد میں تمام حجم کو نامنظور کردیا۔ نتیجتاً ان ادوار میں UFG کی مد میں ہونے والی عدم اجازت میں کمی واقع ہوئی اور موجودہ منافع پر 1 ارب 11 کروڑ (تقریبا) اور فی حصہ آمدن میں 1 روپیہ 23 پیسے کا اضافہ ہوا۔

کمپنی 17.5% شرح منافع کی ضمانت کے ساتھ کام کررہی ہے۔ اوگرا کی جانب سے تمام اندراجات کے بعد، گزشتہ سال کے 12.83% شرح منافع کے مقابلے میں زیرِ نظر سال کیلئے موثر شرح منافع 13.86% کا حصول ہوا۔ تاہم اوگرا نے کمپنی کی درخواست تخمینہ برائے مالی ضروریات (ERR) 19-2018 کیلئے وفاقی حکومت اور دیگر شعبہ قدرتی گیس کے اجازت یافتہ متعلقین کی مشاورت کے بعد اوسط فعالی اثاثہ جات کی بنیاد پر ملنے والے موجودہ 17.5% شرح منافع اور گیس نرخ کو تبدیل کرکے مالی سال 19-2018 کیلئے مجموعی سرمائے کی اوسط لاگت کی بنیاد پر شرح منافع کی اجازت کا فیصلہ کیا ہے۔ مالی سال 19-2018 اور مابعد ادوار کیلئے مجموعی سرمائے کی اوسط لاگت کی بنیاد پر شرح منافع 17.43% طے کی گئی ہے۔

آپکی کمپنی کا موقف ہے کہ UFG کی مد میں نگران ادارے کی جانب سے مسلسل عدم اجازت کا صوابدیدی بنایا گیا ہدف برائے UFG، کمپنی کے منفی پہلوں میں بڑی وجوہات میں سے ایک وجہ ہے۔ زیرِ جائزہ سال، بلحاظ حجم، نقصان 52.3 ارب مکعب فٹ (17-2016) سے کم ہوکر 49.9 ارب مکعب فٹ ہوگیا۔ اور ان کی وجہ یکم جولائی 2017ء سے نافذ العمل نظرثانی شدہ UFG کی پیائش کیلئے معیارات ہیں۔

UFG عدم اجازت کی مد میں زیرِ جائزہ سال کیلئے رقم بڑھ کر 6 ارب 36 کروڑ روپے ہوگئی ہے۔ جبکہ گزشتہ اِسی عرصے کے دوران یہ رقم 5 ارب 45 کروڑ روپے تھی جن کی بڑی وجہ گیس قیمت خرید میں اضافہ ہے۔ زیرِ جائزہ سال گیس کی قیمت خرید گزشتہ سال کی قیمت 311.63 روپے فی ہزار مکعب فٹ سے بڑھ کر 353.82 فی ہزار مکعب فٹ ہوگئی ہے، یہ اضافہ امریکی ڈالر کی شرح تبادلہ میں اضافے کی وجہ سے ہوا۔

آپکی کمپنی، مقامی گیس کی قیمت کے حوالے سے، حکومت پاکستان کی جانب سے واجب الادا 122 ارب روپے کے مجموعی تفریقی مارجن کی وجہ سے مالی مشکلات کا سامنا کررہی ہے۔ اس رقم کی وصولیابی بشمول گیس قیمت میں اضافہ بالواسطہ یا بلاواسطہ حکومت پاکستان کی جانب سے تصفیے پر منحصر ہے۔ مزید برآں درج ذیل نقاط کی وجہ سے کمپنی RLNG دہندگان خصوصاً PSO اور PLL کی ادائیگی میں بھی مشکلات کا سامنا کررہی ہے۔

- سوئی سدرن کی جانب سے RLNG کو روکنا
- RLNG کی گھریلو صارفین کو فراہمی
- برآمدی صنعت کو رعایتی نرخوں پر فراہمی
- RLNG کی قیمت پر صارفین کے ساتھ مقدمہ بازی

کمپنی نے یہ مسائل حکومت پاکستان کے پاس اعلیٰ ترین سطح پر اٹھائے ہیں اور کمپنی اُمید کرتی ہے کہ مستقبل میں اُن تمام کا حل نکل آئے گا۔ مزید برآں، مابعد سال مختتمہ 30 جون 2018ء کیلئے، اوگرا نے اپنے 20 نومبر 2018ء کے فیصلے اور وضاحتی فیصلے 4 فروری 2019ء ہدایات جاری کی ہیں کہ یہ گیس تاریخی مجموعی اوسط لاگت کی بنیاد سوئی سدرن کو فروخت کی جائے۔ لہٰذا سوئی سدرن، اوگرا کی جاری کردہ متعلقہ نافذ العمل نرخ سے گیس فروخت کو ریکارڈ کرے گی۔ سوئی سدرن اپنے صارفین کو ایک ماہ کی فروخت شدہ RLNG کا تاریخی موجودہ نرخ کا فرق کمپنی کو منتقل کریں گی اور حاصل شدہ نفع ونقصان کو کمپنی کے RLNG صارفین کیلئے آئندہ متعین قیمت میں درست (Adjust) کرلیا جائے گا۔ اوگرا کے فیصلے کی روشنی میں آپکی کمپنی اور سوئی سدرن ایک معاہدے کو حتمی شکل دینے میں مصروف ہیں۔

طریقہ کار برائے تبادلہ گیس

کابینہ ڈویژن کی معاشی رابطہ کمیٹی (ECC) نے اپنے 11 مئی 2018ء کے فیصلے میں طریقہ کار برائے گیس تبادلہ کی منظوری دے دی ہے۔ جس کی توثیق اوگرا نے بھی FRR کے تعین کے حوالے سے اپنے فیصلے میں 15 جنوری 2019ء کو دی ہے جس کے تحت کمپنی گیس کی یکساں تقسیم کے حوالے سے قدرتی گیس اور RLNG کو آپس میں تبدیل کرسکتی ہے۔ RLNG کی قیمت فروخت کا لاگت کی بنیاد پر حجم میں ضروری تبدیلیوں اور مالیاتی اثرات کے بعد تعین کیا گیا ہے۔ گیس تبادلے کی مد میں التوائی بقایا جات متبادل حجم کیلئے مقامی گیس کی قیمت اور RLNG کی اوسط لاگت کے درمیان فرق کو ظاہر کرتی ہے التوائی بقایا جات کے تعین میں اوگرا کا طریقہ کار 10,379,957 ملین BTU مقامی گیس 30 جون 2018ء تک بطور RLNG فروخت کی گئی۔ اس کی مستقبل میں اوگرا کی ہدایات کے مطابق گیس تبادلے کیلئے محصولات کے تعین میں اندراج کیا جائے گا۔

تحفظاتِ پڑتال کنندگان (Auditor's Qualification)

زیرِ نظر سال، کمپنی نے سرکاری بجلی پیداواری اداروں سے "حصول یا ادائیگی" کی بنیاد پر 17 ارب 18 کروڑ (تقریبا) کا مجموعی خالص منافع درج کیا۔ اس رقم سے صارفین نے اختلاف کیا اور اسی معاملہ کے حل کیلئے گیس فروخت معاہدے کے تحت، طریقہ کار برائے معاملہ فہمی کے مدِنظر ایک ماہر سے رجوع کرلیا گیا ہے۔ کمپنی کے پڑتال کنندگان نے کمپنی کے "حصول یا ادائیگی" کے تحت رقم کے اندراج سے اختلاف کیا ہے اور پاکستان میں مروجہ معیارات برائے حسابات ورپورٹنگ کے اس اندراج سے کیا ہے کیونکہ معاملہ ایک ماہر کے حوالے ہوچکا ہے اور اُن کا

FORM OF PROXY
SUI NORTHERN GAS PIPELINES LIMITED

I/We ____

of ____

being a member of SUI NORTHERN GAS PIPELINES LIMITED and holder of ______________ (number of shares)

ordinary shares vide Registered Folio/CDC Participant I.D. No. ______________

hereby appoint Mr./Mrs./Miss ______________ of ______________

or failing whom Mr./Mrs./Miss ______________ of ______________

as my/our proxy to vote for me/us and on my/our behalf at the 54th Annual General Meeting of the Company to be held on Thursday, May 23, 2019 at 11:00 a.m. and/or at any adjournment thereof.

Signed under my/our hand this ________ day of ________, 20___.

Signature on Rupees Five Revenue Stamp

(Signature should agree with the specimen signature registered with the Company)

WITNESSES:

1. Signature: ______________
   Name: ______________
   ____
   Address: ______________
   ____
   CNIC / Passport No. ______________
   Dated: ______________

2. Signature: ______________
   Name: ______________
   ____
   Address: ______________
   ____
   CNIC / Passport No. ______________

NOTES:

1. All members, entitled to attend and vote at the general meeting, are entitled to appoint another person 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.

3. If any member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.

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.

AFFIX
CORRECT
POSTAGE

The Company Secretary,

SUI NORTHERN GAS PIPELINES LIMITED
Gas House, 21-Kashmir Road, P.O. Box No. 56,
Lahore-54000, Pakistan.
Tel : (+92-42) 99201451-60 & 99201490-99
Fax : (+92-42) 99201369 & 99201302

پراکسی فارم

سوئی ناردرن گیس پائپ لائنز لمیٹڈ

میں مسمی / مسمات ______________________________

ساکن ______________________________

بحیثیت ممبر سوئی ناردرن گیس پائپ لائنز لمیٹڈ (کمپنی) حامل ______________________________ عمومی حصص،

تعداد حصص (شیئرز)

جو کہ بحوالہ فولیو نمبر / سی ڈی سی (CDC) اکاؤنٹ نمبر ______________________________ کے تحت

مسمی / مسمات ______________________________ ساکن ______________ کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں بصورت عدم موجودگی

مسمی / مسمات ______________________________ ساکن ______________________________

کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ کمپنی کے 54 ویں سالانہ اجلاس عام، جو بتاریخ 23 مئی 2019 بروز جمعرات بوقت 11 بجے دن منعقد ہو رہا ہے یا اس کے ملتوی شدہ اجلاس میں شرکت کر سکیں اور ووٹ ڈال سکیں۔

مورخہ: ______________

جگہ برائے 5 روپے
کے رسیدی ٹکٹ
اور اُن پر حصے دار کے
درج شدہ (رجسٹرڈ) دستخط

گواہان:

.1

دستخط: ______________________________

نام گواہ: ______________________________

پتہ: ______________________________

____

____

شناختی کارڈ / پاسپورٹ نمبر: ______________________________

.2

دستخط: ______________________________

نام گواہ: ______________________________

پتہ: ______________________________

____

____

شناختی کارڈ / پاسپورٹ نمبر: ______________________________

مورخہ: ______________

ٹکٹ
یہاں چسپاں کریں

کمپنی سیکریٹری

سوئی ناردرن گیس پائپ لائنز لیمیٹڈ

گیس ہاؤس، 21۔ کشمیر روڈ، پی او باکس نمبر 56،
لاہور۔54000، پاکستان
ٹیلی فون: 99-99201490 ,99201451-60 (+92-42)
فیکس : 99201302 ,99201369 (+92-42)

www.sngpl.com.pk

helpline: 1199

Sui Northern Gas Pipelines Limited

Gas House, 21-Kashmir Road,
P.O. Box No. 56, Lahore 54000, Pakistan.
Tel : (+92-42) 99201451-60 & 99201490-99
Fax : (+92-42) 99201369 & 99201302