

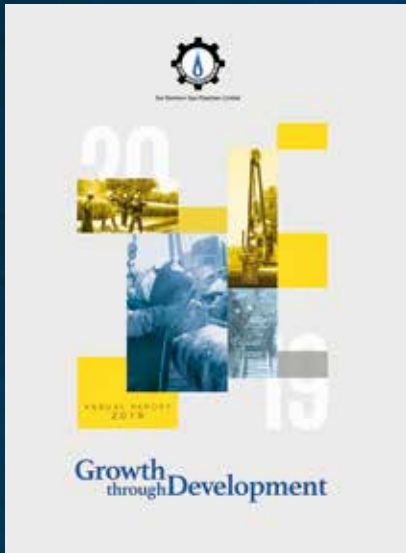


Sui Northern Gas Pipelines Limited



ANNUAL REPORT  
2019

**Growth**  
through **Development**



## COVER STORY

SNGPL's glorious history spans more than five decades. Over the time continuous endeavors have been made to maintain a high standard to safeguard and benefit all stakeholders including our valuable customers. We remain committed to this corporate philosophy even in the current times when economic downturn is a worldwide phenomena due to the impact of COVID-19 pandemic. SNGPL aims to move ahead and remain resilient to continuously plan, strategize in every way possible to mitigate to the possible extent any adverse effect of the external pressures on the performance of the Company. SNGPL continues to pursue the development work, implement better systems and introduce new and efficient ways of doing business, to ensure growth of the Company, and meet the expectations of all its stakeholders.



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# VISION AND 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**

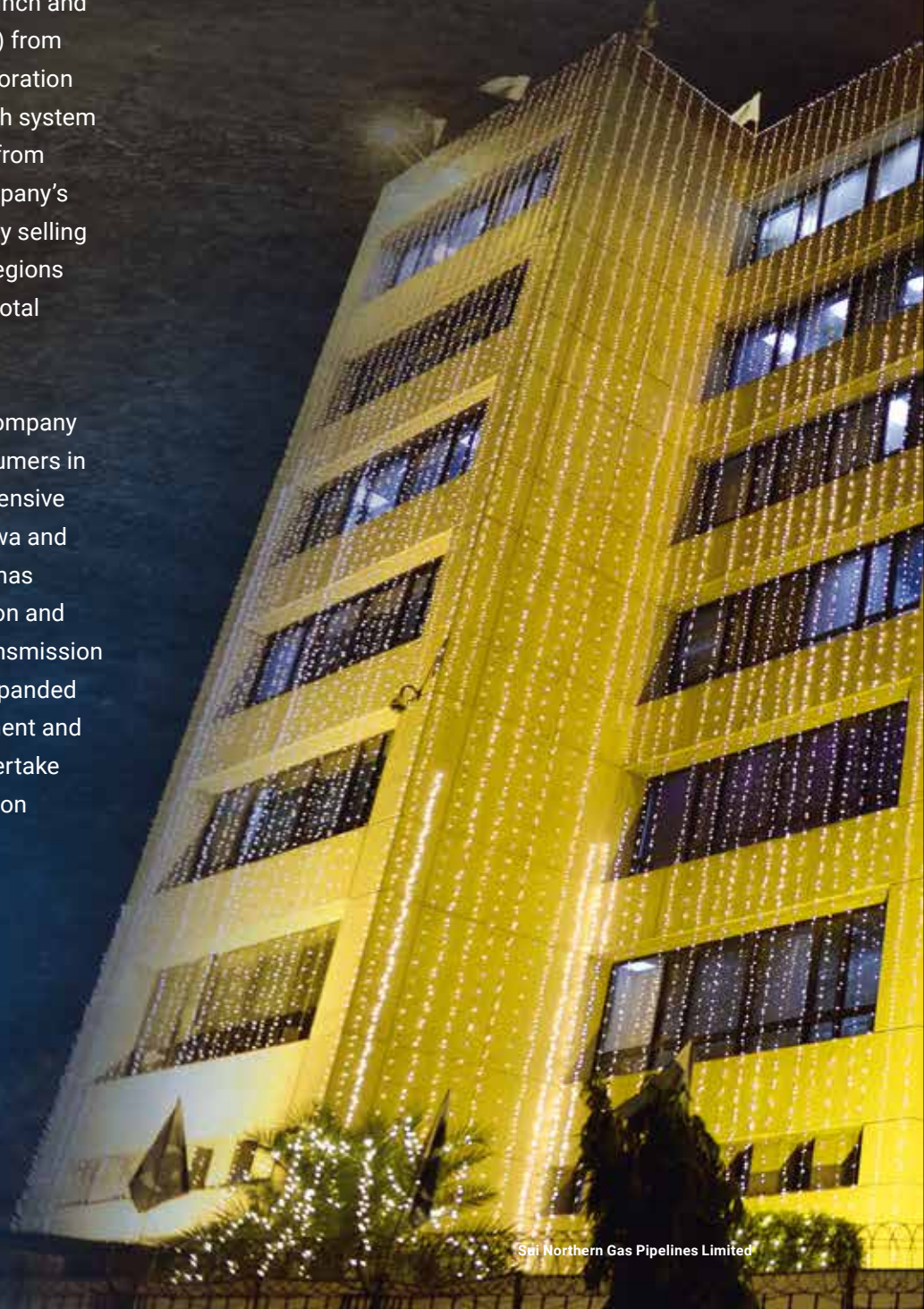
We have integrity - as individuals and as teams - our decisions are characterized by honesty and fairness.

# 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 6.727 million consumers in North Central Pakistan through an extensive network in Punjab, Khyber Pakhtunkhwa and Azad Jamu & Kashmir. The Company has over 56 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 organizations.



**Company Secretary**

Mr. Imtiaz Mehmood

**Auditors**

EY Ford Rhodes,  
Chartered Accountants

**Legal Advisors**

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

**Share Registrar**

CDC Share Registrar Services 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.cdcsrsl.com

**Registered Office**

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

# 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 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 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, suppliers, 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), one must report it to the concerned departmental head immediately.
- All the financial transactions will remain within the ambit of Memorandum of Association and Articles of Association of the Company.

# BOARD OF DIRECTORS



**Ms. Roohi Raees Khan**  
Chairperson

Ms. Roohi Raees Khan is an MBA from IBA, Karachi. She completed her B.A. (Economics & Mathematics) from Punjab University. She has over 36 years of experience in various banking segments like Development Banking, Lease Financing, Housing Finance, SME Financing, Islamic Banking, Investment Banking etc. She has about 20 years of experience at senior management level, as well as Chief Executive and Chief Operating Officer and Director on the Boards of various Financial Institutions having dealt with policy making, strategic planning and systems refinement, implementation of control functions, revamping / restructuring and mergers. She has dealt with international lending Institutions like World Bank, Asian Development Bank, Islamic Development Bank and other multilateral lenders. She represented NDFC for successful negotiation, of credit line to financial sector, from Asian Development Bank. Ms. Khan has served on the Boards of Asian Leasing, Lahore Stock Exchange, International Housing Finance Limited, Mashreq Bank (now Samba Bank), PICIC etc. She was also the Chairperson of an Investment Bank before it was merged with a local commercial Bank. She has also served at senior management level in various organizations. She has been Group Head, Textiles, in National Development Finance Corporation, Chief Executive Officer of Asian Leasing, Chief operating Officer of Trust Investment Bank and Zarai Taraqjati Bank Limited (ZTBL). She had also been acting President of ZTBL during 2011 / 2012 when she was instrumental in bringing about many changes with positive impact on its profitability.

She has constantly devoted time over the past 30 years to various social sector institutions working for the betterment of downtrodden and deprived strata of the society and is an advocate of improving the fate of the deprived mainly by catering to the basic right to health, education and equal opportunity to all.



**Mr. Amer Tufail**  
Managing Director / CEO

Mr. Amer Tufail, Managing Director, Sui Northern Gas Pipelines Limited (SNGPL) is a Chartered Accountant by profession having membership with Institute of Chartered Accountants of Pakistan (ICAP). He joined SNGPL in year 2004 and has held various key management positions last being Deputy Managing Director (Services). Prior to joining SNGPL has worked for large national and multinational organizations in Pakistan and abroad including key multi lateral funding agencies featuring over 28 years of rich experience in a large variety of disciplines.



### **Mr. Afan Aziz** Director

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Mr. Afan Aziz holds a B.Sc. with First Class Honours in Accounting and Finance from the London School of Economics and Political Science. He is the Honorary Consul of the Republic of Korea (South Korea) for Khyber Pakhtunkhwa province, and has also served as the President of Sarhad Chamber of Commerce and Industry (SCCI) and as Vice Chairman of APTMA (All Pakistan Textile Mills Association). Professionally he is an entrepreneur with over 18 years experience in managing Industrial and development enterprises in the field of Textiles, FMCG and Real Estate Development.

Mr. Aziz has also served on the boards of institutions including National Textile University Faisalabad, Institute of Management Sciences Peshawar amongst others. To keep abreast with a fast changing global trade environment he has attended various courses in notable universities around the world. An Avid reader Mr. Aziz has organized seminars and published studies and papers on various facets related to Economic matters of the country.



### **Mr. Ahmad Aqeel** Director

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Mr. Ahmad Aqeel is a business professional and a qualified lawyer with over 16 years of diverse experience in Oil & Gas, Petroleum, Power and Financial Sectors, with a longstanding record of serving as a Director on the Boards of Public Listed/Unlisted Companies.

Currently serving as an Elected Director on the Board of Sui Northern Gas Pipelines Limited (SNGPL).

Serving as a Director on the Board of National Investment Trust Limited (NITL). Chairman of Human Resource & Remuneration Committee & a member of the Audit & Risk Management Committees of the Board of National Investment Trust Limited.

An Elected Independent Director serving on the Board of Nishat Power Limited (NPL), Chairman of the Audit and Human Resource & Remuneration Committees of the Board of Nishat Power Limited.

A Director on the Board of Adamjee Life (AL) Assurance Company Ltd, Chairman of Risk Management and Compliance Committee of Adamjee Life.

Credited with setting up & successfully managing retail business in collaboration with Total Parco Pakistan Limited for more than fifteen years. As Managing Partner founded & setup the private business venture with Total Parco the second largest Oil Marketing Company (OMC) in Pakistan.

A Certified Director from Pakistan Institute of Corporate Governance (PICG) and enrolled at the database of the SECP as a Certified Independent Director. Attended various local and international workshops, skills training programs and seminars.

A member of Lahore Chamber of Commerce & Industry and Lahore Gymkhana Club.

# BOARD OF DIRECTORS



**Mr. Manzoor Ahmed**  
Director

Mr. Manzoor Ahmed is Chief Operating Officer (COO) of National Investment Trust Limited (NIT). As COO, he has been successfully managing the operations and investment portfolio worth Rs 81 bn. approx. He has experience of over 30 years of the Mutual Fund industry and has been placed at many key positions within NIT that includes capital market operations, investment management, research and liaising with the regulatory authorities. He has also served NIT as its Managing Director (Acting) twice from May 2013 to May 2014 and September 2017 to February 2019. He is M.B.A. and also holds D.A.I.B.P. He has also been the Council Member of The Institute of Bankers Pakistan. Presently, he is pursuing Chartered Financial Analyst (CFA) level III.

Mr. Ahmed has vast experience of serving on the Boards of various top ranking companies of Pakistan belonging to the diverse sectors of economy.

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

Currently, 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.

Mr. Manzoor Ahmed is also member of the Defence Authority Country and Golf Club – Karachi.



**Mr. Mohammad Haroon**  
Director

Mr. Mohammad Haroon brings with him over two and half decades of diverse experience in two of the most dynamic and vibrant industries, i.e., Oil and Telecommunications. He had a long prolific association with the "Attock Group", a fully integrated Group of Companies covering all segments of Oil and Gas industry from exploration, production and refining to marketing of a wide range of petroleum products.

He has extensive experience in the downstream sector of the oil industry. He has the honor of being one of the initial members of the team that established "Attock Petroleum Limited", which is, currently, one of the largest OMCs in Pakistan. Apart from heading important departments, he was also a member of its core 'Management Committee'.

Mr. Haroon was also involved in a number of marketing and customer care related initiatives for a Telecom giant in Pakistan.

During his professional career, he gained rich experience in Retail Network (Development/Sales), Human Resource, Administration, Business Development, Customer Care and Joint Ventures. He has worked in challenging, diverse, multi-cultural environments, gaining considerable exposure to both corporate environment and regional set-ups at a senior level.

Mr. Haroon likes spending time with his family, going off-road and exploring the mountainous North of Pakistan to enjoy its matchless beauty. He takes keen interest in community services and is a member of the "Lions Club International" and "Rotary International Club".

He has done Masters in Business Administration and attended a number of management courses in Pakistan and abroad.



### **Mr. Muhammad Ayub Chaudhry** Director

Mr. Muhammad Ayub Chaudhry is currently serving as Additional Secretary, Ministry of Energy (Petroleum Division) in the Federal Government. He has got vast experience of over 22 years of serving in the public entities. He has served in the federal and provincial governments in senior positions. His past appointments include Additional Secretary, National Food Security and Research, Islamabad / Chairman Pakistan Agriculture Research Council (PARC), Secretary, Youth Affairs, Sports, Archaeology and Tourism (YASAT), Government of Punjab, Additional Secretary, Federal Education and Professional Training, Islamabad, Senior Joint Secretary (Career Planning), Establishment Division, Islamabad, Joint Secretary (Emigration & Establishment), Ministry of Overseas Pakistanis & Human Resource Development, Joint Secretary (Committees), National Assembly Secretariat, Director Administration and Finance, Punjab Housing and Town Planning Agency (PHATA) and General Manager (Operations), The Tourism Development Corporation of Punjab. He has also remained Consultant Asian Development Bank (ADB) as Project Development Specialist and Procurement Specialist in the past.

Mr. Ayub Chaudhry has done LL.M. (International Banking & Finance Law) from Nottingham University, United Kingdom and M.Sc. International Relations from Quaid-e-Azam University, Islamabad, Pakistan. He has also travelled abroad extensively in connection with official business / work assignments.

He is Director on the boards of Oil and Gas Development Company Limited (OGDCL) and Pak-Arab Refinery Limited (PARCO).



### **Mr. Naveed Kamran Baloch** Director

Mr. Naveed Kamran Baloch is an officer of Federal Government in BS-22, presently posted as Secretary Finance, Government of Pakistan.

Prior to present posting, he had been posted as Secretary, Cabinet Division and Chief Secretary, Khyber Pakhtunkhwa. He remained Federal Secretary, Ministry of National Health Services, Regulation & Coordination, Government of Pakistan as well. He also served as Chairman of CCM Pakistan. He also held the position of Chairman, State Life Insurance Corporation of Pakistan, Principal Secretary to Chief Minister (Sindh), Director General, National Institute of Management Karachi, Secretary Finance, Secretary Food, Secretary Information, Government of Sindh, besides serving on leading administrative and financial positions in Federal, Provincial Government and Public Sector Enterprises.

Mr. Naveed Kamran Baloch joined Civil Service of Pakistan in 1985. He has vast professional experience in senior management positions in diversified fields such as Public Sector Management, Administration, Financial, Judicial, Health, Insurance and Planning etc.

He has extensively attended local and international professional training courses, workshops, seminars and conferences.

Mr. Naveed Kamran Baloch has attained a degree of M.Sc in Social Policy and Planning in Development countries from London School of Economics, UK. He is also a certified Director from Pakistan Institute of Corporation Governance.

# BOARD OF DIRECTORS



**Sajid Mehmood Qazi**  
Director

Mr. Sajid Mehmood Qazi, Joint Secretary, Ministry of Energy, Petroleum Division joined Office Management Group of the civil service of Pakistan in 1995. He was exposed to the working of Ministries of Economic Affairs, Commerce & Textile and Narcotics Control. As Additional Registrar Supreme Court of Pakistan, he has the rare honour of contributing in the setting up of the HR cell to streamline the implementation of suo moto jurisdiction of the apex court of the country. As a core member of the NAB team, Mr. Qazi contributed in formulating and implementing the national anticorruption strategy during his stint at the premier accountability body from 1999 to 2005. Mr. Qazi performed the duties of a diplomat in Pakistani Consulate Manchester UK as Counsellor Community Affairs. Before joining the Ministry of Petroleum, he was working as Director General in the Overseas Pakistanis Foundation. Mr. Qazi has strong interest in Economics, Public Administration and Law. He earned LLM from Warwick University, UK as Chevening Scholar. He is an avid reader of contemporary history and also follows his passion of hiking and landscape photography in his leisure time.



**Syed Akhtar Ali**  
Director

Syed Akhtar Ali is an eminent energy expert and consultant. His last appointment was as Member Energy, Planning Commission and earlier one as CEO of Karachi Pipe Mill (KPM), a public sector enterprise. He has held other senior management appointments in Pakistan's public and private sector companies. He has B.E. & M.S. in Mechanical Engineering and was Research Fellow at Harvard University in Energy Policy. He is currently on the Board of ISGS and member Think Tank Petroleum Division. He was earlier on the Board of SSGC, PPIB and AEDB. His expertise and experience has been in the area of Energy Policy Planning, Energy economics, pricing and tariff, Energy projects development, Power plants, pipelines and Renewable Energy, Environment, sustainability and conservation, Climate Change issues, Project development, monitoring and evaluation. He has taught Energy Management at Institute of Business Management. He has written a number of books on Pakistan's energy issues.



## Dr. Sohail R. Khan

Director

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Dr. Sohail R. Khan is a top performing corporate strategy, business development consultant, with record of achievement in planning, development and growth in various sectors mainly Oil & Gas, Logistics, Finance and IT industry. He is a highly motivated individual with successful international working experience of more than 15 years in Oil & Gas and service industries across U.K, UAE, Canada and Qatar. He has a solid track record working for Total (E&P) U.K, providing corporate strategy, improving the development of business by deploying oil and gas processes (upstream and downstream), and implementing & coordinating efficiency improvement techniques with Affiliate management teams across the operations in Total (E&P). Working as a change management consultant for Total (E&P), successfully design and implemented FOI (Field Operational Improvement) change management program on time within budget of £10 Million for U.K and Qatar assets. The purpose of Field Operational Improvement program was to reshape Total Petroleum (E&P) from business unit centric to enterprise, effective and mature shared service IT organization that can support priorities of the entire operations. Successfully designed and implemented oil production reporting processes, competency management systems, integrated logistics & procurement systems, Audit processes, 12-24 month planning and budgeting processes with the engagement of multiple stakeholders to define a strategic direction and enhance business development. He was also responsible for determining competency requirements for all functions and staff, against the competency standards, and successfully delivered the annual training plan that caters the needs of Operation, Human Resource Planning, Engineering and HSE disciplines within budget and on time.

Dr. Khan has extensive experience of policy formation, HR development & Training, audit process, risk identification & mitigation strategies, development and execution of IT strategy to support operation by deploying Artificial Intelligence (AI), Big Data Analytics, to optimize production and improve efficiency. Working for I.P.S.G (U.K) he has managed I.T projects exceeding £10 Million budget and ensured compliance with ISO and European standards. Dr. Khan has valuable company turnaround experience having used leading management tools and techniques such as Lean methodology, RACI, Kanban, PRINCE 2, PMP, ERP, JDE and BPM to bring companies from loss to profit. Dr. Khan has earned his PhD Degree in Management & Technology from University of Fernando Pessoa, Portugal, followed by MBA (Master in Business Administration) from University of Central Lancashire U.K. He has MSc (Distributed Networks & Security System) from University of Hertfordshire U.K and M.A in Strategic Leadership from University of Wolverhampton U.K. He has several publications in international journals. Dr Sohail Khan is 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 is a keen sportsman and love to play cricket and football.



**Mr. Faisal Iqbal**  
**Chief Financial Officer**

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A Chartered Accountant from Institute of Chartered Accountants of Pakistan carries over 25 years of diversified experience at various senior management positions. Prior to becoming Chief Financial officer, he was working as Senior General Manager (Audit). Faisal has demonstrated remarkable leadership skills as well as new initiatives to manage number of difficult challenges bringing tangible improvements in the business processes. Over a period of more than 12 years in SNGPL, headed different departments including Audit, Finance, Regulatory Affairs, IT/ MIS and Billing where he introduced new business processes or re-engineered them with an objective to bring efficiency improvement in the control environment. Prior to joining SNGPL, Faisal was in Kohinoor Group, as General Manager Finance. Prior to Kohinoor, he worked as a Senior Manager in A F Ferguson & Co, member firm of Price WaterhouseCoopers (PWC) for nearly 13 years wherein he participated and led large number of projects in and outside Pakistan and gained substantial expertise in the implementation and review of accounting, internal control procedures and operations of public and private sector organizations.



**Mr. Imtiaz Mehmood**  
**Company Secretary**

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Mr. Imtiaz Mehmood took over the charge of Company Secretary on May 09, 2019. Before taking the charge, he served as Chief Accountant (HO), Secretary Funds and Deputy Company Secretary besides heading the Media Affairs department for one and a half year. He has over 25 years experience in the field of Audit, Accounts, Finance, Corporate and Media Affairs.

Mr. Mehmood is a fellow member of the Institute of Cost & Management Accountants of Pakistan (ICMAP) and Pakistan Institute of Public Finance Accountants (PIPFA). He also holds a degree of MS in Business Administration (Management). Mr. Mehmood has attended local and international professional training courses, workshops and conferences.

Mr. Mehmood has served as Chairman Technical Support Committee at Lahore Branch Council of ICMAP.





# CORPORATE GOVERNANCE

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, 2019, Rules 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 Chairperson of the Board and its committees.

## BOARD OF DIRECTORS

The Chairperson of the Board and Board 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 below:

Board Meetings					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Mr. Muhammad Saeed Mehdi	Chairman	Independent / Non-Executive	15	15
02	Syed Dilawar Abbas	Chairman	Independent / Non-Executive	8	8
03	Mr. Amjad Latif	MD / CEO	Executive	7	7
04	Mr. Amer Tufail	MD / CEO	Executive	6	6
05	Mr. Mahmood Zia Ahmad	MD / CEO	Executive	9	9
06	Mr. Ahmad Aqeel	Director	Non-Executive	22	22
07	Sardar Ahmad Nawaz Sukhera	Director	Non-Executive	5	3
08	Mr. Arif Ahmed Khan	Director	Non-Executive	15	13
09	Mr. Himayat Ullah Khan	Director	Independent / Non-Executive	7	5
10	Mirza Mahmood Ahmad	Director	Non-Executive	22	22
11	Mr. Manzoor Ahmed	Director	Independent / Non-Executive	22	22
12	Mian Misbah-ur-Rehman	Director	Non-Executive	22	22
13	Mr. Mohammad Aamir Qawi	Director	Independent / Non-Executive	14	10
14	Mr. Mohammad Jalal Sikandar Sultan	Director	Non-Executive	1	1
15	Mr. Mohammad Jehanzeb Khan	Director	Non-Executive	15	11
16	Qazi Mohammad Saleem Siddiqui	Director	Non-Executive	22	22
17	Mr. Mohammad Younas Dagha	Director	Non-Executive	15	12
18	Mr. Mustafa Ahmad Khan	Director	Independent / Non-Executive	22	22
19	Mr. Naveed Kamran Baloch	Director	Non-Executive	3	3
20	Ms. Roohi Raees Khan	Director	Independent / Non-Executive	7	7
21	Mr. Sajjad Hussain	Director	Independent / Non-Executive	15	14
22	Mr. Sher Afgan Khan	Director	Non-Executive	20	20
23	Mr. Shoaib Mir	Director	Non-Executive	4	4
24	Dr. Sohail Razi Khan	Director	Independent / Non-Executive	5	5

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

## BOARD AUDIT COMMITTEE

The procedure alongwith responsibilities / functions of the Board 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 Board 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 Board Audit Committee at which issues relating to accounts and audit are discussed.
5. At least once in year, the Board 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 Board Audit Committee.
6. At least once a year, the Board 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 Board 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 Board 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 Board Audit Committee. The Board 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 Board 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 Directors;  
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

# CORPORATE GOVERNANCE

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;
- o) overseeing whistle-blowing policy and protection mechanism;
- p) consideration of any other issue or matter as may be assigned by the Board of Directors; and
- q) The Board 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 Board 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 Board 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 Board 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 Board 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 Board Audit Committee, category of Directors, detail of meetings and Directors' attendance are given below:

BOARD AUDIT COMMITTEE					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Mr. Manzoor Ahmed	Chairman	Independent / Non-Executive	8	8
02	Mr. Ahmad Aqeel	Member	Non-Executive	8	8
03	Mr. Himayatullah Khan	Member	Independent / Non-Executive	1	1
04	Mr. Mohammad Aamir Qawi	Member	Independent / Non-Executive	5	4
05	Mr. Mohammad Jehanzeb Khan	Member	Non-Executive	5	3
06	Qazi Mohammad Saleem Siddiqui	Member	Non-Executive	8	8
07	Mr. Mohammad Younas Dagha	Member	Non-Executive	5	3
08	Mr. Mustafa Ahmad Khan	Member	Independent / Non-Executive	8	8
09	Ms. Roohi Raees Khan	Member	Independent / Non-Executive	2	2
10	Mr. Sajjad Hussain	Member	Independent / Non-Executive	5	5
11	Mr. Shoab Mir	Member	Non-Executive	3	3
12	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	1	1
13	Mr. Sher Afgan Khan	Co-opted	Non-Executive	1	1
14	Mirza Mahmood Ahmad	Co-opted	Non-Executive	1	1

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

## FINANCE AND PROCUREMENT COMMITTEE

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; and
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 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; and
12. Where there is a perceived overlap of responsibilities between the Finance and Procurement Committee, the Risk Management Committee and the Board 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
01	Mirza Mahmood Ahmad	Chairman	Non-Executive	9	9
02	Mr. Amjad Latif	MD / CEO	Executive	5	4
03	Mr. Amer Tufail	MD / CEO	Executive	1	1
04	Mr. Mahmood Zia Ahmad	MD / CEO	Executive	3	3
05	Mr. Ahmad Aqeel	Member	Non-Executive	9	9
06	Sardar Ahmad Nawaz Sukhera	Member	Non-Executive	3	3
07	Mr. Arif Ahmed Khan	Member	Non-Executive	6	5
08	Mian Misbah-ur-Rehman	Member	Non-Executive	9	9
09	Mr. Mohammad Jalal Sikandar Sultan	Member	Non-Executive	1	1
10	Mr. Mohammad Jehanzeb Khan	Member	Non-Executive	6	2
11	Mr. Mohammad Younas Dagha	Member	Non-Executive	3	3
12	Ms. Roohi Raees Khan	Member	Independent / Non-Executive	3	3
13	Mr. Sher Afgan Khan	Member	Non-Executive	8	8
14	Mr. Shoaib Mir	Member	Non-Executive	4	4
15	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	2	2
16	Mr. Manzoor Ahmed	co-opted	Independent / Non-Executive	1	1
17	Qazi Mohammad Saleem Siddiqui	co-opted	Non-Executive	1	1
18	Mr. Muhammad Saeed Mehdi	co-opted	Independent / Non-Executive	4	4
19	Mr. Mustafa Ahmad Khan	co-opted	Independent / Non-Executive	9	9

\* Held during the period the concerned Director was member of the Finance and Procurement Committee.

# CORPORATE GOVERNANCE

## HUMAN RESOURCE & NOMINATION COMMITTEE

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

### Number of Members: 08

#### Procedure:

1. Committee will meet at least once in a quarter;
2. Quorum will be three members; and
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; and
- 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; and
- 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; and
- 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
01	Mr. Muhammad Saeed Mehdi	Chairman	Independent / Non-Executive	2	2
02	Syed Dilawar Abbas	Chairman	Independent / Non-Executive	3	3
03	Mr. Amjad Latif	MD / CEO	Executive	1	1
04	Mr. Amer Tufail	MD / CEO	Executive	1	1
05	Mr. Mahmood Zia Ahmad	MD / CEO	Executive	3	3
06	Mr. Ahmad Aqeel	Member	Non-Executive	5	5
07	Mr. Arif Ahmed Khan	Member	Non-Executive	2	2
08	Mirza Mahmood Ahmad	Member	Non-Executive	5	5
09	Mr. Manzoor Ahmed	Member	Independent / Non-Executive	5	5
10	Mian Misbah-ur-Rehman	Member	Non-Executive	5	5
11	Mr. Mustafa Ahmad Khan	Member	Independent / Non-Executive	5	5
12	Mr. Sher Afgan Khan	Member	Non-Executive	4	4
13	Qazi Mohammad Saleem Siddiqui	Co-opted	Non-Executive	3	3

\* Held during the period the concerned Director was member of the Human Resource & Nomination Committee.

## RISK MANAGEMENT COMMITTEE

The procedure along with 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; and
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 macroeconomic, financial, political, business and sector environments;
11. Any other matter entrusted by the Board of Directors; and
12. Where there is a perceived overlap of responsibilities between the Finance and Procurement Committee, the Risk Management Committee and the Board Audit Committee, the respective Committee Chairpersons 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
01	Mr. Ahmad Aqeel	Chairman	Non-Executive	8	8
02	Mr. Amjad Latif	MD / CEO	Executive	4	3
03	Mr. Amer Tufail	MD / CEO	Executive	2	1
04	Mr. Mahmood Zia Ahmad	MD / CEO	Executive	2	2
05	Sardar Ahmad Nawaz Sukhera	Member	Non-Executive	2	1
06	Mirza Mahmood Ahmad	Member	Non-Executive	8	7
07	Mr. Manzoor Ahmed	Member	Independent / Non-Executive	8	8
08	Mian Misbah-ur-Rehman	Member	Non-Executive	8	7
09	Mr. Mohammad Aamir Qawi	Member	Independent / Non-Executive	6	6
10	Qazi Mohammad Saleem Siddiqui	Member	Non-Executive	8	8
11	Mr. Sajjad Hussain	Member	Independent / Non-Executive	6	6
12	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	1	1
13	Mr. Shoaib Mir	Co-opted	Non-Executive	3	3

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

# CORPORATE GOVERNANCE



## UNACCOUNTED FOR GAS (UFG) CONTROL COMMITTEE

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

**Number of Members: 08**

### 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; and
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 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; and
- Review strategic issues pertaining UFG.

The composition of the Unaccounted for Gas (UFG) Control Committee, category of Directors, 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
01	Qazi Mohammad Saleem Siddiqui	Chairman	Non-Executive	6	6
02	Mr. Amjad Latif	MD / CEO	Executive	2	2
03	Mr. Amer Tufail	MD / CEO	Executive	3	1
04	Mr. Mahmood Zia Ahmad	MD / CEO	Executive	1	1
05	Sardar Ahmad Nawaz Sukhera	Member	Non-Executive	1	1
06	Mirza Mahmood Ahmad	Member	Non-Executive	6	6
07	Mr. Mohammad Aamir Qawi	Member	Independent / Non-Executive	5	4
08	Mr. Mohammad Younas Dagha	Member	Non-Executive	4	4
09	Mr. Mustafa Ahmad Khan	Member	Independent / Non-Executive	6	6
10	Mr. Sajjad Hussain	Member	Independent / Non-Executive	5	5
11	Mr. Sher Afgan Khan	Co-opted/Member	Non-Executive	5	5
12	Mr. Shoab Mir	Member	Non-Executive	1	1
13	Mr. Ahmad Aqeel	Co-opted	Non-Executive	1	1
14	Mr. Muhammad Saeed Mehdi	Co-opted	Independent / Non-Executive	5	5

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





# STATEMENT OF COMPLIANCE

## WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013 AND LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

**Name of Company:** Sui Northern Gas Pipelines Limited

**Name of the line Ministry:** Ministry of Energy (Petroleum Division)

**For the year ended:** June 30, 2019

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:

Sr. No.	Provision of the Rules	Rule No.	Yes	No	Remarks																																													
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																																															
2.	The Board has at least one-third of its total members as independent directors. As at June 30, 2019 the Board includes: <table border="1" data-bbox="224 999 964 1406"> <thead> <tr> <th>Names</th> <th>Category</th> <th>Date of appointment</th> </tr> </thead> <tbody> <tr><td>1. Syed Dilawar Abbas</td><td>Independent/Non-Executive</td><td>12.04.2019</td></tr> <tr><td>2. Mr. Mahmood Zia Ahmad*</td><td>Executive</td><td>20.03.2019</td></tr> <tr><td>3. Dr. Sohail Razi Khan</td><td>Independent/Non-Executive</td><td>07.05.2019</td></tr> <tr><td>4. Mr. Ahmad Aqeel</td><td>Non-Executive</td><td>26.06.2017</td></tr> <tr><td>5. Mirza Mahmood Ahmad</td><td>Non-Executive</td><td>26.06.2017</td></tr> <tr><td>6. Mr. Himayat ullah Khan</td><td>Independent/Non-Executive</td><td>20.04.2019</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. Naveed Kamran Baloch</td><td>Non-Executive</td><td>19.06.2019</td></tr> <tr><td>10. Ms. Roohi Raees Khan</td><td>Independent/Non-Executive</td><td>20.04.2019</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. Sher Afgan Khan</td><td>Non-Executive</td><td>06.10.2018</td></tr> <tr><td>14. Sardar Ahmad Nawaz Sukhera</td><td>Non-Executive</td><td>27.04.2019</td></tr> </tbody> </table> <p>*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.</p>	Names	Category	Date of appointment	1. Syed Dilawar Abbas	Independent/Non-Executive	12.04.2019	2. Mr. Mahmood Zia Ahmad*	Executive	20.03.2019	3. Dr. Sohail Razi Khan	Independent/Non-Executive	07.05.2019	4. Mr. Ahmad Aqeel	Non-Executive	26.06.2017	5. Mirza Mahmood Ahmad	Non-Executive	26.06.2017	6. Mr. Himayat ullah Khan	Independent/Non-Executive	20.04.2019	7. Mr. Manzoor Ahmed	Independent/Non-Executive	26.06.2017	8. Mian Misbah-ur-Rehman	Non-Executive	26.06.2017	9. Mr. Naveed Kamran Baloch	Non-Executive	19.06.2019	10. Ms. Roohi Raees Khan	Independent/Non-Executive	20.04.2019	11. Qazi Mohammad Saleem Siddiqui	Non-Executive	26.06.2017	12. Mr. Mustafa Ahmad Khan	Independent/Non-Executive	26.06.2017	13. Mr. Sher Afgan Khan	Non-Executive	06.10.2018	14. Sardar Ahmad Nawaz Sukhera	Non-Executive	27.04.2019	3(2)	✓		
Names	Category	Date of appointment																																																
1. Syed Dilawar Abbas	Independent/Non-Executive	12.04.2019																																																
2. Mr. Mahmood Zia Ahmad*	Executive	20.03.2019																																																
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14. Sardar Ahmad Nawaz Sukhera	Non-Executive	27.04.2019																																																
3.	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.	3(5)	✓		Mr. Manzoor Ahmed holds directorship of more than five listed companies. However, SECP has given dispensation in this regard.																																													
4.	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.	3(7)			Not Applicable																																													
5.	The Chairperson of the Board is working separately from the Chief Executive of the Company.	4(1)	✓																																															

Sr. No.	Provision of the Rules	Rule No.	Yes	No	Remarks
6.	The Chairperson has been elected by the Board of Directors except where Chairperson 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)			Not Applicable
8.	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the Company's website: www.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.	5(4)	✓ ✓ ✓		
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 and mission statements 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)	✓		

# STATEMENT OF COMPLIANCE

Sr. No.	Provision of the Rules	Rule No.	Yes	No	Remarks																		
18.	(a) The board has met at least four times during the year. (b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✓ ✓ ✓																				
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓																				
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the Board Audit Committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓																				
21.	(a) The Board has approved the profit or 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. (b) In case of Listed Public Sector Company, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors. (c) The Board has placed the annual financial statements on the Company's website.	10	✓ ✓ ✓																				
22.	All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules.	11	✓																				
23.	a) The Board has formed the requisite committees, as specified in the Rules. b) The committees were provided with written term of reference defining their duties, authority and composition. c) The minutes of the meetings of the committees were circulated to all the Board members. d) The committees were chaired by the following non-executive directors:	12	✓ ✓ ✓ ✓																				
<table border="1"> <thead> <tr> <th>Committee</th> <th>Number of Members</th> <th>Name of Chair</th> </tr> </thead> <tbody> <tr> <td>1. Board Audit Committee</td> <td>8</td> <td>Mr. Manzoor Ahmed</td> </tr> <tr> <td>2. Human Resource and Nomination Committee</td> <td>8</td> <td>Syed Dilawar Abbas</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>8</td> <td>Qazi Mohammad Saleem Siddiqui</td> </tr> <tr> <td>5. Risk Management Committee</td> <td>8</td> <td>Mr. Ahmad Aqeel</td> </tr> </tbody> </table>		Committee	Number of Members	Name of Chair	1. Board Audit Committee	8	Mr. Manzoor Ahmed	2. Human Resource and Nomination Committee	8	Syed Dilawar Abbas	3. Finance and Procurement Committee	8	Mirza Mahmood Ahmad	4. UFG Control Committee	8	Qazi Mohammad Saleem Siddiqui	5. Risk Management Committee	8	Mr. Ahmad Aqeel				
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24.	The board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment.	13	✓																				
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓																				

Sr. No.	Provision of the Rules	Rule No.	Yes	No	Remarks																											
26.	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓																													
27.	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.	17	✓																													
28.	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.	18	✓																													
29.	(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.	19	✓																													
30.	The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the Board Audit Committee and the Board.	20	✓																													
31.	The Board has formed an Board Audit Committee, with defined and written terms of reference, and having the following members: <table border="1" data-bbox="272 1240 1013 1543"> <thead> <tr> <th>Name of Member</th> <th>Category</th> <th>Professional Background</th> </tr> </thead> <tbody> <tr> <td>Mr. Manzoor Ahmed</td> <td>Independent/Non-Executive</td> <td>COO(NIT)</td> </tr> <tr> <td>Mr. Naveed Kamran Baloch</td> <td>Non-Executive</td> <td>Secretary Finance Division</td> </tr> <tr> <td>Mr. Ahmad Aqeel</td> <td>Non-Executive</td> <td>Businessman</td> </tr> <tr> <td>Mr. Himayat Ullah Khan</td> <td>Independent/Non-Executive</td> <td>Ex- Government Servant</td> </tr> <tr> <td>Mr. Mustafa Ahmad Khan</td> <td>Independent/Non-Executive</td> <td>Agriculturist</td> </tr> <tr> <td>Ms. Roohi Raees Khan</td> <td>Independent/Non-Executive</td> <td>Retired Banker</td> </tr> <tr> <td>Qazi Mohammad Saleem Siddiqui</td> <td>Non-Executive</td> <td>Director General (PC)</td> </tr> <tr> <td>Dr. Sohail Razi Khan</td> <td>Independent/Non-Executive</td> <td>Consultant</td> </tr> </tbody> </table> <p>The Chief Executive and Chairperson of the Board are not members of the Board Audit Committee.</p>	Name of Member	Category	Professional Background	Mr. Manzoor Ahmed	Independent/Non-Executive	COO(NIT)	Mr. Naveed Kamran Baloch	Non-Executive	Secretary Finance Division	Mr. Ahmad Aqeel	Non-Executive	Businessman	Mr. Himayat Ullah Khan	Independent/Non-Executive	Ex- Government Servant	Mr. Mustafa Ahmad Khan	Independent/Non-Executive	Agriculturist	Ms. Roohi Raees Khan	Independent/Non-Executive	Retired Banker	Qazi Mohammad Saleem Siddiqui	Non-Executive	Director General (PC)	Dr. Sohail Razi Khan	Independent/Non-Executive	Consultant	21(1) and 21(2)	✓		
Name of Member	Category	Professional Background																														
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Dr. Sohail Razi Khan	Independent/Non-Executive	Consultant																														
32.	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the Board Audit Committee at which issues relating to accounts and audit were discussed. (b) The Board 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 Board 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.	21(3)	✓  ✓  ✓																													

# STATEMENT OF COMPLIANCE

Sr. No.	Provision of the Rules	Rule No.	Yes	No	Remarks
33.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the Board Audit Committee. (b) The chief internal auditor has requisite qualification and experience prescribed in the Rules. (c) The internal audit reports have been provided to the external auditors for their review.	22	✓ ✓ ✓		
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:

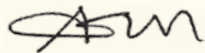
- The Total number of directors are 14 including Chief Executive Officer as per the following:
  - Male: 13 members
  - Female: 1 member
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and regulations.
- The Company is complying with Code of Corporate Governance regarding Directors Training Program.
- The meetings of the Board Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
- The meetings of the board were presided over by the Chairperson and, in his/her absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulation of minutes of meeting of board.
- The Board has formed committees comprising members given below:

Board Audit Committee	Human Resource and Nomination Committee	Finance and Procurement Committee	UFG Control Committee	Risk Management Committee
Mr. Manzoor Ahmed Chairman	Syed Dilawar Abbas Chairman	Mirza Mahmood Ahmad Chairman	Qazi Mohammad Saleem Siddiqui- Chairman	Mr. Ahmed Aqeel Chairman
Mr. Naveed Kamran Baloch	Mr. Mahmood Zia Ahmad	Mr. Mahmood Zia Ahmad	Mr. Mahmood Zia Ahmad	Mr. Mahmood Zia Ahmad
Mr. Ahmad Aqeel	Mr. Ahmad Aqeel	Mr. Ahmed Aqeel	Sardar Ahmad Nawaz Sukhera	Sardar Ahmad Nawaz Sukhera
Mr. Himayat Ullah Khan	Mirza Mahmood Ahmad	Sardar Ahmad Nawaz Sukhera	Mirza Mahmood Ahmad	Mirza Mahmood Ahmad
Mr. Mustafa Ahmad Khan	Mr. Manzoor Ahmed	Mian Misbah ur Rehman	Mr. Himayat Ullah Khan	Mr. Manzoor Ahmed
Ms. Roohi Raees Khan	Mian Misbah ur Rehman	Ms. Roohi Raees Khan	Mr. Mustafa Ahmad Khan	Mian Misbah ur Rehman
Qazi Mohammad Saleem Siddiqui	Mr. Mustafa Ahmad Khan	Mr. Sher Afgan Khan	Mr. Sher Afgan Khan	Qazi Mohammad Saleem Siddiqui
Dr. Sohail Razi Khan	Mr. Sher Afgan Khan	Dr. Sohail Razi Khan	Mr. Naveed Kamran Baloch	Dr. Sohail Razi Khan

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

<b>Committee's Name</b>	<b>Frequency of Meetings (yearly)</b>
Board Audit Committee	8
Human Resource and Nomination Committee	5
Finance and Procurement Committee	9
UFG Control Committee	7
Risk Management Committee	8

- 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.



**Amer Tufail**  
Managing Director/CEO



**Roohi Raees Khan**  
Chairperson - BOD

Lahore.  
July 21, 2020.

# NOTICE OF 55<sup>TH</sup> ANNUAL GENERAL MEETING

The Notice is hereby given that the 55<sup>th</sup> Annual General Meeting of the Company will be held on Saturday, August 15, 2020 at 11:00 a.m at Company's Head Office, Gas House, 21-Kashmir Road, Lahore for the purpose of transacting the following business:

## ORDINARY BUSINESS:

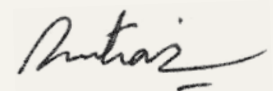
1. To confirm the minutes of the adjourned Extraordinary General Meeting held on June 23, 2020.
2. To confirm the minutes of the Reconvened Extraordinary General Meeting held on July 6, 2020.
3. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2019 together with the Directors' and Auditors' Reports thereon.
4. To consider and approve payment of cash dividend to the shareholders at the rate of Rs 3.50 per share of Rs 10/- each i.e. 35 % for the year ended June 30, 2019, as recommended by the Board of Directors. This is inclusive of interim cash dividend at the rate of Rs 1.5 per share of Rs 10/- each i.e. 15% already paid in FY 2018-19.
5. To appoint External Auditors for the year ending June 30, 2020 and to fix their remuneration.
6. To transact any other ordinary business of the Company with the permission of the Chairperson.

The share transfer books of the Company will remain close from Saturday, August 8, 2020 to Saturday, August 15, 2020 (both days inclusive). The members whose names appear in the register of members as at the close of business on Friday, August 7, 2020 will qualify for the payment of dividend.

Due to prevailing circumstances of Covid-19 across the Country, valuable shareholders are requested to give preference to attend the meeting through video conference instead of their physical presence. Moreover, the Company will follow the best practices and comply with the instructions of the Government and SECP to ensure protective measures are in place for the well-being of its stakeholders. For attending the meeting, wearing of masks and gloves are mandatory.

Considering the hygiene / health of all stakeholders, especially due to outbreak of Covid-19, refreshments will not be served after the meeting.

By order of the Board



**IMTIAZ MEHMOOD**  
Company Secretary

LAHORE.  
July 21, 2020



## NOTES:

### 1. Participation in General Meeting

#### i) Through Electronic Means (Optional/Recommended Via Video Conferencing)

In wake of the prevalent COVID-19 pandemic situation and in the light of the relevant guidelines issued by Securities & Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange Limited, vide Circular No 5 of 2020 dated March 17, 2020 and Circular No PSX/N-372 dated March 19, 2020 respectively, the shareholders are encouraged to participate in the General Meeting through electronic facility organized by SNGPL. In order to attend the General Meeting through electronic facility, the shareholders are requested to get themselves registered with CDC Share Registrar Services Limited at least 48 hours before the time of General Meeting at [cdcsr@cdcsrsl.com](mailto:cdcsr@cdcsrsl.com).

The entitled shareholders whose name appear on the Books of the Company by close of Business on August 7, 2020 will be treated in time for the purpose of attending the meeting and those shareholders are requested to provide the information as per below format:

Sr. No	Folio Number/ CDC Account No.	Name of the shareholder	CNIC Number	Cell Number	Email address

The details of the electronic facility will be sent to the Shareholders on the email addresses provided by them. The login facility will be opened at 10:30 a.m. on August 15, 2020 enabling the participants to join the proceedings after identification and verification process before joining the meeting which will start at 11:00 a.m. sharp.

#### ii) Attending Meeting in Person or through Proxies

a. All members, entitled to attend and vote at the General Meeting, are entitled to appoint any person in writing as their proxy to attend and vote on their behalf. A legal entity, being a member, may also appoint any person as proxy. However, 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.

- b. The proxy instrument must be completed in all respects and in order to be effective should be deposited at the Office of the Company Secretary but not later than 48 hours before the time of holding the meeting.
- c. 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.

#### 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 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.

In case of a legal entity, the Board of Directors' resolution/power of attorney with specimen signature



year ended June 30, 2019, are being circulated to the members through CD/DVD. However, shareholder may request to provide a hard copy of Annual 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, 2019 are available on the Company's website i.e. [www.sngpl.com.pk](http://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](http://www.sngpl.com.pk).

#### **Registered Office**

Gas House, 21-Kashmir Road,  
P.O. Box No. 56, Lahore (Pakistan),  
Ph: +92-42-99201451-60, 99201490-99,  
99201044  
Fax: +92-42-99201369, 99201302  
Website: [www.sngpl.com.pk](http://www.sngpl.com.pk)

#### **Share Registrar**

CDC Share Registrar Services Ltd.

#### **Lahore Office:**

Mezzanine Floor, South Tower, LSE Plaza,  
19-Khayaban-e-Aiwan-e-Iqbal, Lahore (Pakistan)  
Tel No.: +92 -42-36362061-66  
Fax No.: +92 -42-36300072

#### **Karachi Office:**

CDC House, 99-B, Block B, S.M.C.H.S.,  
Main Shahr-e-Faisal, Karachi (Pakistan).  
Tel No.: +92-21-111-111-500  
Fax No.: +92-21-34326053  
Website: [www.cdcsrsl.com](http://www.cdcsrsl.com)



## **EXTRAORDINARY GENERAL MEETING**

An extraordinary general meeting of the Company was held on July 6, 2020 for election of Directors for a term of three years commencing from July 6, 2020 and following eleven (11) directors were elected:

1. Ms. Roohi Raees Khan
2. Mr. Ahmad Aqeel
3. Mr. Rizwan Ullah Khan
4. Dr. Sohail Razi Khan
5. Mr. Manzoor Ahmed
6. Mr. Mohammad Haroon
7. Mr. Naveed Kamran Baloch
8. Mr. Sajid Mehmood Qazi
9. Mr. Muhammad Ayub Chaudhry
10. Mr. Yousaf Naseem Khokhar
11. Mr. Afan Aziz

The first meeting of the newly elected Board of Directors was held on July 13, 2020 wherein Ms. Roohi Raees Khan was elected as Chairperson of the Board of Directors.

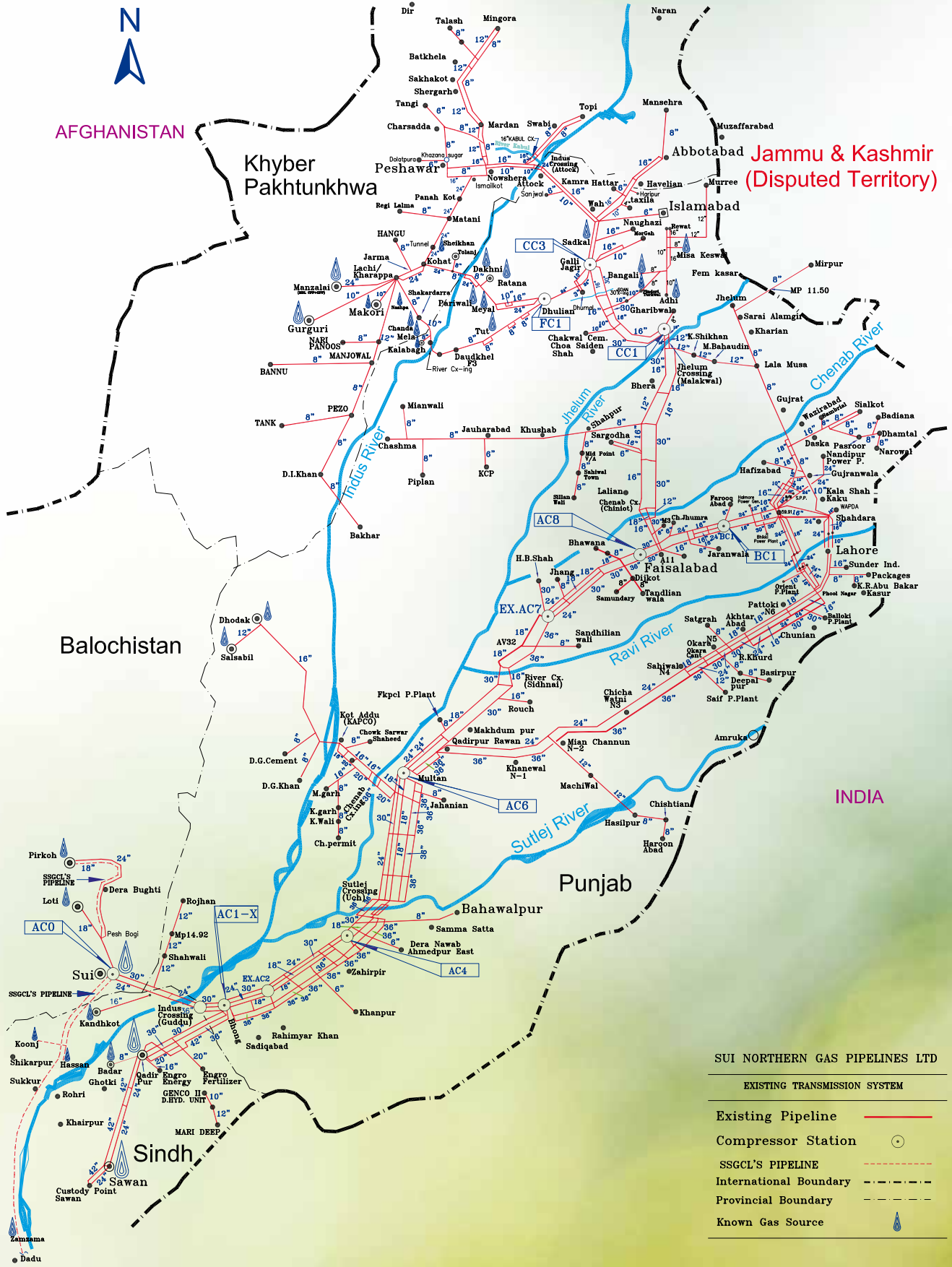
# TRANSMISSION SYSTEM

As at June 30, 2019

Diameter (inch)														
	3"	4"	6"	8"	10"	12"	16"	18"	20"	24"	30"	36"	42"	Grand Total (KMs)
<b>Total length (KMs) as at June 30, 2018</b>														
Punjab	0.24	4.43	140.70	1,310.93	509.17	322.48	1,208.56	725.95	59.35	947.46	789.09	837.58	17.13	6,873.06
Khyber Pakhtunkhwa	-	-	57.79	661.59	133.00	160.18	139.66	-	-	148.02	-	-	-	1,300.23
Others	-	2.41	-	17.35	5.50	4.50	55.79	11.25	37.80	239.76	86.73	54.95	186.64	702.68
Total	0.24	6.84	198.49	1,989.87	647.67	487.16	1,404.01	737.20	97.15	1,335.20	875.82	892.53	203.77	8,875.97
<b>Total length (KMs) as at June 30, 2019</b>														
Punjab	0.24	4.43	140.70	1,310.93	469.03	322.48	1,208.56	725.95	59.35	947.46	789.09	837.58	17.13	6,832.92
Khyber Pakhtunkhwa	-	-	57.79	694.09	133.00	209.06	139.66	-	-	148.02	-	-	-	1,381.62
Others	-	2.41	-	17.35	5.50	4.50	55.79	11.25	37.80	239.76	86.73	54.95	186.64	702.68
Total	0.24	6.84	198.49	2,022.38	607.53	536.04	1,404.01	737.20	97.15	1,335.20	875.82	892.53	203.77	8,917.22

## TRANSMISSION LINES COMMISSIONED DURING FY 2018-2019

Sr. No.	Segment	Dia	Length
		(Inch)	(Km)
<b>Khyber Pakhtunkhwa / Any Other</b>			
1	Thana to Swat	12	31.26
2	Mid Point V/A Palai to Thana (Sawat Line)	12	17.61
3	Matani to Regi Lalma	8	32.50
<b>TOTAL</b>			<b>81.37</b>



# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT

The Board of Directors present the 56th Annual Report and the Audited Financial Statements of your Company for the Financial Year ended June 30, 2019 along with the Auditors' Report thereon.



**Ms. Roohi Raees Khan**  
Chairperson

## FINANCIAL REVIEW

We are pleased to present the audited financial statements of your Company for the Year ended June 30, 2019, after incorporating the determination of Final Revenue Requirements of the Company for the year 2018-19 by Oil and Gas Regulatory Authority (OGRA). Your Company has recorded Profit after tax of Rs 7,076 million translating into EPS of Rs 11.16 as compared to profit after tax of Rs 11,121 million and EPS of Rs 17.54 during the corresponding period of last year.

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

	(Rs in million)
Profit before taxation	11,149
Provision for taxation	(4,073)
Profit after taxation	7,076

Following are the primary reasons, which have resulted into decrease in Company's profitability as compared to corresponding year:

- Increase in UFG disallowance of the Company both in terms of volume as well as value from last year. Total UFG loss increased to 11.86% during ensuing year from 10.93% determined last year by the Regulator. The total disallowance increased to Rs 10,528 million during ensuing year as compared to Rs 6,356 million during last year. During the year owing to depreciation of Pak Rupee, the cost of gas increased from Rs 354 / MCF

to Rs 481 / MCF which resulted into increase in cost of disallowance from last year by Rs 2,787 million. During the year under review, your Company successfully managed to reduce the losses in distribution network from 47 BCF to 45 BCF. This reduction is inclusive of volume adjusted as a result of Lahore High Court decision on pressure factor, volume against which has been adjusted from July 2018. During the year, UFG in transmission network increased considerably from 2.8 BCF to 7.7 BCF registering an increase of over 5 BCF only due to illegal network and taping in high gas loss areas in north. Total UFG volume including transmission and distribution was recorded at 52.5 BCF as compared to 49.9 BCF during last year.

The financial impact of application of pressure factor due to the decision of Lahore High Court is approximately Rs 1,385 million. Your Company has filed an appeal against the decision of Lahore High Court and case is pending adjudication in Supreme Court of Pakistan. Had the adjustment of pressure factor not incorporated in these financial statements the UFG percentage for the current year would have been 10.94% instead of 11.86% and UFG disallowance would have reduced by Rs 1,957 million. Your Company is committed in addressing the situation in high gas losses areas and has drawn a detailed plan with the help of Provincial and district management including laying of necessary infrastructure replacing illegal network. In addition, your Company is taking several steps

## Mr. Amer Tufail

Managing Director / CEO



including but not limited to increased surveillance, segmentation of network, particular monitoring of areas susceptible to gas pilferage, timely leakage detection and its rectification and continuous checking and up gradation of measurement facilities.

- 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 & order affected areas' volumes which were earlier allowed by OGRA, over and above the benchmark, have now become part of UFG benchmark and are subject to compliance of Key Monitoring Indicators (KMIs). The benchmark loss for the current year is 5% and compliance with KMIs allows a cushion up to 2.6%. During the year, despite 99% compliance with the KMIs duly audited by external auditors of the Company, Regulator has determined a compliance level of 73.85% (LY 76.58%) resulting into effective benchmark of 6.92% (LY 6.99%). Your Company has already filed an appeal in Lahore High Court against arbitrary determination of compliance level with KMIs and matter is pending adjudication. Company is in process of filing review/appeal against the current OGRA determination as well.
- c)** Increase in finance cost which was mainly due to surge in interest rate during the year which adversely impacted Company's profitability.

The Company operates under guaranteed 17.43% rate of return covenant. OGRA in its determination of Final Revenue Requirements for FY 2018-19 has made number of unprecedented disallowances which Company considers are against the regulatory consistent practices of OGRA and are not in line with the equity justice and fair play. The reasons advanced in respect of them are not cogent and lack fundamental principles governing investments and or regulatory practices. In respect of various matters amounting to Rs 25,074 million, your Company considers that the legal, factual and regulatory arguments support Company's position with respect to arbitrary disallowances and inconsistent practice by OGRA, therefore, their impact has not been recognized in these financial statements. Your Company is in the process of filing an appeal and shall exhaust all possible appellate forums to defend your Company's position in this regard and is confident of a favorable outcome.

Your Company is also facing liquidity challenges mainly due to accumulation of Differential Margin of Rs 203 billion in indigenous gas and RLNG segments and retainage of certain volumes of RLNG by SSGC. The recoverability of these amounts is dependent upon settlement by the Government of Pakistan directly or indirectly inter alia including increase in future gas prices and settlement of account with SSGC. The Company has taken up these issues with the Government of Pakistan at highest level and the Company is hopeful for the resolution of these issues in the next year.

# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT

## Modification in External Auditors Report

The External Auditors, M/s. EY Ford Rhodes Chartered Accountants, have expressed a qualified opinion in their audit report for the financial year ended June 30, 2019 for non-compliance with the requirements of the transitional provisions of the IFRS-15 read with IFRIC-18, "transfer of assets from customers" that, in their view, require a retrospective adjustment to the opening statement of financial position as of July 01, 2018 to defer the previously recognized revenues with respect to the contributions towards the cost of supplying and laying transmission, service and main lines on contracts that have continuing performance obligations at the date of transition.

The Company considers that IFRS-15 was adopted by the Company from July 01, 2018, prospectively and the Company has duly recognized the required impact in its previous financial statements. With regard to the treatment of application of transition provisions of IFRS-15, the matter was referred to the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of Pakistan (ICAP) with the consent of the Auditors. It is pertinent to mention that ASB is the only apex body in Pakistan for setting standards and interpreting implementation of IFRSs, which is duly acknowledged and endorsed by SECP in its letter dated July 23, 2020 to the Company. ASB of ICAP issued its interpretation / opinion on this matter on July 08, 2020 which was duly communicated to the Auditors on July 09, 2020. ASB concluded that "the arrangements with the customers involving construction of connection with network infrastructure and for which the revenue has already been completely recognized in prior years under IFRIC-18 meet the definition of "completed contracts" under IFRS-15. The Company can accordingly, consider the transitional requirements of IFRS-15 for the completed contracts." The treatment in financial statements with regard to this matter is strictly in accordance with the opinion / interpretation of ASB and therefore, the disagreement by the Auditors in their audit report is misconceived. Had the impact of qualification incorporated in these financial statements, it would have resulted in reduction of Earning Per Share (EPS) by Re 0.27 per share for the year ended June 30, 2019.

## UNACCOUNTED FOR GAS CONTROL

UFG control is of prime concern for the Company due to its direct impact on Company's efficiency as well as profitability. The BOD, UFG Control Committee of BOD and the Management issues directives from time to time for taking different measures to reduce the UFG losses, in the light of which guidelines are issued to Distribution regions. UFG Reduction Targets are assigned to Distribution Regions and Transmission Department on annual basis within their respective domain; the progress against which is monitored on regular basis. On Distribution side, the Regional Heads of Distribution Regions arrange physical execution of various UFG control activities to control UFG losses in their respective areas of operation through their teams comprising of executives and staff, pertaining to different departments/sections, deputed in regions. Progress of different Distribution regions with respect to implementation of Key Monitoring Indicator (KMIs) notified by OGRA and other UFG Control activities is regularly reviewed by Head Office.

Following major UFG Control programs have been implemented in the Company and the progress of the same during FY 2018-19 is as under:

### 1. Measurement Errors Control Program:

Replacement of defective meters has resulted in booking of under billed volume against measurement errors, causing positive impact on UFG figures.

Description	Industry	Commercial & Sp. Domestic	Domestic	Total
Replacement of Meters (Nos.)	5,009	16,003	656,701	677,713
Volume Booked (MMCF)	4,096	703	2,550	7,349

### 2. Leakage Control Program:

Leakage Control Program comprises of following activities:

- Aboveground Leakage rectification at domestic CMSs
- Rectification of Underground Leakages detected through Laser Leak Detectors
- Replacement of leaking underground network against System Rehabilitation Program
- Leakage rectification at TBSs/DRSs



Description	Achievement
Aboveground Leakage Rectification at Domestic CMSs (Nos.)	871,103
Rectification of Underground Leakages detected through Laser Leak Detectors (Nos.)	34,283
Replacement of leaking Underground Network against System Rehabilitation Program (Kms)	499
Leakage rectification at TBSs/DRSs (Nos.)	943

### 3. Theft Control Program:

Theft Control Program comprises of vigilance activities against Industrial, Commercial & Sp. Domestic and Domestic consumers. As a result of effective vigilance activities carried out by the Company, 98,736 theft cases have been detected during FY 2018-19 resulting in booking of 2,867 MMCF theft volume amounting to Rs 2,167 Million.

Category wise break up is as under:

Category	Theft Cases Detected (Nos.)	Volume Booked (MMCF)	Amount Booked (Rs in million)
Industry	75	1,048	1,379
Commercial & Sp. Domestic	2,807	162	156
Domestic	95,854	1,658	633
Total	98,736	2,868	2,168

In addition to above, 257 FIRs have been registered against theft cases (Consumers & Non-Consumers) and 4,249 illegal Taps have been removed from High Loss Areas by Distribution and Transmission teams.

### OPERATIONS REVIEW

The transmission network of the Company has extended to 8,917 KMs high pressure pipelines, ranging from 6" to 42" diameter, across its area of franchise. During the year, 366 new towns, villages were connected with the existing system by laying 6,591 KMs of distribution mains and service lines. A total of 4,711 towns, villages, DHQs and THQs now exist on the Company's network, which are being facilitated with natural gas facility at their door step. The Company in line with its Vision and Mission Statements has improved the quality of life of its consumers by providing 430,411 new gas connections during the year under review.



# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT

## PROJECTS

Your Company has completed / commissioned 88.11 KMs Transmission Lines with diameters 6" to 12" including the contract lines and 923.54 KMs of Distribution Lines with diameters 1" to 18" during the FY 2018-19 for enhancing system capacity, supplying gas to new towns and improving pressure to customers for achieving customer satisfaction. In view of acute energy crisis prevailing in the country, Government of Pakistan aggressively pursued the import of 1200 MMCFD LNG into the country to meet shortfall in gas supplies. The Company was engaged to augment their system for the transportation of 1200 MMCFD additional gas. The Company has completed / commissioned the following:

- (i) Its system augmentation project from Sawan to Lahore for the transportation of 1200 MMCFD RLNG downstream Sawan.
- (ii) Spur lines laying jobs of three power plants at Bhikki, Haveli Bahadur Shah and Balloki of consolidated 3600 MW capacity for supplying 200 MMCFD RLNG to each power plant.
- (iii) Spur pipeline works for supplying 100 MMCFD gas to RLNG based Nandipur power plant.
- (iv) 24" dia x 93 KM spur line job for supply of 200 MMCFD RLNG to Punjab Power Plant near Trimmu Barrage, District Jhang, of 1400 MW capacity on 100 % cost sharing basis.

## LIQUIFIED NATURAL GAS

### LPG Air Mix Project

Your Company is working on a number of energy infrastructure projects to improve energy supplies and to promote efficient use of non-renewable energy resources under the mandate of the Government of Pakistan. The Company is installing LPG Air Mix plants 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 37 Nos. LPG Air Mix Projects in Northern hilly areas of Punjab, Khyber Pakhtunkhwa, AJ&K and Gilgit-Baltistan for supply of LPG Air Mix to domestic consumers.

LNG/LPG technical team has surveyed all of 37 locations within short span of time. It has been found that it would be feasible to provide Natural Gas to 17 locations which are near to existing Natural Gas network and 4 localities were declared technically non feasible. Presently, your Company is working on 16 localities of Khyber Pakhtunkhwa, Azad Jammu & Kashmir and Gilgit Baltistan which are technically feasible for the installation of LPG Air mix Plants.

Three LPG Air Mix plants of 20 MMBTU/hr capacity each and 1 LPG Air mix plant of 300 MMBTU/hr capacity are available within the Company for installation. Acquisition / Possession of land at Drosh, Chitral Town in District Chitral and Gilgit city in Gilgit Baltistan has been obtained. The plants will be installed within a couple of months whereas Procurement / Acquisition of lands for the remaining sites are in progress.



### LNG Import Project

Your Company is playing a key role in LNG transactions in the country through coordination with SSGC and PSO. Approximately 241 LNG cargoes have been imported in the country as of June 30, 2019. RLNG is being supplied to meet the energy requirements of Power Industrial and CNG sectors of Punjab.

### COMPRESSION OF GAS

Your Company is making all out efforts for 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 the Company's distribution network. For this purpose 11 Nos. compressor stations are being operated by the Company having 69 Nos. compressor packages installed with 226,200 HP at these stations.

The Company has indigenous facility for overhauling of Saturn and Centaur Gas Turbine Engines and Gas Compressors of M/s Solar's Turbines. An in house 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.

Your Company is also working on its five year 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.

Machine shop facility of overhauling workshop has also been modernized and upgraded by adding new Balancing

machine. The Company has also in-house facility for operating and maintaining the various allied equipment installed at Compressor Stations such as Heat exchangers, power plants and cooling towers to cool high temperature gas after its compression at compressor station.

Your Company is recently working on relocation of Compressor Packages in order to cater additional LNG flows 150 MMCFD in transmission system within target schedule for Power Sector. The project encompasses augmentation of compression system at compressor stations AC-6 by relocating 4,700 horsepower from AC-1X to AC-6 along with augmentation of allied systems / facilities.

Initially "Asset Management system" has been installed at two (02) major Compressor Stations i.e. AC1X & AC-4 with collaboration of IT Department, for preventive maintenance and computerized reporting and record of maintenance activities. Now it is being implemented on the remaining Compressor Stations.

SNGPL 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, a Quality Policy ensuring the laid down Objectives & Targets in line with international codes & standards, ISO-9001:2015 and ISO-14001:2015 & OHSAS 18001:2007 has been formulated. The 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.



# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT

## CORROSION CONTROL

Your Company is fully committed to protect the major asset of the Company i.e. underground steel pipeline network, from attack of corrosion by applying Cathodic Protection (CP) technique through 1,792 CP Stations for MS Network are monitored through 30,489 and 6,505 test points in Distribution and Transmission Departments respectively. During the fiscal year 2018-19, 25 new CP Stations were added to the system while 90 exhausted ground beds of existing CP System were replaced. Implementation of Integrity Management Program on Transmission Pipeline Network as per requirements of ASME B31.8S is in progress and Integrity Assessment of 384 Kms of Transmission Lines through Direct Assessment methodology is under progress as per NACE Standards. Your Company has also been able to successfully scan 26,498 Kms of gas network and detect/ identify 34,265 Nos. of underground leaks by using laser based detection equipment during the year against KMLs set by OGRA for UFG reduction.

Coating repair works have been carried out on 13,278 feet of Transmission Lines during fiscal year 2018-19 in all Transmission Sections. Repairing of hot spots detected during integrity assessment surveys, was also carried out. Carbonaceous backfill material (530 M. Ton) has been prepared for Deep Well / Horizontal Ground beds, along with packing (10,570 bags) of said material. Air Cooled T/R Units (80 Nos.) were fabricated at Corrosion Control Centre and Material Testing of 194 Nos. samples was performed at Material Testing Laboratory of Corrosion Control Centre.

As part of Research & Development, GSM Based Remote Monitoring Units had been developed for monitoring the output of CP Stations and 900 Nos. Remote Monitoring Units (GSM Based) were installed at CP Stations throughout the network during the year under re-view. The data management software of the same has been developed and its customization is in progress.

## 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. Your Company 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 the year under review, Meter Shops which are already certified for Quality Management System (QMS) ISO 9001:2015 has 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 Central Meter Shop Lahore & Regional Meter Shops (Islamabad, Faisalabad, Multan) for Testing and Inspection based on ISO 17025; 2005 & ISO 17020:2012 through Pakistan National Accreditation Council (PNAC) is in process. Meter Shops are also complying with Organization's Health, Safety and Environmental Management Systems and has certifications of OHSAS 18001:2007 & ISO 14001:2004 respectively.

Your Company is striving hard for improvement through induction of latest measurement techniques complying International Standards and by improving specifications of measurement gadgets through continues research and development. Meter Inspection Report (MIR) archiving module is also in development phase. User Acceptance Testing (UAT) has been successfully completed, through close liaison with IT/MIS Department to have good traceability of Meter Inspection Report (MIR).

You Company has introduced the following latest equipment during Fiscal Year 2018-19:

- Sonic Nozzle Auto Prover (SNAP) has been successfully installed and commissioned for Flow Proving of High Pressure Commercial /Industrial Gas Meters at Central Meter Shop, Lahore.
- Sonic Nozzle Prover has been successfully installed and commissioned for Flow Proving of Domestic / Commercial Gas Meters at Central Meter Shop, Lahore.
- Rotor Balance Machine has been procured & installed and is being used to balance the Rotors of Meters at Industrial Section. It is helping to improve the performance and accuracy of Rotary Gas Meters.
- Humidity/Temperature Recorder have been procured and installed to monitor / maintain temperature and humidity level required for flow proving of meters as per standards.

Moreover, 16 Nos. Domestic Meter Inspection Shops (DMISs) are working under supervision of General Manager (Metering). Currently, all DMISs are working inside the premises of Regions however, for the first time, project for construction of separate new building of DMIS at Multan is in pipeline. Necessary budget against the same has been approved by the Management and location has also been finalized. Construction of new building will help to resolve the issues related to paucity of space and will help to manage metering activities in more effective and efficient manner.

During the year under review, Central / Regional Meter Shops and Domestic Meter Inspection Shops repaired and dispatched 322,934 meters while 782,853 meter inspection reports of were generated and dispatched.

#### QUALITY ASSURANCE

Your Company follows and implements strict code of Quality Control & Standard Management which is reflected in every sphere of Project Management and co-ordination. Details of the standards which have been implemented is given below:-

- Manufacturing of MS Line pipe    API Specifications 5L
- Standard Specification for  
Thermoplastic gas pressure pipe    ASTM D2513
- Buried polyethylene pipe for  
the supply of gaseous fuels    ISO 4437
- Gas Transmission and  
Distribution/ Process Piping    ASME B 31.8
- Welding of Pipelines and  
related facilities    API1104

#### CUSTOMER SERVICES

Customer satisfaction has always been an important core value of the Company and is amply reflected in our Vision and Mission. Your Company 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 from more than 6.7 million consumers. These Complaint Centers operate round the clock on 365 days of the year to handle emergencies. Besides these offices, SNGPL has made arrangements for Call Center to receive all types of complaints and to forward them to the concerned offices for their redressal. The Call Center can be accessed through a Universal Access



Number (UAN) 1199 from mobile or landline number within Company's area of operation. To improve services of the Company, the Call Center has also been tasked to have feedback from 500 complainants on daily basis.

#### BILLING

Provision of timely gas bills to our valued consumers is our top priority ensured by printing of meter counter image on monthly gas bills. Vigorous efforts are being made for clearance of non-billing cases and resolution of provisional billing cases to ensure 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.

Effective and extensive recovery campaign has been launched against active and litigant consumers to maximize recoveries against outstanding dues. In order to maximize recovery from disconnected defaulted consumers, besides recovery through Contractors and Recovery Suits, the decreed cases are also being referred to respective Revenue Authorities, under Section 27 (2) of Gas Theft and Recovery Act, 2016. Accordingly 4,442 cases of defaulted disconnected consumers are filed with District Collector for recovery as arrears of land revenue. It is apprehended that course of action to recover decreed amounts in recovery suits through respective institutions/revenue authorities will extensively increase chances of recovery from defaulted consumers being land revenue authority, equipped with all legal tools to trace and auction the properties of the judgment debtors/defaulters.

# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT

## INFORMATION TECHNOLOGY

Your Company is progressing rapidly to become the most IT proficient Company of the country, which would lead towards increased customer satisfaction, enhanced process efficiency, transparency, and visibility. Your Company has been striving to bring process automation and improvements through innovative techniques like Business Intelligence, analytics and state-of-the-art Information Systems.

Customer Care & Billing (CC&B) System has improved the system accuracy, bill delivery, and revenue realization, process visibility across the board while ensuring, customer satisfaction and employees productivity. CC&B system has contributed significantly towards informed decision making and facilitated in UFG reduction. M/s Oracle highly recommended CC&B latest version to support the operating systems and platforms. Your Company has successfully upgraded the CC&B 2.6 system in house in line with the guidelines and technical documentations provided by Oracle.

Enterprise Resource Planning (ERP) modules have been implemented and rolled out in all regional offices as well as project locations across the Company. Significant improvements have been achieved by implementation of functionalities such as development of promotion process in HR, Deployment of planning features in Inventory and utilization of LPR in purchasing modules. Moreover, Oracle Enterprise Assets Management module (eAM) has been implemented for the repair & Maintenance activities of compression stations (AC1, AC4).

Your Company has also enhanced information security management and introduced specific measures to secure the business critical data through tools like IBM Qradar, Gaurdium, etc. Moreover, Logging and Auditing functionality has also been enhanced to track and co-relate business transactions with users.

The Honorable Prime Minister launched an innovative program of 'Pakistan Citizen Portal'- (PCP) under the Prime Minister's Performance Delivery Unit (PMDU) enabling the citizens to have a say in the government affairs through registration of the complaints/suggestions. To handle complaints efficiently and to ensure complaint reaches the concerned region/area and the relevant person, IT/MIS developed a web based complaint portal along with automation of retrieving complaints from PMDU portal.

Presently more than 400 active users from almost all departments are working on IT/MIS designed web-based portal to handle complaints received on PCP.

## TELECOMMUNICATION

During the year under review, your Company ensured continuous operation of the Microwave network without any downtime in all of its services. A Telephone Exchange was installed at newly established Office in LDA building and a Microwave Link was installed between Head Office & LDA building to extend Telecom connectivity. Moreover, a new data radio link was commissioned between Peshawar Distribution Office and Peshawar Store in order to provide voice communication facility.

SCADA Host Replacement project Phase-I has been successfully completed. The project was divided into various functional fragments i.e. Finalization of Functional Design Specification, Factory Acceptance Testing, Site Acceptance Testing, Establishment of Primary Data Center at Faisalabad for SCADA Host equipment and Secondary Data Center for fully synchronized Disaster Recovery Center (DRC) at Head Office Lahore. Disaster Recovery Center is fully equipped with capability of polling all SCADA outstations and facilitating all SCADA clients installed at Faisalabad Gas Control, Head Office, Regional Offices, DG GAS & Ministry of Energy Offices. Successful cutover from old system to this new system was carried out without any downtime.

SCADA Expansion project Phase-2 has also been kicked-off in which additional 321 Nos. Transmission sites including SMSs, Valve Assemblies & Gas Sources shall be available on SCADA for real-time monitoring.

## CIVIL CONSTRUCTION

In continuance of preceding year's accomplishments, the numerous projects of capacity enhancement, infrastructure upgradation and establishment of modern structures to cater the industrial and corporate requirements of Company have been completed.

Details of notable projects completed in Fiscal Year 2018-19 are as under:

### Construction of bill printing setup at Manga

Being the largest consumer based Gas Supply Company, a separate and explicit setup for printing of consumer bills has been established at Manga with all industrial facilities to meet the requirement of massive printing.

### Extension in Company's Archive

Country's first Multi-tier Archive System for safe storage of Company record has been established in Manga making the existing capacity Company's storage twofold and establishing more efficient and systematic method for storage and retrieval of record.

## 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 & Makori Deep-2 well and has awarded the project of 8" dia x 7.5 KM pipeline laying from Mardankhel-3 well to Mardankhel-1 flow line for onward processing at CPF and 6" dia x 1.2 KM flowline for Makori Deep-2 which is under progress. The completion of Mardankhel-3 & Makori Deep-2 projects will inject additional 20-25 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 pipeline for Mardankhel-2 & Mardankhel-1 wells respectively, which has resulted in injection of additional 40-50 MMCFD gas into SNGPL's system. MOL is also planning to award flow line works of their recently developed Mamikhel South-1 to SNGPL on single bid basis which shows the trust in high standards of construction services maintained by SNGPL. Recently, Pak-Arab Fertilizer (PFL) has awarded the construction services job of their 16"/12" dia x 27 KM pipeline project on contract basis which is to be laid from Gas Processing Facility (GPF) at Mari Petroleum Field to tie in point near QV2 valve assembly of SNGPL. The completion of this job will yield profitability for the Company.



# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT

## HEALTH SAFETY ENVIRONMENT INFRASTRUCTURE

To ensure that our Health, Safety and Environmental Policy is systematically applied and best industry practices are adopted within all operations, your Company has developed an Integrated HSE Management System (IMS) based upon ISO 14001:2015 and OHSAS 18001:2007 standards.

- 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.
- HSE Infrastructure at SNGPL is divided into 34 sites of operational sites of each site is designated as HSE Focal Point. Each HSE Focal Point is responsible for the implementation of Company's HSE Management System.
- In compliance to Company's HSE Policy a systematic Management Program is introduced by developing procedures and guidelines for all operational activities across the Company.
- Monitoring and measurement is carried out as per standard through HSE Internal Audits and Surveillance Audits by Certifying Body to evaluate the effectiveness of Company's HSE Management System. This

reflects the Management Commitment towards implementation of HSE Management System.

- Your Company has developed Integrated Management System manual (IMS) procedures duly approved by the management based upon operational activities of the Company and circulated across the Company for implementation in true letter and spirit. These procedures are also available on Company's web portal for easy access.

In order to monitor the compliance of ISO 14001 / OHSAS 18001 Standards, Surveillance audits are conducted by third party bi-annually. Successful conduction of these audits demonstrate the effectiveness of HSE Management System. Management commitment towards HSE is highly appreciated by the Auditors. It is pertinent to mention that SNGPL has upgraded the Management System to ISO 14001:2015 version through in house resources.

HSE Trainings are imparted to the Company's Executives and staff with the prime objective to learn, refresh and update HSE knowledge and skill to continually improve on their HSE performance at work. SNGPL, is a member of 'National Safety Council', which is a non-profit organization with mission of saving lives by preventing injuries and deaths at work, in homes and communities. In addition to this, HSE Engineers are the International Member of American Society





of Safety Professionals (ASSP). SNGPL has sponsored and participated in 2nd PDC conference arranged by ASSP held from 7th to 8th December 2018. SNGPL collaborates with ASSP (Pakistan Chapter) to promote Occupational Health and Safety (OHS) globally through education and advocacy.

Medical Camps are being arranged by HSE Department on regular basis to promote Health Care Awareness and on spot health screening of employees. It provides an excellent opportunity for promoting awareness about the general HSE related initiatives as well. Medical screening tests of Diabetes, Hypertension, Hepatitis B&C, Eye Refraction and Bone Scanning are being carried out. Occupational Health risk assessment is a very important tool to monitor and advise any health risk which provides input for developing suitable controls before any out break.

SNGPL through its core values and HSE policy thrives to provide a safe work environment for its employees. In order to improve fire fighting capabilities; fire hydrant systems with automatic pumping arrangements as per NFPA code/ IAP Rules have been recently installed / commissioned at several Company locations. Installation of new fire hydrant systems and up-gradation of various existing fire hydrant systems of the Company is also in progress for dealing with fire related emergencies more efficiently. Smoke detection systems have been installed and are operational at all major offices of the Company. Such advancements not only make

us self-sufficient in its response and ability to meet fire emergencies but also make the staff have safer feeling.

Keeping in view the Energy crisis, your Company is committed to conserve energy by optimum utilization of energy. The Company strives to preserve resources for the future and reduce environmental pollution and makes extensive efforts to reduce energy consumption in its own operations as well as convince its consumers on efficient utilization of energy through improvements in processes, use of energy efficient equipment and changing life style.

Your Company has conducted energy conservation campaign across the Company by arranging Energy Conservation Walks in coordination with educational institutions. In this regard, a Conservation Walk led by the worthy Managing Director was observed in Lahore on November 25, 2018.

SNGPL is committed to preserve the environment by making compliance to all applicable laws and codes. A procedure for environmental monitoring is part of Integrated Management System Manual. In addition, emission tests of stacks, generators, vehicles and welding plants are carried out as per frequency using either in house resources or 3rd party services. SNGPL has developed In-house resources for monitoring of emissions of all vehicles, generators, stacks and welding plants with state-of-the-art portable equipment



# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT

like LANCOM, TESTO, IMR. A vehicle installed with Crypton emission analyzer equipment has been specially designed for emission monitoring in addition to portable devices. The environmental impacts of these emissions are covered in environmental risk assessment (wherein the current controls and preventive measures are suggested).

World environment day is celebrated worldwide on 5th June every year. In SNGPL, it has been practice to observe this day through information sharing and circulation of HSE bulletins.

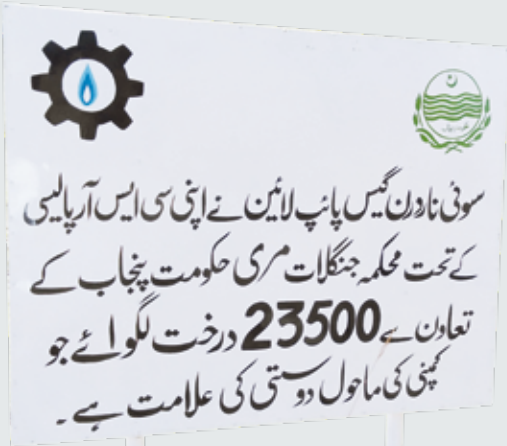
Occupational Health, Safety and Environment is responsibility of every employee. HSE culture is growing day by day in your Company but still there is lot of improvement required. HSE Week promote awareness among employees regarding HSE initiatives with an objective to eliminate workplace accidents. "Work Safely! SNGPL needs you", the slogan of HSE Week 2019 focuses the message to create a safer, accident free workplace for the employees. The purpose of celebrating HSE Week again is to engage employees and to motivate them towards the implementation of HSE Management system. The success of HSE week has been possible due to support of all departments. The basic reason to organize HSE week is to promote awareness in employees to work safely, reduce the accidents at their work place and also to increase the productivity.

Another initiative introduced by HSE department is Safe Working Man Hours. SWMH is an internationally recognized motivational initiative to check the occurrence of accidents and to recognize / reward those who have achieved certain milestone i.e. consecutive work hours without an



occupational injury /ill health resulting in days away from work. This tool would help reduce work related injuries and provision of safe working conditions to our workforce.

For timely reporting of incident and accidents, online reporting system is in place. This system has been instrumental in making it easier for employees to report incidents and has greatly reduced the time for reporting. Incident investigations are carried out to control / eliminate the cause of it, to stop it from occurring again.



Accident Statistics 2018-19		
Sr. No.	Category	Nos.
1	Lost Time Injury	7
2	Fire	8
3	Vehicle	39
4	Third party ruptures	120
5	Near Miss	225
<b>Total</b>		<b>399</b>

Trackers/Data Loggers have been installed in 215 Nos. of Company's vehicles to reduce vehicles related accidents. 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.

SNGPL is effectively running tree plantation campaign across its franchise areas and managed to plant 29000 Nos. trees at Company premises as well as at other locations in coordination with Forest departments.

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.

Being a responsible Company, SNGPL carries out multiple activities for enhancing the quality of life of the community in which it operates. Corporate Social Responsibility (CSR) policy of the Company, approved by the Board of Directors, is in line with the laid down principles of Securities and Exchange Commission of Pakistan (SECP) and covers all aspects of CSR.

Your Company is committed to conservation of environment and is a corporate partner of World Wide Fund (WWF) for this purpose. Conservation of environment is a major objective of SNGPL Corporate Social Responsibility policy.

Every year a sizeable amount is spent to carry out schemes related to new projects based on these initiatives or for the ongoing projects. SNGPL primary focus in selecting a project is to ensure that maximum benefits of the project is passed on to a larger community.

SNGPL has been registered with United Nation Global Compact (UNGC), in order to align its sustainable initiatives with its operations for the benefit of the society and environment. SNGPL has submitted its 2nd Communication on Progress (COP) / Annual report (on GC Active level), based on the principles of Human Rights, Labour, Environment and Anti - corruption to United Nations and has been accepted.

We are certain that all our efforts during the year have made us more strengthened to work in challenging environment in order to achieve our goal. We wish for a safe year ahead, with the promise of continual improvement.

# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT



## CORPORATE SOCIAL RESPONSIBILITY

SNGPL realizes its corporate role in the society and has a well balanced, equitable CSR policy that is based on the best practices all over the world to leave a positive impact on the environment, employees, social norms and economic development. The laid out objectives are to be achieved by adopting a methodology that drives contact of the Company's business leading to commercial success in ways and manner that honour ethical values, environment, people and communities. We at 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; and
- Ensuring harmonious relations with our stakeholders, by working in partnership with the community, the Government and NGOs through the principles of Sustainable Development.

We as "SNGPL" believe in "Social Responsibility". SNGPL has an approved CSR Policy. CSR Cells have been established at

sites for the implementation of CSR Projects. Various CSR Projects completed in FY 2018-19 are enlisted as below:

### A) Education

#### i) Sponsorship of Gold Medals

In order to promote education, SNGPL has sponsored one Gold Medal at Ghulam Ishaque Khan Institute, Topi, two Gold Medals at NFC Multan and two Gold Medals at University of Engineering and Technology, Peshawar.

#### ii) Sponsorship for the Establishment of State of the Art Flue Gas Analysis Laboratory

SNGPL has sponsored for the establishment of state of the art Flue gas analysis laboratory at University of Engineering and Technology Lahore.

#### iii) Sponsorship of Chair on Gas Engineering

SNGPL is sponsoring three Chairs in the universities of Punjab and Khyber Pakhtunkhwa. These Chairs on Gas Engineering are being funded annually against Rs 3.32 Million for each University, to promote research work on issues related to SNGPL especially energy conservation. 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; and
- 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 5 number of Reverse Osmosis (RO) plants at different areas, at the cost of Rs 4.5 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 WWF-Pakistan

SNGPL is a corporate member of WWF (World Wide Fund for Nature - Pakistan) which is an international organization engaged in ECO friendly activities.

SNGPL supports two programs of WWF for conservation of energy.

##### i) Agro Waste Project for Community

Your Company is committed to conservation of environment and is a corporate partner of World Wide Fund (WWF) for this purpose. Conservation of environment is a major objective of SNGPL Corporate Social Responsibility policy.

Your Company is partnering with WWF Pakistan regarding the Agro waste Project for Household and Semi Commercial gasifiers. The total cost of the project is Rs 4.8 Million. Agro Waste Project is basically Agro-waste community enterprise for provision of alternate energy for households and small-businesses. The use of agro-waste has found to be an efficient fuel source compared to conventional methods, which burn rapidly; emit excessive smoke and particles causing indoor pollution leading to respiratory diseases. The development of alternate sources of energy will reduce dependence on fuel wood in low-income houses. Additionally, there will be health benefits and savings due to improved indoor air quality. The intended reduction in fuel wood usage will impact the health of forests and their capacity to act as carbon sinks and regulating air quality.

The project is being carried out through multiple field activities in Central Punjab, South Punjab and Khyber Pakhtunkhwa through capacity building workshops, on-site demonstration of agro-waste gasifiers and distribution of gasifier units among rural families and small businesses. Through this project, 300 rural and farming families, 70 small culinary businesses, and 20 local vendors/ technicians are being facilitated. More than 44 fabricators/local technicians have been trained on gasifier fabrication procedure and its technical.

# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT

## ii) ECO Internship Program at SNGPL

Youth with age group of 12-22 are focused through this program. WWF engage these children through their educational institutions for promoting awareness regarding environmental issues and motivating them to become active players for conservation of environment. This program is supported by SNGPL since 2013 and around 10,000 students have benefited from this program. International ECO Internship Program gives students an opportunity to become ambassadors of change. This programme has been implemented in the leading school systems across Pakistan. It enables the students to understand better ways of energy utilization and the significance of its conservation and impact such knowledge to their families in the larger interest of our country.

## 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 different locations with a considerable donor group among the employees.

## E) Environment

Like other initiatives being a responsible corporate organization, SNGPL has also taken an initiative of Tree Plantation. The purpose of this initiative is to contribute towards Cleaner and Greener Environment. SNGPL has partnered itself with the Forest departments of Punjab and Khyber Pakhtunkhwa for planting trees in Murree and Swat areas. Further SNGPL and WWF are also working together for planting trees at Changa Manga. SNGPL has successfully completed the target of plantation of 100,000 trees for FY 2018-19 in partnership with Forest Departments and WWF.

Plantation on massive scale has a large impact on the environment and reducing the global warming. It is estimated that in one year an acre of mature trees can provide enough oxygen for 18 people consumption. So such initiatives not only contribute towards cleaning the environment but also producing desired oxygen to live on earth.

## CONTRIBUTION TO NATIONAL EXCHEQUER

The Company made a contribution of Rs 97.627 billion to the National Exchequer during the FY 2018-19 comprising of taxes and duties.



## HUMAN RESOURCE DEVELOPMENT

A solid Company culture is key for any business, as it determines how engaged your employees are and for how long you are able to retain them. Human Resource is the most valuable asset of any organization. Your Company is proactively playing a vital role in implementation of merit based recruitment system, equitable compensation packages and need based skill enhancement programs to further improve the knowledge base of employees and provide them with opportunities for professional development by exposing them to various kinds of technical & behavioral trainings both in-house and abroad. Performance Appraisals System is in vogue based on the concept of Management by Objectives for assessment of executives against the assigned tasks each year to bridge the gap between desired outcomes and actual performance. Assessment Tests are conducted to gauge the competency level of the human resource that forms the basis of Promotion to next ladder in organizational hierarchy. Your Company's utmost focus is to maximize employee satisfaction and thereby minimize employee resistance to change and growth.

SNGPL is an equal opportunity employer offering market based remuneration package and excellent growth. All candidates are treated equally without any gender discrimination. Presently, 72 females are working in executive cadre while 136 are working in subordinate cadre. Moreover, some of the females at SNGPL are posted at key

positions like General Manager (Regulatory Affairs), General Manager (Lands) and Secretary Funds.

## INDUSTRIAL RELATIONS

Industrial relations sprout out of employment relations. HR Department being the custodian of Industrial relations in the Company is striving to improve systems and procedures used by union and the Management to determine the reward for effort and other conditions of employment, to protect the interests of the employees and Management and to regulate the ways for treating employees. The Management's utmost priority is to maintain cordial relationship with CBA to ensure industrial peace and harmony in the organization. Industrial Relation is a like a coin for the Company having two faces cooperation and conflict. Thus, all out efforts are made to start the relationship with cooperation and to resolve conflict amicably through negotiations.

## EMPLOYMENT OF SPECIAL PERSONS

SNGPL believes that persons with special needs should integrate fully into society and have equal opportunities for employment without discrimination of any kind. The Company provides full and equal rights to special persons for employment, advancement and retention in compliance to legal obligations and by following the principals of diversity management being a socially responsible corporate employer. A 2% quota as defined for Special Persons in Disabled Persons (Employment and Rehabilitation) Ordinance 1981 is being complied with by the Company.



# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT



## **BUSINESS ETHICS AND ANTI CORRUPTION MEASURES**

The Company has set high standards of discipline, moral guidelines and good corporate governance policies & procedures to be complied with by all employees and contribute in achieving organizational goals. The Company is endeavoring to maintain the highest professional level of ethical conduct, fairness and transparency. A well defined disciplinary framework and whistle blowing policy are in vogue as preventative and detective controls to eliminate corruption, malpractices or any other illegal or unethical acts in the Company, mitigate risks associated with these factors and achieving high integrity standards. The Company took stern action against all those who showed unacceptable behaviours or involved in corrupt practices, setting an example for others and to discourage corruption.

## **TRAINING AND DEVELOPMENT**

Training of Human Resource is crucial to any organization's success and growth. The Company in the year 2005 established Sui Northern Gas Training Institute (SNGTI) at Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore, with an aim to develop employee skills and competencies which contribute towards overall organizational efficiency.

The Institute has highly qualified Trainers who possess Best Academic and Corporate work experience. They are proficient in designing, developing and delivering Training programs reflective of the modern business tools and techniques in current challenging and vibrant business environment. Its professional training workforce offers and conducts trainings in more than thirteen (13) different types/categories i.e. Technical Trainings, Soft Skill Trainings, Domestic Trainings, Foreign Trainings, Orientation Programs, Management for Junior Executives (MJE), Promotional Program (Executive Development Program, Gas Control, Developing Future Leaders), Guest Speakers, Regional Trainings, Certification Training for Welders, and Helper Trade Test etc. SNGPL investment

in Training and Development is perhaps the single most important way that manifests the Top Management's recognition that Employees are our greatest asset. In the FY 2018-19 SNGTI conducted 429 training courses relevant to the organizational working, culture and Training needs of the employees in above mentioned categories and trained 4,849 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.

## **INTERNAL CONTROL SYSTEM**

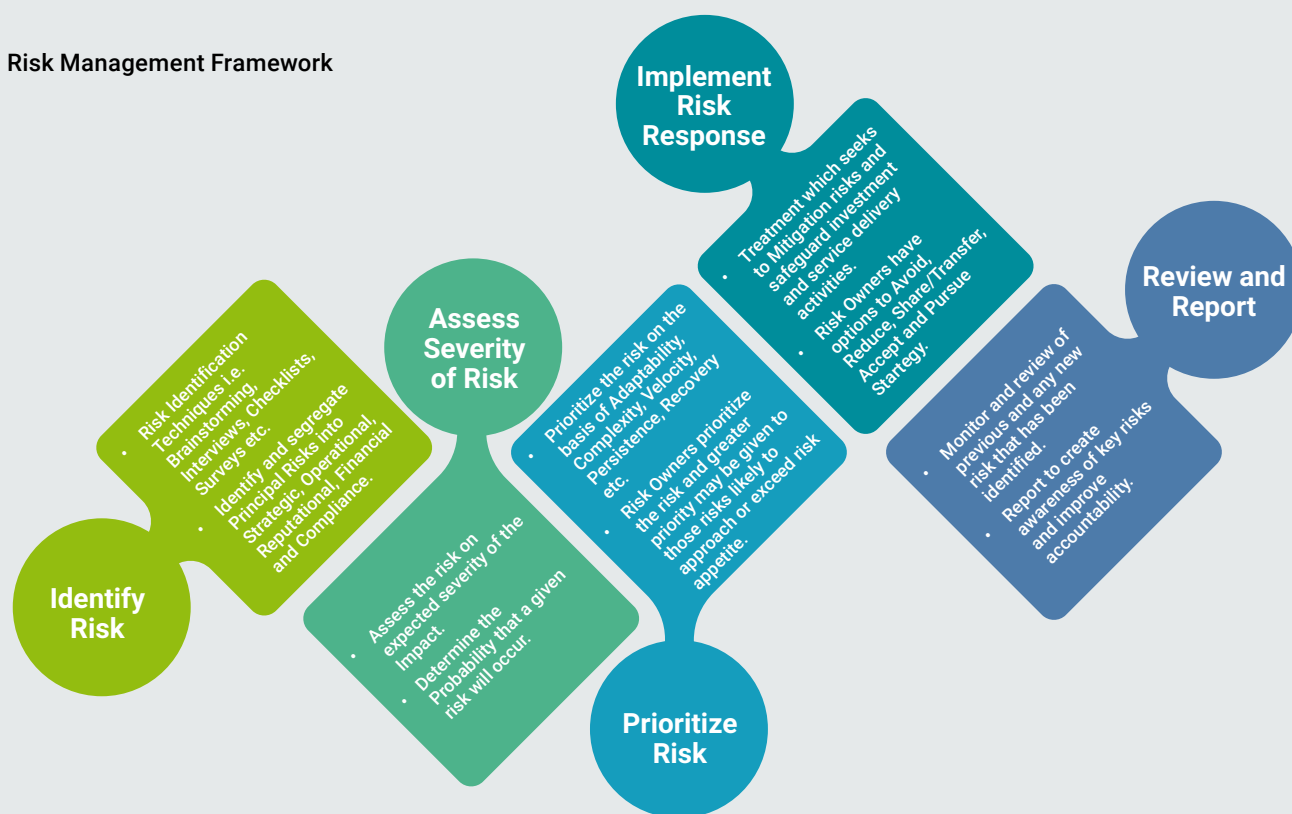
The Internal control system of the Company facilitates effective operation by enabling it to respond in an appropriate manner to significant Operational, Financial, Compliance and other risks in order to achieve its objectives. In addition to efficient conduct of business, internal controls ensure safeguarding Company's assets, prevention & detection of frauds, accuracy and completeness of financial records.

Your Company has a sound system of internal control in place. The internal control processes are designed to safeguard the Company's assets and to appropriately address and /or mitigate risks faced by the Company. SNGPL has established a strong control environment and internal control framework through clear structures and defined policies & procedures including physical controls, segregation of duties, authorization & approval limits, accounting & monitoring controls and review of processes. The Management has overall responsibility for implementing and monitoring of a sound internal control system and related environment.

The Internal Audit function is an integral part of the Company's governance structure. Company maintains a clear organizational structure where Head of Internal Audit functionally reports 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, 2017/2019 as well as best practices envisaged by the Institute of Internal Auditors. The scope of Internal Audit function has been approved by the Audit Committee of Board, which includes independent assessment and evaluation of the effectiveness and efficiency of internal control processes.



## Risk Management Framework



### RISK MANAGEMENT

Risk management is recognized as a key aspect of Corporate Governance Principles and Code of Conduct which aims to improvise the governance practices across the business activities. Risk Management at SNGPL is not limited to compliance of Corporate Governance Principles; it is regarded as an integral part of sound management practices and is seamlessly integrated into the Company's organizational culture, policies, procedures and business plans. At SNGPL, risk management is considered a collective responsibility at all levels of management.

#### Objectives of SNGPL's Risk Management Policy

The main objectives of the risk management policy at SNGPL are:

- To identify, reduce and prevent undesirable incidents or outcomes and to review past incidents and implement changes to prevent or reduce future undesirable incidents;
- To establish a risk management framework that identifies, assesses, mitigates, monitors and reports all potential risks faced by SNGPL while running operations to achieve its desired sustainable growth;
- To formalize its commitment to the principles of risk management and incorporate these principles in all areas of SNGPL;

- To encourage the development of a culture where risk management is seen as a positive attribute of decision making rather than a corrective measure; and
- To ensure compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

#### Significant Risks and Mitigation Strategies

Your Company is facing number of risks including but not limited to Unaccounted For Gas (UFG), customer services issues, increasing gap between demand and supply of natural gas, cyber security risk, financial challenges in terms of rationalization of consumer gas prices.

Management under the guidance of the Board of Directors has effectively mitigated these risks through intensive planning, timely decision making, training courses, deploying state of the art IT/MIS technologies, extensive media campaigns to create awareness among gas consumers and ensuring compliance with OGRA rules and regulations.

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.

# CHAIRPERSON'S REVIEW AND DIRECTORS' REPORT



## CHANGES IN THE BOARD

During the year Mr. Sher Afgan Khan, Mr. Mohammad Younas Dagha, Syed Dilawar Abbas, Ms. Roohi Raees Khan, Mr. Himayat Ullah Khan, Sardar Ahmad Nawaz Sukhera, Dr. Sohail Razi Khan and Mr. Naveed Kamran Baloch were appointed as Directors in place of Mr. Muhammad Jalal Sikandar Sultan, Mr. Shoaib Mir, Mr. Mohammad Aamir Qawi, Mr. Arif Ahmed Khan, Mr. Mohammad Jehanzeb Khan, Mr. Muhammad Saeed Mehdi, Mr. Sajjad Hussain and Mr. Mohammad Younas Dagha respectively. Moreover, Mr. Amer Tufail was appointed Managing Director in place of Mr. Amjad Latif and subsequently in place of Mr. Mahmood Zia Ahmad. 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, Syed Dilawar Abbas, Mr. Amjad Latif, Mr. Mahmood Zia Ahmad, Mr. Amer Tufail, Mr. Ahmad Aqeel, Ms. Roohi Raees Khan, Mr. Muhammad Younus Dahga, 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, Mr. Himayatullah Khan, Sardar Ahmad Nawaz Sukhera, Dr. Sohail Razi Khan, remained on the Board of the Company. At present the Board consists of Ms. Roohi Raees Khan, Mr. Amer Tufail, Mr. Ahmad Aqeel, Mr. Afan Aziz, Mr. Manzoor Ahmed, Mr. Mohammad Haroon,

Mr. Muhammad Ayub Chaudhry, Mr. Naveed Kamran Baloch, Mr. Sajid Mehmood Qazi, Dr. Sohail Razi Khan and Syed Akhtar Ali.

## PERFORMANCE EVALUATION OF THE BOARD, MANAGING DIRECTOR/CEO AND SENIOR MANAGEMENT

In line with 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). The evaluation exercise is undertaken on annual basis to enhance the 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 its committee meetings.

## DIS-INVESTMENT IN SHARES OF INTERSTATE GAS SYSTEMS (PRIVATE) LIMITED

The Company holds 490,000 shares of Rs 10 each (0.21% share capital) of Interstate Gas Systems (Private) Limited. During the year, the Board of Directors has approved the sale of these shares to Government Holding (Private) Limited at par value/cost.

### POST BALANCE SHEET EVENTS

The Directors have not received, as at July 21, 2020 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 as envisaged in the Public Sector Companies (Corporate Governance) Rules, 2013 and Listed Companies (Code of Corporate Governance) Regulations, 2017.

### STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board of Directors hereby declares that for the year ended June 30, 2019:

- 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 Chairperson 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 Chairperson'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, 2019 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, 2019 is as follows:

(Rupees)	
1. SN Senior Staff Pension Fund	3,105,566,362
2. SN Junior Staff Pension Fund	18,843,797,703
3. SN Executive Staff Gratuity Fund	209,520,800
4. SN Non Executive Staff Gratuity Fund	4,600,764,333
5. SNGPL Trustees Provident Fund	13,268,824,238
6. SNGPL Superannuation Free Gas Executives Fund	108,192,761
7. SNGPL Superannuation Free Gas Subordinates Fund	5,254,918,816
8. SNGPL Superannuation Compensated Absences Executives Fund	706,718,495
9. SNGPL Superannuation Compensated Absences Subordinates Fund	1,450,753,726
10. SNGPL Superannuation Medical Executives Fund	5,063,939,680
11. SNGPL Superannuation Medical Subordinates Fund	8,903,265,684
12. SNGPL Employees Accidental Death Endowment Fund	11,759,634
<b>Total</b>	<b>61,528,022,232</b>

- 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 Public Sector Companies (Corporate Governance) Rules, 2013 and Listed Companies (Code of Corporate Governance) Regulations, 2017 regarding Directors Training Program.
- o.** The pattern and categories of share holding as at June 30, 2019 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. EY Ford Rhodes, Chartered Accountants were appointed as External Auditors of the Company for conducting audit for Financial Year 2018-19 in the Annual General Meeting held on May 23, 2019. They have also given their consent to act as the Auditors of the Company for financial year 2019-20. Other Audit Firms have also given their consents. The Board proposes the appointment of M/s Deloitte Yousaf Adil, Chartered Accountants as Auditors for the financial year 2019-20 on the recommendation of the Board Audit Committee.

#### **SHARE WATCH**

The Company's share opened at Rs 100.22 on July 02, 2018 and closed at Rs 69.49 on June 28, 2019. During the period under review, the highest price of the share was Rs 107.39 and the lowest was Rs 52.60. The market capitalization as on June 30, 2019 was Rs 44,072 million.

#### **FUTURE OUTLOOK**

Your Company is taking various steps to improve the operations efficiency and financial results through improvement in technology, implementation of new systems, improvement in customer service and human resource development.. Different stakeholders including Ministry of Energy and Regulator have been engaged extensively for addressing different contentious issues.

Addressing menace of UFG is one of the major areas where your Company is taking a number of steps. High gas loss areas have been focused specifically where different initiatives have been taken to address local challenges which will lead to reduction in gas losses. With detailed plan drawn and steps being taken, your Company is confident that positive impact will be visible in the shortest possible time. Technology is extensively being used to carry out vigilance of various category of consumers. Concerted efforts are being made to bring down the UFG at an acceptable level by specifically targeting areas of high UFG both technically and functionally.

Your Company is also in the phase of developing Geographic Information System (GIS) maps wherein the leak Rectification can be displayed as a point feature. Repeated leaks in a particular area will show as cluster on GIS map which would help in identifying the Potential problem areas for rectification of the gas leakages. On the basis of these maps, pipeline rehabilitation or replacement can be planned which would help in controlling / monitoring UFG losses.

Moreover, the gas losses at all SMSs are closely monitored and UFG Control activities are focused for SMSs contribution high UFG Losses. Dedicated teams comprising officers of different sections (Engineering, Billing, IT and Sales) have been deputed in the regions for arranging detailed analysis of losses and taking corrective actions for bringing down UFG losses.

The installation of GPRS Modems and their integration with SCADA System for monitoring of Industrial connections has been planned and Pilot project has been launched. This will ensure displaying of different parameters of EVC (Electronic volume corrector) for timely detection of any attempt to interfere with the performance/working of meter by consumer and meter defects due to operational/technical reasons so that corrective measures are taken accordingly. This will add to Company's control against gas theft through meter tampering.



For improving the quality of service including complaint redressal of our consumers on priority basis technology is extensively being used to go digital and reduce physical interaction under the present circumstances. Some of the measures taken include:

- Launch of SNGPL app with increased number of features including online complaint management service;
- Web based online application for new connection;
- Complaints redressal through receipt of SMS message to the Consumers acknowledging receipt of complaint by the consumer and plan to send the confirmation after closure of complaints;
- Digital tracking of various complaint redressal forums like PM Portal, OGRA and Wafaqi Mohtasib and as a result led to **SNGPL being consistently declared No. 1 entity in respect of complaint redressal** on Pakistan Citizen Portal in the last nine months; and
- Complaints can also be lodged on the Company's web page "www.sngpl.com.pk". This facility is also available round the clock on 365 days of the year.

For bringing improvement in supply of gas to the consumers your Company is digitizing network and will be able to track and identify bottlenecks having low pressures for rehabilitation.

In order to ensure improvement in quality of billing, effectiveness of reporting and maximizing recovery, different initiatives are being explored which include training sessions, development of applications, generation of reconciliation reports and standardization of reporting techniques. Litigation cases are actively being perused for early settlement.

Your Company believes in supporting women through bridging the gender gap as well as elevating women in the workforce in the years ahead.

Your Company is actively pursuing other avenues of profitability including pipeline engineering and construction work for E&P companies. The SNGPL management is confident to show marked improvement in operations of the Company in the years ahead.

#### 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 also wish to acknowledge the dedication and commitment of all the employees who contributed valuable services, to sustain all operations of the Company.

We acknowledgement and appreciate 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,

**Amer Tufail**  
Managing Director/CEO

**Roohi Raees Khan**  
Chairperson-BOD

Lahore.  
July 21, 2020

# MILESTONES





# PATTERN OF SHAREHOLDING

As at June 30, 2019

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
	3470	1	100	156,350
	4312	101	500	1,269,247
	4646	501	1000	3,586,899
	3145	1001	5000	7,753,217
	638	5001	10000	4,911,162
	177	10001	15000	2,241,656
	125	15001	20000	2,263,149
	81	20001	25000	1,866,626
	52	25001	30000	1,477,515
	38	30001	35000	1,270,855
	27	35001	40000	1,039,151
	19	40001	45000	813,187
	33	45001	50000	1,627,163
	22	50001	55000	1,152,264
	14	55001	60000	819,454
	9	60001	65000	568,513
	12	65001	70000	809,401
	10	70001	75000	736,021
	14	75001	80000	1,100,474
	4	80001	85000	330,468
	6	85001	90000	526,151
	10	90001	95000	936,990
	17	95001	100000	1,690,224
	4	100001	105000	405,000
	7	105001	110000	757,300
	7	110001	115000	791,067
	11	115001	120000	1,296,423
Danish Iqbal	1	125001	130000	127,000
	2	130001	135000	265,500
	2	135001	140000	272,100
	2	140001	145000	288,800
	9	145001	150000	1,338,987
Mohammad Munir Mohammad Ahmed Khanani Securities(P) Limited - MF	1	150001	155000	153,000
	4	155001	160000	630,760
	3	160001	165000	490,500
	4	165001	170000	670,500
	3	170001	175000	520,900
	3	175001	180000	533,900
Ayesha Naveed	1	185001	190000	190,000
Faraz Jawed	1	190001	195000	191,900
	8	195001	200000	1,590,591
	3	205001	210000	628,500
	4	210001	215000	848,697



Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
	2	215001	220000	433,000
	3	220001	225000	669,000
Soneri Bank Limited - MT	1	225001	230000	226,500
Sta Str Gbl Advl Trt Com Invst FDS for Tax Exem Retir Plns	1	235001	240000	236,500
MCBFSL Trustee ABL Islamic Dedicated Stock Fund	1	240001	245000	243,500
	2	245001	250000	493,900
	2	250001	255000	507,832
	3	255001	260000	779,000
CDC - Trustee NBP Sarmaya Izafa Fund	1	260001	265000	262,700
	2	265001	270000	531,500
CDC - Trustee NAFA Islamic Pension Fund Equity Account	1	275001	280000	275,500
	4	280001	285000	1,132,346
CDC - Trustee Alfalah GHP Stock Fund	1	290001	295000	290,900
	4	295001	300000	1,193,000
Laerernes Pension Forsikringsaktieselskab	1	300001	305000	305,000
Lockheed Martin Corp Master Retirement Trust	1	305001	310000	306,000
	2	320001	325000	645,247
UPS Group Trust	1	330001	335000	334,779
Advance Series Trust - AST Parametric Emerging Mkts Eqt Prtf	1	345001	350000	349,700
Bulk Management Pakistan (Pvt.) Limited	1	355001	360000	359,966
	2	365001	370000	737,978
E Van Tr C CIT for Em Ben Pln Evtc Para Se Cor Eqt Fd	1	370001	375000	372,800
	5	380001	385000	1,914,814
	2	395001	400000	797,500
California Public Employees Retirement System	1	405001	410000	407,500
Jabeen Zahid	1	445001	450000	448,000
MCBFSL - Trustee ABL Islamic Stock Fund	1	450001	455000	451,000
	2	460001	465000	927,588
	2	465001	470000	931,200
	2	480001	485000	969,000
CDC - Trustee HBL - Stock Fund	1	485001	490000	485,400
	6	495001	500000	2,998,300
CDC - Trustee MCB Pakistan Asset Allocation Fund	1	510001	515000	513,300
Trustee - Bank Alfalah Limited - Employees Provident Fund Trust	1	515001	520000	517,000
Hafiz Avais Ghani	1	525001	530000	530,000
	2	535001	540000	1,075,400
Sana Nadeem	1	540001	545000	542,000
Deutsche Bank AG London Branch	1	555001	560000	557,020
Imperial Developers and Builder (Pvt.) Limited	1	570001	575000	573,000
Muhammad Hasan Yahya	1	580001	585000	580,500
CDC - Trustee NAFA Islamic Energy Fund	1	585001	590000	585,700
Hammad Tahir	1	595001	600000	600,000
CDC - Trustee KSE Meezan Index Fund	1	620001	625000	623,833
CDC - Trustee Atlas Stock Market Fund	1	625001	630000	625,200

# PATTERN OF SHAREHOLDING

As at June 30, 2019

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
New York State Common Retirement Fund (770-3)	1	640001	645000	643,500
Emerging Markets Small Capitalization Equity Index Fund	1	665001	670000	668,327
Noman Abid Holdings Limited	1	680001	685000	684,400
CDC - Trustee ABL Stock Fund	1	685001	690000	690,000
Sharmin Shahid	1	695001	700000	700,000
Sherman Securities (Pvt ) Limited	1	700001	705000	703,000
CDC - Trustee HBL Energy Fund	1	735001	740000	736,400
Saqib Mahmood (8SM)	1	740001	745000	740,700
Asian Co-Operative Society Limited	1	760001	765000	762,300
SPDR S&P Emerging Markets Small Cap ETF	1	795001	800000	796,400
JS Global Capital Limited - MF	1	820001	825000	820,500
LSE Financial Services Limited - MT	1	860001	865000	861,000
Silkbank Limited	1	885001	890000	886,000
Vanguard FTSE All-World EX-US Small Cap Index Fund	1	895001	900000	896,700
CDC - Trustee PICIC Growth Fund	1	920001	925000	921,700
CDC - Trustee Alfalah GHP Islamic Stock Fund	1	965001	970000	966,107
CDC - Trustee NAFA Islamic Stock Fund	1	990001	995000	992,200
Fawad Jawed	1	995001	1000000	1,000,000
CDC - Trustee Meezan Energy Fund	1	1020001	1025000	1,021,300
	2	1040001	1045000	2,086,600
Global X Funds-Global X MSCI Pakistan ETF	1	1045001	1050000	1,048,700
	2	1095001	1100000	2,200,000
CDC - Trustee NBP Islamic Sarmaya Izafa Fund	1	1100001	1105000	1,102,500
Pak Qatar Family Takaful Limited	1	1145001	1150000	1,150,000
Parametric Tax-Managed Emerging Markets Fund	1	1200001	1205000	1,204,775
Eaton Vance Collective Inv TRT for Emp Benefit Plans	1	1205001	1210000	1,206,500
CDC Trustee - Meezan Dedicated Equity Fund	1	1230001	1235000	1,231,100
CDC - Trustee Meezan Asset Allocation Fund	1	1315001	1320000	1,317,400
CDC - Trustee Lakson Equity Fund	1	1410001	1415000	1,410,283
Samba Bank Limited - MT	1	1430001	1435000	1,431,000
Rotocast Engineering Co. (Pvt) Limited	1	1495001	1500000	1,500,000
College Retirement Equities Fund	1	1635001	1640000	1,636,500
Adamjee Life Assurance Company Limited - IMF	1	1645001	1650000	1,646,000
CDC - Trustee NIT-Equity Market Opportunity Fund	1	1680001	1685000	1,680,449
CDC - Trustee Alhamra Islamic Stock Fund	1	1690001	1695000	1,690,200
MCB Islamic Bank Limited	1	1710001	1715000	1,711,000
Shahbaz Yasin Malik	1	1760001	1765000	1,764,000
Shahid Malik	1	1780001	1785000	1,780,500
Noman Abid & Co. Limited	1	1790001	1795000	1,793,000
CDC - Trustee Alhamra Islamic Asset Allocation Fund	1	2130001	2135000	2,132,500
CDC - Trustee Meezan Balanced Fund	1	2210001	2215000	2,211,500
Pak Qatar Family Takaful Limited	1	2295001	2300000	2,300,000
CDC - Trustee NAFA Stock Fund	1	2335001	2340000	2,338,700
Sui Southern Gas Company Limited	1	2410001	2415000	2,414,174

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
CDC - Trustee PICIC Investment Fund	1	2485001	2490000	2,488,024
Dawood Foundation	1	2545001	2550000	2,546,045
Sindh Bank Limited	1	2725001	2730000	2,728,800
Soneri Bank Limited - Ordinary Shares	1	2820001	2825000	2,825,000
CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1	2860001	2865000	2,860,600
Adamjee Life Assurance Company Limited	1	3290001	3295000	3,291,100
CDC - Trustee Al Meezan Mutual Fund	1	3360001	3365000	3,361,500
Pak Qatar Family Takaful Limited	1	3430001	3435000	3,435,000
Meezan Bank Limited	1	4745001	4750000	4,745,800
CDC - Trustee MCB Pakistan Stock Market Fund	1	4825001	4830000	4,828,300
CDC - Trustee NIT State Enterprise Fund	1	4910001	4915000	4,913,067
Pub Institutional Fund Umbrella - Pub Equities Emg Mkts 2	1	5445001	5450000	5,448,904
Arif Habib Corporation Limited	1	5865001	5870000	5,869,500
Vanguard Emerging Markets Stock Index Fund	1	6555001	6560000	6,556,300
Adamjee Insurance Company Limited	1	8145001	8150000	8,145,095
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
Employees Old Age Benefits Institution	1	12660001	12665000	12,660,753
Trustee - MCB Employees Pension Fund	1	13390001	13395000	13,391,500
CDC - Trustee Meezan Islamic Fund	1	13755001	13760000	13,759,800
MCB Bank Limited - Treasury	1	14630001	14635000	14,632,010
State Life Insurance Corporation of Pakistan	1	16755001	16760000	16,757,409
Jubilee Life Insurance Company Limited	1	17890001	17895000	17,893,800
CDC - Trustee National Investment (Unit) Trust	1	21085001	21090000	21,087,026
SNGPL Employees Empowerment Trust	1	27395001	27400000	27,399,709
National Bank of Pakistan	1	27405001	27410000	27,405,318
Pakistan Industrial Development Corp. (Pvt.) Limited	1	38160001	38165000	38,164,538
The President of Islamic Republic of Pakistan	1	200930001	200935000	200,931,210
<b>Total</b>	<b>17,110</b>			<b>634,216,665</b>

\* Name of Shareholders have been specified where shares are held by a single shareholder.

# CATEGORIES OF SHAREHOLDERS

As at June 30, 2019

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Government of Pakistan</b>			
The President of Islamic Republic of Pakistan	1	200,931,210	31.68
<b>Directors and their spouse(s) and minor children</b>			
Mr. Mustafa Ahmad Khan	1	3,000	0.00
Mr. Ahmad Aqeel	1	3,000	0.00
Mirza Mahmood Ahmad	2	3,077	0.00
Mian Misbah ur Rehman	1	19,000	0.00
<b>Associated Companies, undertakings and related parties</b>			
Sui Southern Gas Company Limited	1	2,414,174	0.38
Adamjee Life Assurance Company Limited	1	3,291,100	0.52
National Investment Trust Limited - Administration Fund	1	12,705	0.00
CDC - Trustee NIT State Enterprise Fund	1	4,913,067	0.77
CDC - Trustee NIT-Equity Market Opportunity Fund	1	1,680,449	0.26
CDC - Trustee National Investment (Unit) Trust	1	21,087,026	3.32
CDC - Trustee NIT Islamic Equity Fund	1	1,044,100	0.16
CDC - Trustee NITIPF Equity Sub-Fund	1	12,000	0.00
CDC - Trustee NITPF Equity Sub-Fund	1	13,500	0.00
<b>Executives</b>			
	6	2,558.00	0.00
<b>Public Sector Companies and Corporations</b>			
	12	93,706,372	14.78
<b>Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds</b>			
	84	93,672,502	14.77
<b>Mutual Funds</b>			
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	2,211,500	0.35
CDC - Trustee First Dawood Mutual Fund	1	7,500	0.00
CDC - Trustee AKD Index Tracker Fund	1	64,670	0.01
CDC - Trustee Meezan Islamic Fund	1	13,759,800	2.17
CDC - Trustee KSE Meezan Index Fund	1	623,833	0.10
CDC - Trustee First Capital Mutual Fund	1	30,000	0.00
CDC - Trustee NAFA Islamic Energy Fund	1	585,700	0.09
CDC - Trustee MCB Pakistan Stock Market Fund	1	4,828,300	0.76
CDC - Trustee PICIC Investment Fund	1	484,500	0.08
CDC - Trustee PICIC Growth Fund	1	921,700	0.15
CDC - Trustee Alhamra Islamic Stock Fund	1	1,690,200	0.27
CDC - Trustee Atlas Stock Market Fund	1	625,200	0.10
CDC - Trustee Faysal Stock Fund	1	63,000	0.01
CDC - Trustee Alfalah GHP Value Fund	1	136,600	0.02
CDC - Trustee HBL Energy Fund	1	736,400	0.12
CDC - Trustee Al Meezan Mutual Fund	1	3,361,500	0.53
CDC - Trustee Faysal Asset Allocation Fund	1	33,000	0.01
CDC - Trustee Atlas Islamic Stock Fund	1	199,700	0.03
CDC - Trustee NAFA Stock Fund	1	2,338,700	0.37

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - Trustee APF - Equity Sub Fund	1	39,200	0.01
CDC - Trustee Alfalah GHP Islamic Stock Fund	1	966,107	0.15
CDC - Trustee HBL - Stock Fund	1	485,400	0.08
CDC - Trustee NBP Islamic Sarmaya Izafa Fund	1	1,102,500	0.17
CDC - Trustee APIF - Equity Sub Fund	1	58,200	0.01
CDC - Trustee HBL Multi - Asset Fund	1	20,500	0.00
CDC - Trustee Alfalah GHP Stock Fund	1	290,900	0.05
CDC - Trustee Alfalah GHP Alpha Fund	1	213,000	0.03
CDC - Trustee ABL Stock Fund	1	690,000	0.11
CDC - Trustee First Habib Stock Fund	1	47,000	0.01
CDC - Trustee Lakson Equity Fund	1	1,410,283	0.22
CDC - Trustee HBL Islamic Stock Fund	1	178,300	0.03
CDC - Trustee HBL Equity Fund	1	52,000	0.01
CDC - Trustee HBL IPF Equity Sub Fund	1	52,200	0.01
CDC - Trustee HBL PF Equity Sub Fund	1	55,700	0.01
MCBFSL - Trustee Pak Oman Advantage Asset Allocation Fund	1	22,500	0.00
MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund	1	35,000	0.01
CDC - Trustee First Habib Islamic Stock Fund	1	40,000	0.01
MCBFSL - Trustee ABL Islamic Stock Fund	1	451,000	0.07
CDC - Trustee HBL Islamic Equity Fund	1	74,800	0.01
CDC - Trustee NAFA Islamic Stock Fund	1	992,200	0.16
CDC - Trustee Faysal Islamic Asset Allocation Fund	1	91,000	0.01
CDC - Trustee NAFA Islamic Active Allocation Equity Fund	1	281,000	0.04
CDC - Trustee HBL Islamic Asset Allocation Fund	1	105,800	0.02
CDC - Trustee Meezan Asset Allocation Fund	1	1,317,400	0.21
CDC - Trustee Lakson Tactical Fund	1	210,997	0.03
CDC - Trustee Lakson Islamic Tactical Fund	1	68,342	0.01
CDC - Trustee Meezan Energy Fund	1	1,021,300	0.16
MCBFSL - Trustee ABL Islamic Dedicated Stock Fund	1	243,500	0.04
CDC - Trustee AGIPF Equity Sub-Fund	1	17,550	0.00
CDC - Trustee AGPF Equity Sub-Fund	1	12,000	0.00
CDC - Trustee Pakistan Capital Market Fund	1	135,500	0.02
CDC - Trustee Alhamra Islamic Asset Allocation Fund	1	2,132,500	0.34
CDC - Trustee NBP Balanced Fund	1	161,000	0.03
CDC - Trustee Askari Asset Allocation Fund	1	5,999	0.00
CDC - Trustee MCB Pakistan Asset Allocation Fund	1	513,300	0.08
MCFSL - Trustee Askari Islamic Asset Allocation Fund	1	35,000	0.01
CDC - Trustee NBP Sarmaya Izafa Fund	1	262,700	0.04
CDC - Trustee Askari Equity Fund	1	15,000	0.00
CDC - Trustee NAFA Islamic Principal Protected Fund - II	1	7,500	0.00
CDC - Trustee First Habib Income Fund - MT	1	51,000	0.01
CDC - Trustee Faysal MTS Fund - MT	1	81,500	0.01
CDC - Trustee Alfalah GHP Islamic Dedicated Equity Fund	1	12,793	0.00
CDC - Trustee Meezan Dedicated Equity Fund	1	1,231,100	0.19
CDC - Trustee Alfalah GHP Islamic Value Fund	1	36,600	0.01

# CATEGORIES OF SHAREHOLDERS

As at June 30, 2019

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - Trustee NAFA Pension Fund Equity Sub-Fund Account	1	143,800	0.02
CDC - Trustee NAFA Islamic Pension Fund Equity Account	1	275,500	0.04
CDC - Trustee Alhamra Islamic Pension Fund - Equity Sub Fund	1	265,500	0.04
CDC - Trustee Pakistan Pension Fund - Equity Sub Fund	1	246,700	0.04
MC FSL Trustee JS - Income Fund	1	24,000	0.00
CDC - Trustee First Habib Asset Allocation Fund	1	31,500	0.00
CDC - Trustee Alfalah Capital Preservation Fund II	1	22,500	0.00
MCBFSL - Trustee HBL Islamic Dedicated Equity Fund	1	34,500	0.01
CDC - Trustee Allied Finergy Fund	1	80,000	0.01
CDC - Trustee Atlas Islamic Dedicated Stock Fund	1	43,000	0.01
<b>General Public</b>			
a. Local	16114	50,123,709	7.90
b. Foreign	491	1,261,590	0.20
Foreign Companies	92	31,272,031	4.93
<b>Others</b>			
a. SNGPL Employees Empowerment Trust	1	27,399,709	4.32
b. Joint Stock Companies	157	19,919,948	3.14
c. All others	62	19,835,594	3.13
<b>Totals</b>	<b>17110</b>	<b>634,216,665</b>	<b>100.00</b>

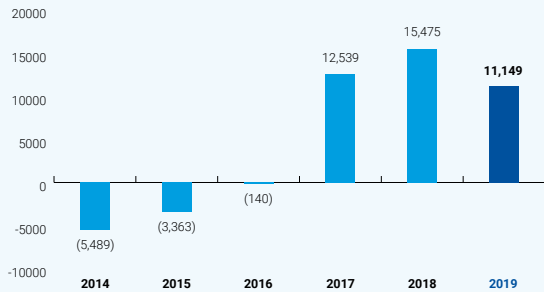
Share holders holding 5% or more	Shares Held	Percentage
The President of Islamic Republic of Pakistan	200,931,210	31.68
Pakistan Industrial Development Corp. (Pvt) Limited	38,164,538	6.02
<b>All trades in the shares of the Company, carried out by its Directors, CEO, CFO, Company Secretary and their Spouse(s) and minor children during the financial year: (Name wise detail)</b>		<b>Purchased</b>
Mian Misbah ur Rehman		2,000

# SUMMARY OF SIX YEARS

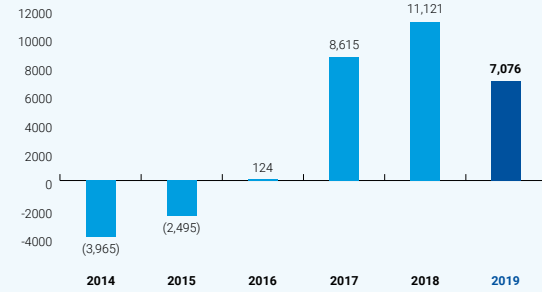
Particulars	Unit	2019	2018	2017	2016	2015	2014
<b>Statement of Profit or Loss</b>							
Net turnover	Rs '000	754,538,324	503,782,390	346,308,284	250,646,588	212,520,573	220,760,878
Gross profit	Rs '000	35,796,009	26,996,739	19,698,652	4,222,419	2,146,341	633,539
Operating profit / (loss)	Rs '000	36,926,064	26,281,556	17,889,719	4,263,133	619,719	(483,267)
Profit / (loss) before tax	Rs '000	11,149,216	15,475,401	12,539,199	(139,608)	(3,363,009)	(5,488,724)
Profit / (loss) after tax	Rs '000	7,075,833	11,121,475	8,614,500	124,013	(2,494,500)	(3,964,575)
Earnings / (loss) before interest, taxes, depreciation and amortization (EBITDA)	Rs '000	54,968,096	42,083,377	30,352,804	14,865,666	10,288,894	8,381,830
<b>Statement of Financial Position</b>							
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	14,700,046	12,334,514	4,253,626	(2,644,836)	(2,768,849)	(274,130)
Property, plant and equipment	Rs '000	200,837,557	190,609,690	164,102,403	136,000,051	114,476,508	104,543,542
Net current liabilities	Rs '000	(20,896,506)	(13,619,994)	(6,205,190)	(16,713,885)	(24,618,696)	(26,803,561)
Long term / deferred liabilities	Rs '000	162,812,183	161,766,344	150,280,396	119,076,582	88,562,843	73,960,641
<b>Summary of cash flows</b>							
Net cash from operating activities	Rs '000	17,339,137	39,589,745	21,876,902	10,954,255	11,635,935	13,749,697
Net cash used in investing activities	Rs '000	(27,832,011)	(41,582,308)	(38,476,828)	(30,218,519)	(18,540,378)	(14,500,221)
Net cash (used in) / from financing activities	Rs '000	(14,929,727)	2,432,526	18,463,857	19,635,863	7,814,602	285,993
Net (decrease) / increase in cash and cash equivalents	Rs '000	(25,422,601)	439,963	1,863,931	371,599	910,159	(464,531)
<b>Investor information for six years</b>							
<b>Profitability ratios:</b>							
Gross profit ratio	%	5.23%	6.04%	6.16%	1.76%	1.12%	0.31%
Net profit to sales	%	1.03%	2.49%	2.69%	0.05%	-1.31%	-1.92%
EBITDA margin	%	8.03%	9.42%	9.49%	6.20%	5.39%	4.06%
Return on equity	%	35.63%	75.99%	120.54%	3.41%	-51.75%	-49.25%
Return on capital employed	%	8.09%	8.90%	6.83%	1.32%	-0.92%	-2.82%
<b>Efficiency ratios:</b>							
Operating cycle	Days	70	67	72	88	105	96
Inventory turnover ratio	Times	35.57	22.88	58.13	246.72	212.68	217.61
Debtor turnover ratio	Times	6.12	7.20	5.53	4.20	3.54	3.88
Total asset turnover ratio	Times	1.09	0.97	0.99	0.95	0.93	1.23
Fixed asset turnover ratio	Times	3.41	2.34	1.95	1.76	1.67	1.97
Weighted average cost of debt	%	6.96%	3.40%	2.63%	2.67%	3.09%	5.35%
<b>Investment:</b>							
Earnings / (loss) per share (basic and diluted)	Rs/Share	11.16	17.54	13.58	0.20	(3.93)	(6.25)
Market value per share	Rs/Share	69.49	100.22	148.92	36.29	26.64	22.65
Share's highest value during the year	Rs/Share	107.39	169.95	185.00	38.73	29.75	28.80
Share's lowest value during the year	Rs/Share	52.60	81.08	36.25	18.86	18.50	19.50
Price earning ratio	Times	6.23	5.72	10.96	185.59	(6.77)	(3.62)
Break up value per share	Rs/Share	33.18	29.45	16.71	5.83	5.63	9.57
Bonus shares issued	Ratio	0%	0%	0%	0%	0%	0%
Cash dividend per share	Rs/Share	3.50	7.05	6	-	-	-
<b>Leverage:</b>							
Debt: equity ratio	%	79	78	84	91	83	63
Dividend yield ratio	%	5.04	7.03	4.03	-	-	-
Dividend payout ratio	%	31.37	40.20	44.17	-	-	-
Interest cover ratio	Times	1.43	2.43	3.34	0.97	0.16	(0.10)
Dividend cover ratio	Times	3.19	2.49	2.26	-	-	-
Current ratio	Times	0.95	0.95	0.96	0.87	0.78	0.69
Quick / acid test ratio	Times	0.87	0.83	0.88	0.84	0.75	0.65
<b>Statement of value added &amp; how distributed</b>							
Employees as remuneration	Rs '000	17,565,293	17,021,819	15,758,036	11,209,040	9,894,515	10,161,720
Government as taxes	Rs '000	97,627,200	70,710,179	54,395,635	49,800,909	40,762,190	45,781,896
Shareholders as dividends	Rs '000	2,219,758	4,471,227	3,805,300	-	-	-
Retained with the business	Rs '000	9,063,004	4,206,930	(4,159,356)	(7,252,518)	(7,376,531)	(4,881,812)
Financial charges to providers of finance	Rs '000	25,776,847	10,806,155	5,350,520	4,402,741	3,982,728	5,005,457

# GRAPHICAL PRESENTATION

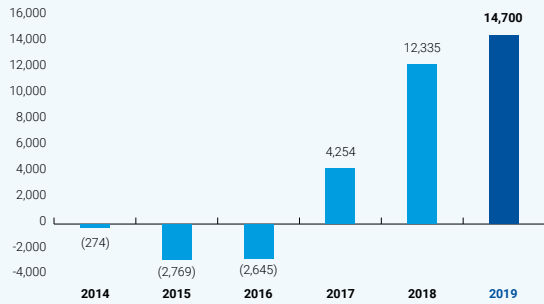
**Profit Before Taxation**  
(Rupees in Million)



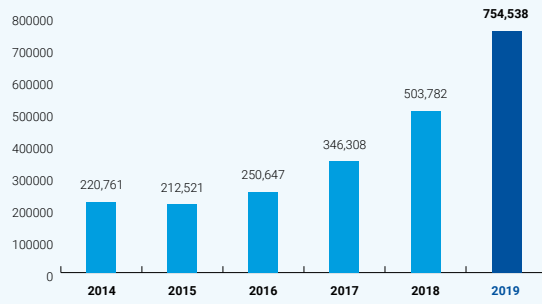
**Profit After Taxation**  
(Rupees in Million)



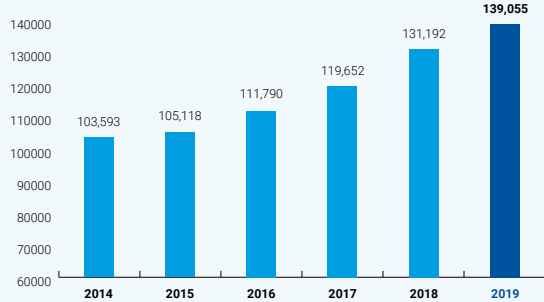
**Reserves**  
(Rupees in Million)



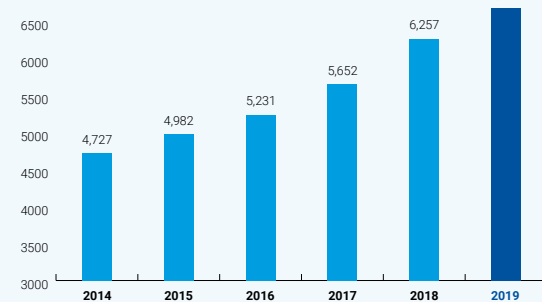
**Net Turnover**  
(Rupees in Million)



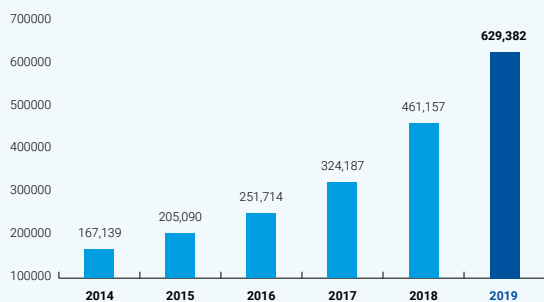
**Transmission and Distribution System**  
(in Kilometers)



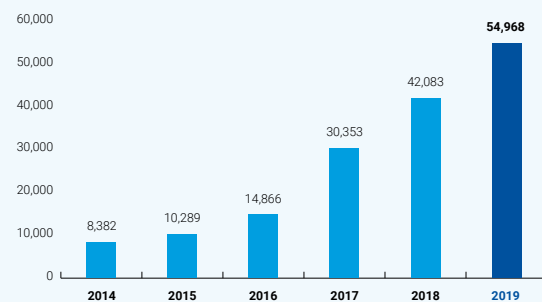
**Customers**  
(Numbers in Thousand)



**Growth of Total Assets**  
(Rupees in Million)

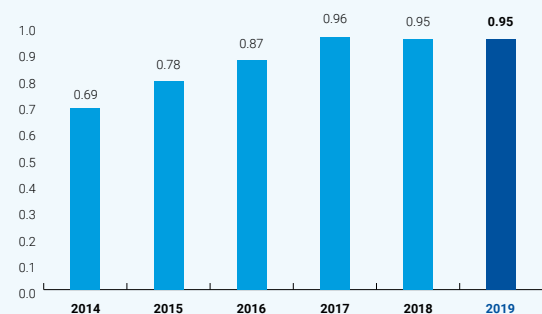


**EBITDA**  
(Rupees in Million)

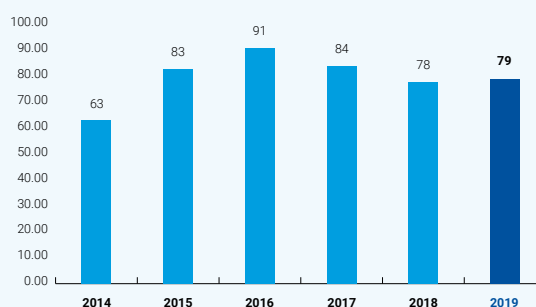




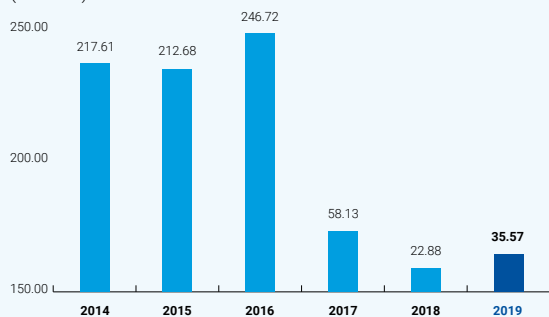
### Current Ratio (in Times)



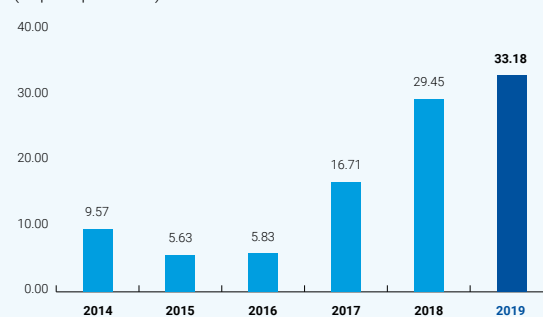
### Debt Equity Ratio (in Percentage)



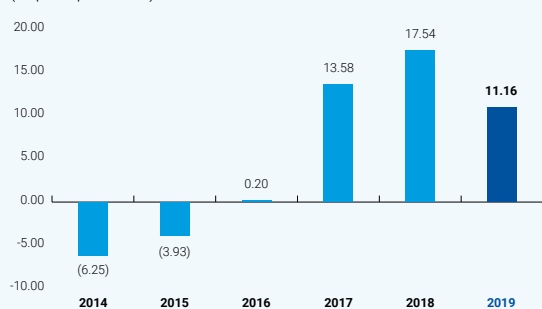
### Inventory Turnover Ratio (in Times)



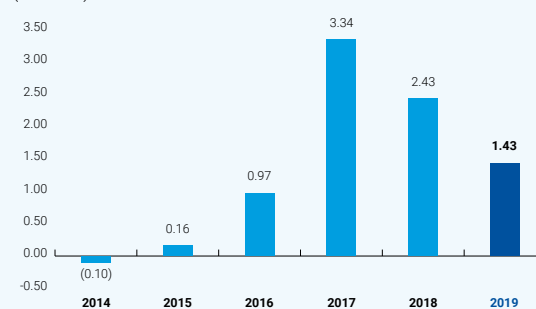
### Break Up Value Per Share (Rupees per Share)



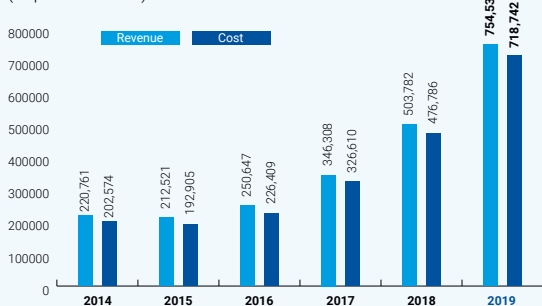
### Earnings / (Loss) Per Share (Rupees per Share)



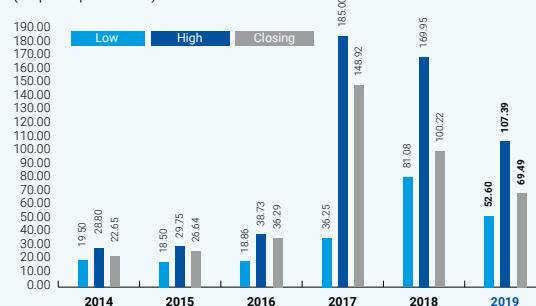
### Interest Cover Ratio (in Times)



### Revenue & Cost Analysis (Rupees in Million)



### Share's Value (Rupees per Share)



# HORIZONTAL ANALYSIS

	Jun 30, 14	Jun 30, 15	Jun 30, 16	Jun 30, 17	Jun 30, 18	Jun 30, 19
<b>STATEMENT OF FINANCIAL POSITION ITEMS</b>						
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	100	110	130	157	182	192
Intangible assets	100	82	205	154	201	320
Deferred taxation	100	100	100	100	100	100
Long term investment	100	100	100	100	100	0
Long term loans	100	113	130	148	255	259
Employee benefits	100	0	37	57	131	152
Long term deposits and prepayments	100	92	130	163	352	218
	100	109	131	156	182	192
<b>CURRENT ASSETS</b>						
Stores and spare parts	100	96	123	133	133	174
Stock in trade-gas in pipelines	100	109	102	1084	3313	950
Trade debts	100	109	112	112	128	305
Loans and advances	100	90	178	148	125	210
Trade deposits and short term prepayments	100	51	49	69	97	104
Interest accrued	100	76	80	57	90	172
Other receivables	100	52117	89067	154354	286513	476077
Contract assets	100	0	0	0	0	100
Short term investments	100	0	0	0	0	100
Income tax recoverable - Net	100	92	111	87	37	108
Sales tax recoverable	100	100	100	100	100	100
Cash and bank balances	100	116	371	760	1474	1282
	100	146	186	261	443	704
<b>TOTAL ASSETS</b>	100	123	151	194	276	377
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
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	1,010	965	(1,552)	(4,500)	(5,362)
Total equity	100	59	61	175	308	347
<b>NON-CURRENT LIABILITIES</b>						
Long term financing:						
- Secured	100	245	626	897	917	715
- Unsecured	100	77	61	54	45	33
Security deposits	100	109	115	129	147	163
Deferred Credit	100	103	120	151	186	165
Contract liabilities	100	0	0	0	0	100
Deferred tax	100	0	0	0	1,553	4,171
Employee benefits	100	151	191	227	118	118
	100	120	161	203	219	220
<b>CURRENT LIABILITIES</b>						
Trade and other payables	100	138	158	200	355	538
Current portion of contract liabilities	100	0	0	0	0	100
Unclaimed dividend	100	0	0	0	100	100
Unpaid dividend	100	0	0	0	0	100
Interest / Mark up accrued	100	115	134	152	189	305
Short term borrowings	100	15	102	102	408	2,915
Current portion of long term financing	100	103	65	189	407	397
Sales Tax payable	100	0	0	0	0	0
	100	130	148	187	322	511
Total liabilities	100	125	154	195	275	378
<b>TOTAL EQUITY AND LIABILITIES</b>	100	123	151	194	276	377
<b>PROFIT OR LOSS ITEMS</b>						
Gas Sales	100	93	116	155	217	332
Add / (Less): Differential Margin / (Gas Development Surcharge)	100	149	76	183	393	481
	100	96	114	157	228	342
Cost Of Gas Sold	100	96	112	148	217	327
Gross Profit	100	339	666	3,109	4,261	5,650
Other Operating Income	100	108	122	113	145	190
	100	122	155	296	396	523
Less: Operating Expenses						
- Selling Cost	100	107	99	81	76	101
- Administrative Expenses	100	110	125	169	183	192
	100	108	108	112	114	133
Other Operating Expenses	100	446	234	772	2,777	3,218
Operating Profit / (loss)	100	(128)	(882)	(3,702)	(5,438)	(7,641)
Finance Cost	100	80	88	107	216	515
Profit / (loss) Before Taxation	100	61	3	(228)	(282)	(203)
Taxation	100	57	17	(258)	(286)	(267)
Profit / (loss) After Taxation	100	63	(3)	(217)	(281)	(178)
Earnings / (loss) per share - Basic and Diluted (Rupees)	100	63	(3)	(217)	(281)	(178)

# VERTICAL ANALYSIS

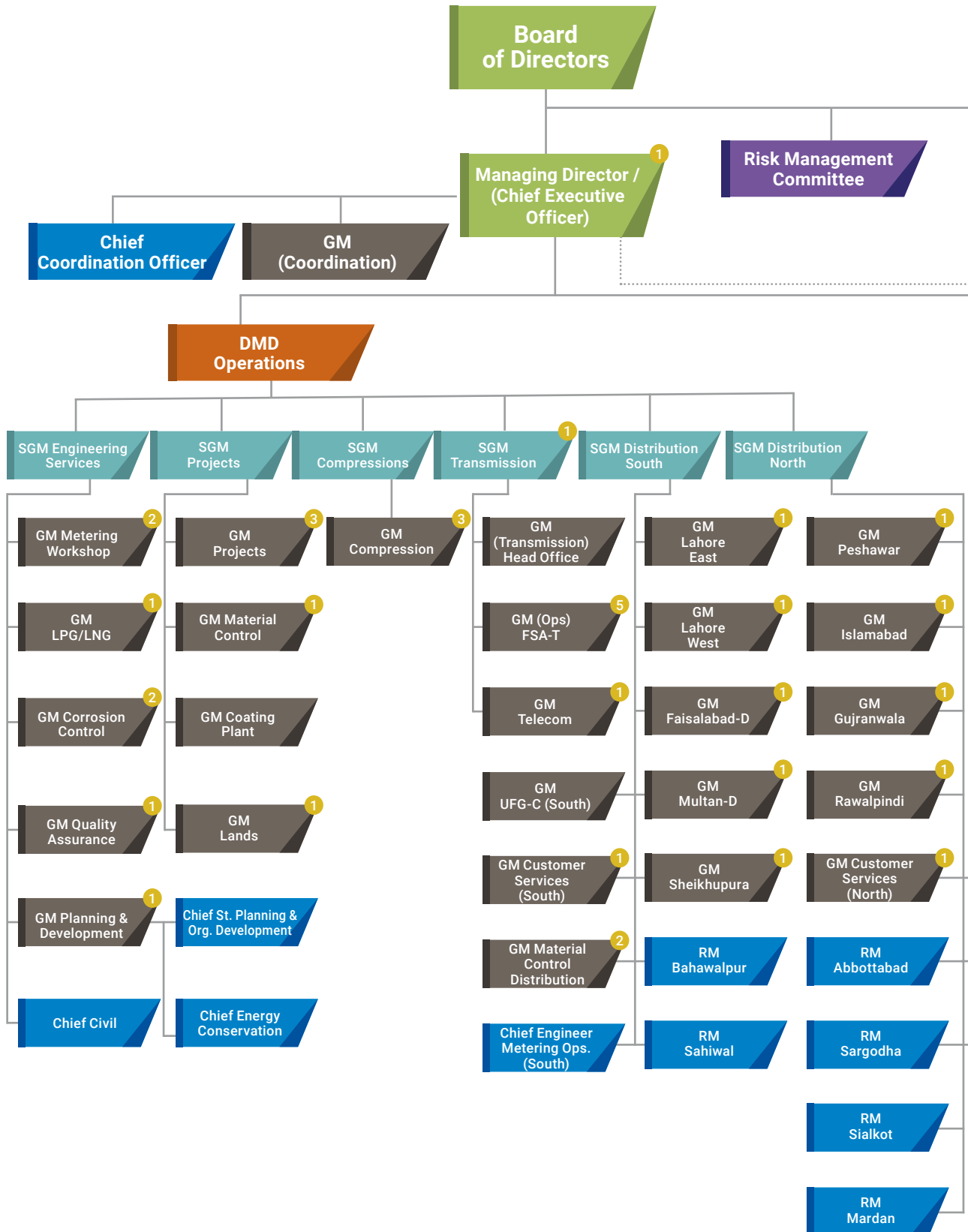
	Jun 30, 14	Jun 30, 15	Jun 30, 16	Jun 30, 17	Jun 30, 18	Jun 30, 19
<b>STATEMENT OF FINANCIAL POSITION ITEMS</b>						
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	62.55	55.82	54.03	50.62	41.33	31.91
Intangible assets	0.03	0.02	0.05	0.03	0.03	0.03
Deferred taxation	0.00	0.91	0.89	0.40	0.00	0.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00
Long term loans	0.19	0.18	0.17	0.15	0.18	0.13
Employee benefits	1.14	0.00	0.28	0.34	0.54	0.46
Long term deposits and prepayments	0.00	0.00	0.00	0.00	0.01	0.00
	63.92	56.93	55.42	51.54	42.08	32.53
<b>CURRENT ASSETS</b>						
Stores and spare parts	1.72	1.35	1.41	1.18	0.83	0.80
Stock in trade-gas in pipelines	0.57	0.50	0.38	3.17	6.81	1.43
Trade debts	30.94	27.40	22.99	17.83	14.38	25.04
Loans and advances	0.60	0.44	0.71	0.46	0.27	0.34
Trade deposits and short term prepayments	0.14	0.06	0.05	0.05	0.05	0.04
Interest accrued	0.01	0.01	0.01	0.00	0.00	0.01
Other receivables	0.03	10.85	15.11	20.33	26.53	32.30
Contract assets	0.00	0.00	0.00	0.00	0.00	0.01
Income tax recoverable - Net	1.78	1.34	1.32	0.80	0.24	0.51
Sales tax recoverable	0.00	0.85	1.90	3.51	7.27	6.03
Short term investments	0.00	0.00	0.00	0.00	0.00	0.00
Cash and bank balances	0.29	0.27	0.71	1.13	1.53	0.98
	36.08	43.07	44.58	48.46	57.92	67.47
<b>TOTAL ASSETS</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
Authorized share capital (1,500,000,000 ordinary shares of Rs 10 each)						
Issued, Subscribed and paid up share capital	3.79	3.09	2.52	1.96	1.38	1.01
Revenue reserves	(0.16)	(1.35)	(1.05)	1.31	2.67	2.34
Total equity	3.63	1.74	1.47	3.27	4.05	3.34
<b>NON-CURRENT LIABILITIES</b>						
Long term financing:						
- Secured	3.29	6.58	13.68	15.23	10.93	6.25
- Unsecured	0.56	0.35	0.23	0.16	0.09	0.05
Security deposits	17.82	15.82	13.64	11.90	9.49	7.72
Deferred Credit	18.65	15.67	14.86	14.55	12.55	8.17
Contract liabilities	-	-	-	-	-	1.76
Deferred tax	0.06	0.00	0.00	0.00	0.36	0.72
Employee benefits	3.87	4.75	4.90	4.53	1.65	1.21
	44.25	43.18	47.31	46.36	35.08	25.87
<b>CURRENT LIABILITIES</b>						
Trade and other payables	39.39	44.30	41.30	40.64	50.67	56.27
Current portion of contract liabilities	-	-	-	-	-	0.04
Unclaimed dividend	-	-	-	-	0.02	0.02
Unpaid dividend	-	-	-	-	-	0.12
Sales tax Payable	0.53	0.00	0.00	0.00	0.00	0.00
Interest / Mark up accrued	9.91	9.29	8.80	7.78	6.80	8.02
Short term borrowing	0.58	0.07	0.40	0.31	0.86	4.53
Current portion of long term financing	1.70	1.42	0.73	1.65	2.51	1.79
	52.12	55.08	51.22	50.38	60.87	70.79
Total liabilities	96.37	98.26	98.53	96.73	95.95	96.66
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>PROFIT OR LOSS ITEMS</b>						
Gas Sales	100.00	100.00	100.00	100.00	100.00	100.00
Add / (Less): Differential Margin / (Gas Development Surcharge)	7.04	11.37	4.59	8.32	12.76	10.21
	107.04	111.37	104.59	108.32	112.76	110.21
Cost Of Gas Sold	106.73	110.25	102.83	102.16	106.72	104.98
Gross Profit	0.31	1.12	1.76	6.16	6.04	5.23
Other Operating Income	4.73	5.52	4.96	3.44	3.17	2.70
	5.04	6.64	6.73	9.60	9.21	7.93
Less: Operating Expenses						
Selling Cost	3.38	3.90	2.87	1.77	1.18	1.03
Administrative Expenses	1.84	2.20	1.99	2.01	1.56	1.07
	5.22	6.10	4.86	3.78	2.74	2.09
	(0.19)	0.55	1.87	5.82	6.47	5.84
Other Operating Expenses	0.05	0.22	0.09	0.23	0.59	0.44
Operating Profit / (loss)	(0.23)	0.32	1.78	5.60	5.88	5.39
Finance Cost	2.43	2.09	1.84	1.67	2.42	3.77
Profit / (loss) Before Taxation	(2.66)	(1.76)	(0.06)	3.92	3.46	1.63
Taxation	(0.74)	(0.46)	(0.11)	1.23	0.97	0.59
Profit / (loss) After Taxation	(1.92)	(1.31)	0.05	2.69	2.49	1.03

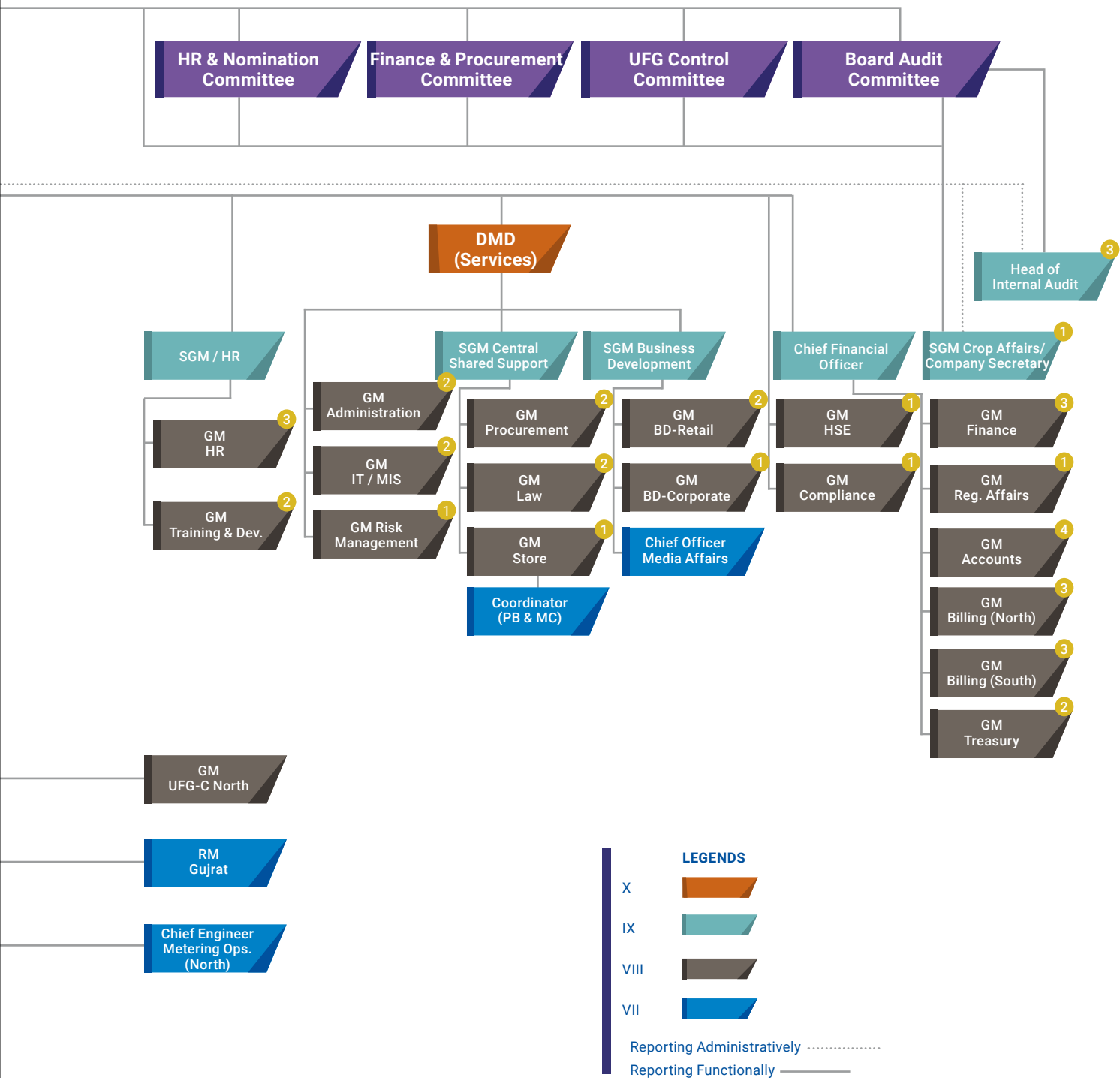
# TEN YEARS AT A GLANCE

(Rupees in thousand)	2019	2018	2017
<b>STATEMENT OF FINANCIAL POSITION - SUMMARY</b>			
Paid up share capital	6,342,167	6,342,167	6,342,167
Revenue reserves	14,700,046	12,334,514	4,253,626
Deferred credit	51,390,541	57,854,554	47,168,154
Contract liabilities	11,066,804	-	-
<b>Non-Current liabilities</b>			
Long term loans outstanding			
- Local	303,229	415,232	504,067
- Banking companies	39,330,000	50,420,000	49,359,799
Long term security deposits	48,578,096	43,782,459	38,566,630
Deferred liabilities - taxation	4,503,422	1,676,766	-
Employee benefit	7,640,091	7,617,333	14,681,746
<b>Current liabilities</b>	445,527,126	280,714,218	163,310,619
	629,381,522	461,157,243	324,186,808
<b>Non-Current assets</b>	204,750,902	194,063,019	167,081,379
<b>Current assets</b>	424,630,620	267,094,224	157,105,429
	629,381,522	461,157,243	324,186,808
<b>STATEMENT OF PROFIT OR LOSS - SUMMARY</b>			
Sales	684,625,881	446,765,837	319,696,374
Add / (Less) differential margin / ( Gas development surcharge)	69,912,443	57,016,553	26,611,910
<b>Net Sales</b>	754,538,324	503,782,390	346,308,284
Cost of gas sold	718,742,315	476,785,651	326,609,632
<b>Gross profit</b>	35,796,009	26,996,739	19,698,652
Other operating income	18,512,175	14,159,487	10,992,947
	54,308,184	41,156,226	30,691,599
<b>Expenditure</b>			
Operating expenses	12,833,101	12,248,552	12,072,161
Expected credit loss	1,505,879	-	-
Finance cost	25,776,847	10,806,155	5,350,520
Other charges	3,043,140	2,626,118	729,719
	43,158,967	25,680,825	18,152,400
<b>Profit / (loss) before taxation</b>	11,149,217	15,475,401	12,539,199
<b>Provision for taxation</b>	4,073,383	4,353,926	3,924,699
<b>Profit / (loss) after taxation</b>	7,075,834	11,121,475	8,614,500
Earnings / (Loss) per share (Basic) / (Rupees)	11.16	17.54	13.58
Dividend (%)	35.00	70.50	60
Bonus shares (%)	-	-	-
Number of employees - Operation	8,567	8,654	8,764
- Project	314	407	420
	8,881	9,061	9,184
<b>Gas sales (MMCF)</b>	755,098	670,644	615,003
<b>Consumers (in Numbers)</b>	6,727,073	6,296,662	5,691,743
<b>Customers (in Numbers)</b>			
Industrial	5,991	5,871	5,755
Commercial	58,822	56,299	53,553
Domestic	6,622,551	6,194,783	5,592,726
	6,687,364	6,256,953	5,652,034
<b>TRANSMISSION AND DISTRIBUTION SYSTEM (in Kilometers)</b>			
Transmission mains	8,948	8,867	8,637
Distribution mains and services	130,106	122,325	111,015
	139,055	131,192	119,652

	2016	2015	2014	2013	2012	2011	2010
	6,342,167	6,342,167	6,342,167	6,342,167	5,765,606	5,491,053	5,491,053
	(2,644,836)	(2,768,849)	(274,130)	3,690,445	15,458,174	13,237,836	13,211,026
	37,405,489	32,142,949	31,168,532	33,118,345	33,315,790	32,768,270	33,017,791
	-	-	-	-	-	-	-
	569,903	718,778	932,097	1,103,835	1,086,313	1,324,177	1,251,220
	34,425,000	13,500,000	5,500,000	5,000,000	7,500,000	9,500,000	-
	34,343,735	32,452,229	29,782,655	22,369,143	20,227,669	16,477,801	14,899,244
	-	-	107,968	2,677,154	9,066,835	8,369,991	8,758,231
	12,332,455	9,748,887	6,469,389	5,048,980	3,176,820	1,130,074	1,232,121
	128,939,602	112,953,347	87,110,028	84,849,817	78,420,597	50,431,414	61,376,573
	251,713,515	205,089,508	167,138,706	164,199,886	174,017,804	138,730,616	139,237,309
	139,487,798	116,754,857	106,832,239	100,920,469	95,063,639	91,263,252	88,240,778
	112,225,717	88,334,651	60,306,467	63,279,417	78,954,165	47,467,364	50,996,531
	251,713,515	205,089,508	167,138,706	164,199,886	174,017,804	138,730,616	139,237,309
	239,636,172	190,819,014	206,237,565	224,063,823	230,267,469	185,060,783	172,994,645
	11,010,416	21,701,559	14,523,313	(18,401,776)	(13,615,152)	2,776,818	(11,364,817)
	250,646,588	212,520,573	220,760,878	205,662,047	216,652,317	187,837,601	161,629,828
	246,424,169	210,374,232	220,127,339	221,012,785	209,422,514	184,237,173	156,016,865
	4,222,419	2,146,341	633,539	(15,350,738)	7,229,803	3,600,428	5,612,963
	11,896,988	10,525,247	9,752,046	15,541,298	9,104,253	8,664,184	7,772,532
	16,119,407	12,671,588	10,385,585	190,560	16,334,056	12,264,612	13,385,495
	11,635,404	11,630,537	10,774,289	9,324,383	7,243,523	6,490,053	4,239,910
	-	-	-	-	-	-	-
	4,402,741	3,982,728	5,005,457	6,100,239	3,412,328	3,877,833	4,650,154
	220,870	421,332	94,563	500,917	937,320	208,983	615,500
	16,259,015	16,034,597	15,874,309	15,925,539	11,593,171	10,576,869	9,505,564
	(139,608)	(3,363,009)	(5,488,724)	(15,734,979)	4,740,885	1,687,743	3,879,931
	(263,621)	(868,509)	(1,524,149)	(5,985,890)	1,696,889	562,722	1,325,368
	124,013	(2,494,500)	(3,964,575)	(9,749,089)	3,043,996	1,125,021	2,554,563
	0.20	(3.93)	(6.25)	(15.37)	4.80	1.95	4.43
	-	-	-	-	25	10	20
	-	-	-	-	10	5	-
	8,819	8,772	8,696	8,991	8,509	7,800	6,774
	384	290	288	303	291	282	306
	9,203	9,062	8,984	9,294	8,800	8,082	7,080
	534,922	463,393	506,355	552,272	597,056	581,935	586,741
	5,271,039	5,021,956	4,766,715	4,486,189	4,174,342	3,964,350	3,706,701
	5,754	6,453	6,453	6,559	6,628	6,606	6,375
	53,271	54,047	53,957	56,212	55,906	55,877	54,631
	5,172,305	4,921,747	4,666,596	4,383,709	4,151,518	3,867,359	3,611,187
	5,231,330	4,982,247	4,727,006	4,446,480	4,214,052	3,929,842	3,672,193
	7,941	7,818	7,738	7,675	7,653	7,613	7,585
	103,849	97,300	95,855	93,646	87,796	81,828	75,653
	111,790	105,118	103,593	101,321	95,449	89,441	83,238

# ORGANIZATIONAL STRUCTURE





Approved by the Board of Directors at its meeting held on December 30, 2019

# SNGPL HEAD OFFICE & REGIONAL OFFICES

## Head Office

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<b>Abbottabad</b>	SNGPL Regional Office, Jub Pul, P.O. Jhangi, Main Masehra Road, Abbottabad
<b>Bahawalpur</b>	SNGPL Regional Office, 6-A-D, Model Town-A, Bahawalpur
<b>Faisalabad</b>	SNGPL Regional Office, Sargodha Road, Faisalabad
<b>Gujranwala</b>	SNGPL Regional Office, M. A. Jinnah Road, Gujranwala.
<b>Gujrat</b>	SNGPL Regional Office, State Life Building, 120 & 121, GT Road, Gujrat
<b>Islamabad</b>	SNGPL Regional Office, Plot 28-30, Sector-I-9, Industrial Area, Islamabad
<b>Lahore</b>	SNGPL Regional Office, 21-Industrial Area, Gurumangat Road, Gulberg III, Lahore
<b>Mardan</b>	SNGPL Regional Office, Riffat Mahal, Main Nowshera Road, Near Mardan Industrial Estate, Mardan
<b>Multan</b>	SNGPL Regional Office, Piran Ghaib Road, Multan.
<b>Peshawar</b>	SNGPL Regional Office, Plot No-33, Sector B-2, Phase-V, Hayatabad, Peshawar
<b>Rawalpindi</b>	SNGPL Regional Office, Al-Mansha Plaza, Main G.T Road, Opposite IESCO Office, Mohra Nagyal Rawalpindi.
<b>Sahiwal</b>	SNGPL Regional Office, 79-A, 79-B, Canal Colony, Farid Town Road, Sahiwal
<b>Sargodha</b>	SNGPL Regional Office, 15 - Muslim Town, Sargodha
<b>Shiekhupura</b>	SNGPL Regional Office, Rajput House, Main Sargodha Road, Near Punjab Collage, Nabi Pura, Shiekhupura
<b>Sialkot</b>	SNGPL Regional Office, Wahid Road, Malkay Kalan, Off. Marala Road, Sialkot
<b>Wah</b>	SNGPL Regional Office, Gudwal Link Road, Wah Cantt



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
سرمایہ کاری سمجھداری کے ساتھ










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