



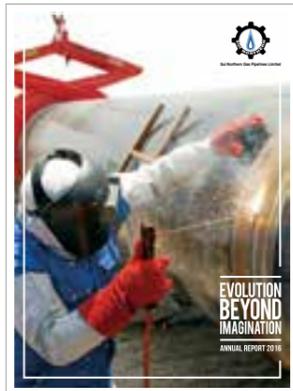
Sui Northern Gas Pipelines Limited



EVOLUTION BEYOND IMAGINATION

ANNUAL REPORT 2016

About the Cover



At Sui Northern Gas Pipelines Limited (SNGPL) we work towards the realization of our dreams and objectives. We know that not every action works. We accept our mistakes and keep experimenting to eventually get it right. But, we remain focused at project execution, reliability, prompt responsiveness and delivering results safely within the set budgets. Every little accomplishment is a declaration of our resilience in the face of odds and speaks of our efforts in keeping gas supply uninterrupted.

The efforts we are making towards optimizing our portfolio, resources and share value are conscious and resolute. It is these efforts that have made us optimistic about our future and helped us remain committed in the face of hurdles. Though we employ cutting edge technologies which promise high end performance, we have absolute faith in the proficiency, skills and experience of our employees.

SNGPL realizes that evolution of knowledge is in simplicity and thus is making every effort in streamlining methodologies to maximize its contribution for the welfare of this nation and our country. For us, evolution is "actions that measure up!"

Contents

CORPORATE

02	Vision & Mission
02	Core Values
03	Corporate Profile
03	Corporate Information
04	Code of Conduct
06	Board of Directors
13	The Management
14	Corporate Governance
15	Audit Committee
17	Risk Management Committee
18	Finance and Procurement Committee
19	Human Resource and Nomination Committee
20	Un-accounted for Gas (UFG) Control Committee
21	Statement of Compliance
25	Notice of 52nd Annual General Meeting
29	Transmission System
34	Chairman's Review and Directors' Report
53	Milestones
54	Pattern of Shareholding
57	Categories of Shareholders
58	Summary of Six Years
60	Graphical Presentation
62	Horizontal Analysis
63	Vertical Analysis
64	Ten Years at a Glance
66	SNGPL Organizational Structure

AUDITED FINANCIAL STATEMENTS

68	Review Report to the Members
69	Auditors' Report to the Members
70	Balance Sheet
72	Profit and Loss Account
73	Statement of Comprehensive Income
74	Statement of Changes in Equity
75	Cash Flow Statement
76	Notes to the Financial Statements
138	Directors' Report (Urdu)
139	Form of Proxy (Urdu)
141	Form of Proxy (English)



Vision & Mission

Core Values

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.

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 Companies Ordinance, 2016 and is listed on the 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) & 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 5.27 million consumers in North Central Pakistan through an extensive network in Punjab, Khyber Pakhtunkhwa and Azad Jammu & Kashmir. The Company has over 53 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.

Corporate Information

COMPANY SECRETARY

Miss Wajiha Anwar

AUDITORS

A.F. Ferguson & Co.
Chartered Accountants

SHARES REGISTRAR

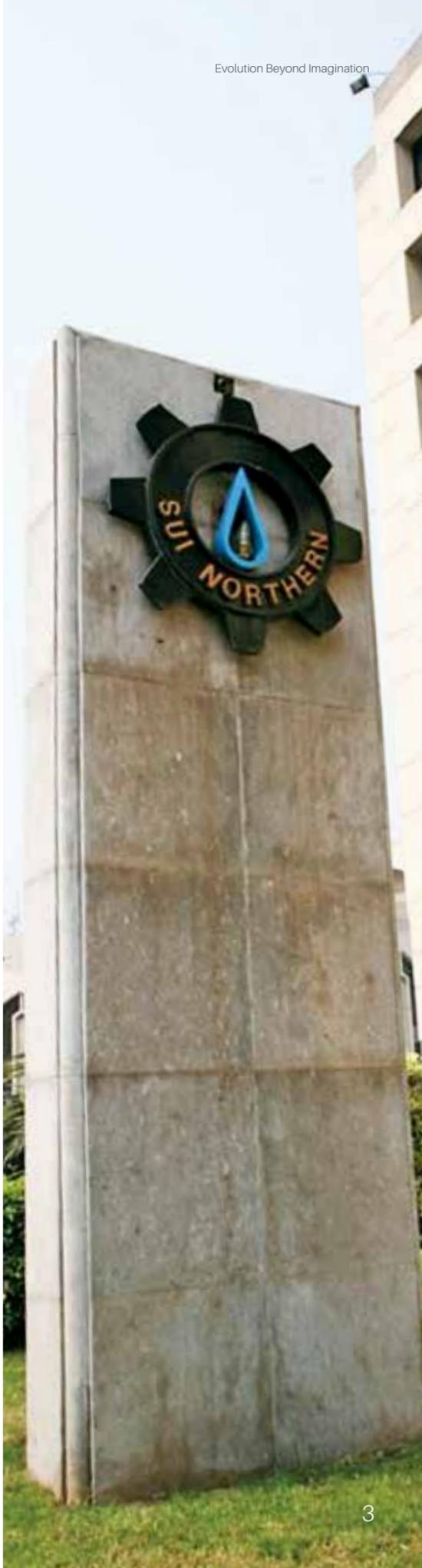
Central Depository Company of Pakistan Limited
2nd Floor, 307 Upper Mall, Opposite Lahore Gymkhana,
Near Mian Mir Bridge, Lahore-54000.
Tel: (+92-42) 35789378-87
Fax: (+92-42) 35789340
E-mail: info@cdcpak.com
Website: www.cdcpakistan.com

LEGAL ADVISORS

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

REGISTERED OFFICE

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





Code of Conduct

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

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

Following are certain specific guidelines in respect of the above.

CONFLICT OF INTEREST

Each staff member has a prime responsibility to the Company and is expected to avoid any activity that could interfere with that responsibility. Staff should not engage in activities or transactions which may give rise to, or which may be seen to be giving rise to conflict between their personal interests and the interest of the 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 Management 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 dealing with SNGPL, details of such connections and interests 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 organizations/individuals only on "need to know" basis. In case of doubt in this regard, the Management's advice should be sought.

CONTRIBUTIONS

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

INDUCEMENT PAYMENTS

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

PROPER RECORD OF FUNDS, ASSETS, RECEIPTS AND DISBURSEMENTS

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



RELATIONSHIPS AND DEALINGS WITH GOVERNMENT OFFICIALS, MEDIA, SUPPLIERS, CONSULTANTS AND OTHER PARTIES

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

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

HEALTH AND SAFETY

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

ENVIRONMENT

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

- design and operate the Company's facilities and processes so as to ensure the trust of adjoining communities.
- promote resource conservations, waste minimization and the minimization of the release of chemicals / gas into the environment.
- provide employees customers, supplies, public authorities and communities with appropriate information for informed decision making; and
- strive continuously to improve environmental awareness and protection.

ALCOHOL, DRUGS AND GAMBLING

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

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

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

RECEIVING GIFTS

No employee shall seek accept or permit himself / herself or any member of his/her family to accept any gift or favor, the receipt of which will place him/her under form of officials 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. pens, 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 fully co-operates with all governmental and regulatory bodies and is committed to high standards of Corporate Governance. We are fully compliant to our obligations as envisaged under the Listing 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 completed 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 any business relations), one must report it to the concerned departmental head immediately.
- All the financial transactions will remain within the ambit of the Company's Memorandum and Articles of Association.



Board of Directors

as at June 30, 2016



MR. MUHAMMAD SAEED MEHDI
Chairman

Mr. Muhammad Saeed Mehdi, Chairman Board of Directors of SNGPL has remained associated with the Civil Services of Pakistan till his retirement and has served on many pivotal assignments including Secretary and later Principal Secretary to Prime Minister, Chief Secretary Sindh, Chairman, Capital Development Authority, Chief Commissioner Islamabad, Commissioner Lahore and Rawalpindi Divisions. Secretary to Governor/ MLA, Punjab, Deputy Commissioner, Mianwali, Rawalpindi, Multan and Lahore, Managing Director, Pakistan Tourism Development Corporation, Managing Director Overseas Employment Corporation. From 2008 to 2013 he remained part of the Provincial Cabinet of the Punjab Government as an Advisor to the Chief Minister, Punjab. Honour Roll student from Government College Lahore.

Mr. Mehdi has also attended the Royal Institute of Public Administration, United Kingdom. Previously he has remained on the Executive Committee of Lahore Gymkhana. In the Energy Sector Mr. Mehdi has remained the Chairman of KESC and was the founder President/ Chief Executive of Admore (AGPL) Private Limited, the first Private Local OMC in the country. Currently he is on the Board of Directors, of Cadet College Hasan Abdal and Capital University of Science and Technology (CUST) and CE, Management Solutions Private Limited, Razscorp Private Limited, Quality One Petroleum Pvt Ltd and is the Chancellor, Muslim Youth (MY) University, Islamabad.



MR. AMJAD LATIF
Managing Director / CEO

Mr. Amjad Latif is a veteran of the Company having over 35 years of diversified experience in pipeline construction, transmission and distribution of natural gas. During this span of time, he led several significant projects successfully and introduced several emerging methodologies in the Company. Before his present appointment, he held a number of key positions in Company's core divisions as Deputy Managing Director (Operations), Senior General Manager (Distribution) and General Manager (Operations) along with additional charge of General Manager (Faisalabad Distribution). While handling dual charge, he attained the least UFG value of Faisalabad Distribution among other 13 Regions of the Company besides successfully achieving the least ever UFG value of gas transmission simultaneously. Currently, he is successfully undertaking the largest gas infrastructure development project in Pakistan, extending beyond 900 Km in order to ensure swift import of RLNG into the country for effective mitigation of severe energy shortfall as well as pipeline construction development plan that includes setting up of compressor units along with SMS cum CMSs for thermal power stations.

Mr. Latif is associated with Pakistan Cricket Board and Lahore University of Management Sciences in the capacity of Member, Board of Governors as well as with the boards of Inter State Gas System (Pvt.) Limited, Petroleum Institute of Pakistan and National Power Parks Management (Pvt.) Limited as Director. He is a PEC recognized professional engineer from University of Engineering & Technology, Lahore and has served as the President of its Students Union and Member of Senate & Syndicate of the university. He has attended many local and International courses on energy sector management, pipeline operations, administration and several others during his career. He also holds bachelor's degree in law.



MR. AHMAD AQEEL
Director

Mr. Ahmad Aqeel has a long standing diverse experience covering oil & gas, petro chemicals & real estate sectors. Currently he holds Directorship of Nishat Power Limited and Managing Partner, Sheikh Fuels. He has served on SNGPL Board for a term as a Director and was an active member of all the key Board Committees. In addition he is involved in construction industry, building solutions & CNG. He has attended a series of workshops and seminars locally and internationally. Mr. Ahmad Aqeel is a Ravian, a Law Graduate from Pakistan College of Law and a Certified Director from Pakistan Institute of Corporate Governance (PICG).



MR. ARSHAD MIRZA
Director

Mr. Arshad Mirza, Federal Secretary, Ministry of Petroleum and Natural Resources joined the SNGPL Board on April 23, 2015. He became part of civil services in the District Management Group in 1983, after completing a Masters in Public Administration from Quaid-e-Azam University, Islamabad. He later enrolled in National Defence University for higher training and obtained another masters degree in Defence and Strategic Studies in 2009. He also attended advance study courses at Harvard University, University of Manchester and University of Connecticut. Having served as Assistant Commissioner, Chakwal and Murree, Additional Deputy Commissioner, Jhelum, Gujranwala and Rawalpindi and Deputy Commissioner Jhelum besides Director, Local Government, Administrator Municipal Corporation and Project Director, Barani Area Development, Rawalpindi. Mirza has vast experience in public administration and policy. Additionally, he has also served in various capacities with the Government of Khyber Pakhtunkhwa, including Secretary in the Works and Services and Health departments as well as Additional Secretary, Finance, Planning and Development departments.

Mr. Arshad Mirza had also served the Federal Government as Joint Secretary, Ministry of Finance and Revenue (PMSP Wing) in May 2005, followed by postings in the Prime Minister's Secretariat, Earthquake Reconstruction and Rehabilitation Authority (ERRA) and Environment Division. He also worked as Additional Secretary in the Finance and Water and Power divisions. He also served as Managing Director of Pakistan Petroleum Limited besides managing the affairs of Government Holdings (Private) Limited and Hydrocarbon Development Institute of Pakistan.



MIRZA MAHMOOD AHMAD
Director

Mirza Mahmood Ahmad is an established advocate of the Supreme Court and a partner at the prestigious law firm Minto & Mirza, Advocates & Solicitors. His professional career as a lawyer spans over 26 years in which he has provided invaluable services to the fields of corporate, constitutional, regulatory and banking laws. He has been involved with some of the most challenging litigations in these areas, having represented several companies and firms before different regulatory authorities including Securities & Exchange Commission of Pakistan, the Oil & Gas Regulatory Authority and the Pakistan Stock Exchange Limited. Mr. Ahmad has several publications/consultancies and research papers to his name including "Harmonizing the Code of Corporate Governance with other Laws/Regulations in Pakistan", a UNDP-funded research study of SECP. Mr. Ahmad also serves on the board of SSGCL and is a member of its Finance, Un-Accounted for Gas Control and Risk Management Committees as well. He is also the Chairman of the Audit Committee of Pakistan Engineering Company. Mr. Ahmad also serves on the Board of Directors of MCB-Arif Habib Investments Ltd. He is also a member of the Supreme Court Bar Association as well as the Punjab Bar Council.

Mr. Ahmad has an LLM from the University of Cambridge. He has been a lecturer at Quaid-e-Azam Law College since 1996 and regularly conducts lectures at the Executive Development Centre at LUMS as well as serves as the Director of Training Sessions conducted by the Institute of Chartered Accountants Pakistan.



MR. MANZOOR AHMED
Director

Mr. Manzoor Ahmed is Chief Operating Officer (COO) of National Investment Trust Limited (NIT) which is the largest Asset Management Company of Pakistan. As COO, since 6 years, he has been successfully managing the operations and investment portfolio worth over Rs 98 bn. He has experience of over 27 years of the Mutual Fund industry and has been placed at many key positions within NIT that includes capital market operations, investments, research and liaising with the regulatory authorities.

Mr. Ahmed has as degree in M.B.A and also holds D.A.I.B.P. At present, he is a candidate for CFA Level III. He has attended various training courses organized by locally and internationally reputed institutions like London Business School (LBS) UK and Financial Markets World, New York (USA).

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



Board of Directors



MIAN MISBAH-UR-REHMAN
Director

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



MR. MUHAMMAD ARIF HABIB
Director

Mr. Arif Habib is the Chief Executive of Arif Habib Corporation Limited. He is also the Chairman of Pakarab Fertilizers Limited, Fatima Fertilizer Company Limited, Fatimafert Limited, Aisha Steel Mills Limited, Javedan Corporation Limited and Sachal Energy (Pvt.) Limited.

Mr. Arif Habib remained the elected President/Chairman of Karachi Stock Exchange Limited (now Pakistan Stock Exchange Limited) for six times in the past and was a Founding Member and Chairman of the Central Depository Company of Pakistan Limited. He has served as a Member of the Privatization Commission, Board of Investment, Tariff Reforms Commission and Securities & Exchange Ordinance Review Committee. Over the years he has been nominated on the Board of Directors of a number of companies by the Government of Pakistan. Presently, he is a Director on the Boards of Pakistan International Airlines, Sui Northern Gas Pipelines Limited and Pakistan Engineering Company Limited.

Mr. Habib participates significantly in welfare activities. He is one of the trustees of Fatimid Foundation and Memon Health & Education Foundation as well as a director of Pakistan Centre for Philanthropy and Karachi Education Initiative.



MR. MUSTAFA AHMAD KHAN
Director

Mr. Mustafa Ahmad Khan has diversified experience of over 36 years in the gas industry. He has served at senior positions in Sui Northern Gas Pipelines Limited and carved a niche for himself as an expert in matters pertaining to Sales, Procurement, Law and Human Resource etc.

Mr. Khan is a Masters in Business Administration from IBA, Karachi and is presently managing a 1,000 Acres family farm in District Mirpur Khas, Sindh.



MS. NARGIS GHALOO
Director

Ms. Nargis Ghaloo is the Chairperson of State Life Insurance Corporation of Pakistan and is also on the Board of Public & Private Sector companies as a shareholders' representative. She holds a Master's Degree in English from University of Sindh in the year 1981; subsequently she cleared the competitive examination in the year 1982. During her service at leading position on various organizations she participated in prestige courses such as "Negotiation and Dispute Resolution Workshop" Singapore in 1992, "Executive Leadership Development Program" at John F. Kennedy School of Government, Harvard University in 2005, "National Management Course" at National Management College Lahore in 2009, "Public Sector Administration and Financial Management" at Singapore in 2014.

She is an officer of Federal Government in BPS 22, has formerly held the positions of Additional Secretary Cabinet Division, Government of Pakistan, DG President Secretariat, Secretary Women Development, Executive Director State Life Insurance Corporation. In addition she had also held various administrative assignments in Federal & Provincial Government. She also holds the Directorship of Fauji Fertilizer Company Limited, Sui Southern Gas Company Limited, Orix Leasing Pakistan and International Industries.



MR. NAUMAN WAZIR
Director

Chairman of Frontier Foundry Pvt Ltd (FF Steel). Mr. Nauman is also serving as Chairman KPK Technical Education and Vocational Training Authority (KP-TEVTA), Chief Minister's Industrial Policy Committee and Governor's Economic Reforms Committee FATA. He is Member Board of Pakhtunkhwa Energy Development Organization (PEDO), FATA Development Authority (FDA), Engineering Development Board (EDB), Water and Sanitation Services Peshawar, City University Peshawar and Sarhad University of Science and Technology Peshawar.

Earlier he had served as board member of Peshawar Electric Supply Company (PESCO), Small and Medium Enterprises Development Authority (SMEDA), Pakistan Industrial & Technical Assistance Center (PITAC), Board of Investment Pakistan (BOI), Pakistan Hunting & Sports Arms Development Company (PHSADC), Trade Development Authority of Pakistan (TDAP), LEADS, Alternate Dispute Resolution (ADR) Committee FBR, Advanced Technical Training Center Peshawar, Human Resource Management & Development Center (HRMDC), WWF-Workers Welfare Fund, CECOS University Peshawar and IMS-Institute of Management Sciences, Peshawar.

Mr. Nauman elected as Senator from Khyber Pakhtunkhwa in 2015. Mr. Nauman is a Bachelor of Science (B.Sc) in Aerospace Engineering from College of Aeronautical Engineering (CAE).



MR. RAZA MANSHA
Director

Chief Executive, D.G. Khan Cement Company Limited, Nishat Paper Products Limited and Nishat Developers (Pvt.) Limited. Director, MCB Bank Limited, Adamjee Life Assurance Company Limited and Nishat Hotels and Properties Limited. Mr. Mansha is Chairperson of Alumni Student Committee, University of Pennsylvania. He is a graduate from the University of Pennsylvania (USA).



Board of Directors



MR. RIZWANULLAH KHAN
Director

Mr. Rizwanullah Khan is Coca-Cola's General Manager for Pakistan and Afghanistan Regions. He is one of the founding members of the American Business Forum, an association of leading U.S. organizations in Pakistan. He has also served on the Board of Directors of Pakistan Human Development Forum (National Commission for Human Development) and is a member of governing body of Rising Sun Education and Welfare Society. Mr. Khan holds a degree in Management from Hiram College, Ohio, USA.



MR. SHAHID YOUSAF
Director

Mr. Shahid Yousaf appointed as Director on Board of Sui Northern Gas Pipelines Limited (SNGPL). He joined Ministry of Petroleum and Natural Resources in 1989 as Assistant Director (Technical) and presently he is looking after the work of import of LNG/LPG with reference to Policy Formulation and Policy Guidelines as Director General (Liquefied Gasses) in the Ministry. He has been responsible for formulation of Policy for execution of new refinery projects, up-gradation of existing Refineries and development of oil infrastructure project at ports as well as oil Pipelines. In addition he was also involved in Oil Imports, Oil Marketing and construction of Oil Storages in the country. Moreover he also worked on the assignment for the execution of gas expansion schemes/ projects in different parts of the country. He is also a member of Board of Directors of Mari Petroleum, GHPL & ISGSL.

Mr. Shahid Yousaf holds M.Sc Degree in Geology with thesis on Petroleum Infrastructure. He has also worked in the Exploration and Concession Department of the Ministry of Petroleum & Natural Resources. He has also attended number of seminars/courses such as US - PAK Consultation on Fundamentals of LNG Projects (Washington, DC & Houston, Texas), Technical Training Course on Energy - Saving and Emission Reduction for developing Countries (Suzhou, China), Training on Host Governments and Oil Companies their strategies and Tactics in International Upstream Petroleum Licensing (Dundee, Scotland), International Petroleum Management Course at International Human Resources Development Corporation (Boston, USA) and Petroleum Management at Canadian Petroleum Institute (Calgary, Canada).



MR. SAGHIR-UL-HASSAN KHAN
Chief Financial Officer

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

He has over 26 years post qualification experience in pharmaceuticals, food and confectionery manufacturing public and private sector in senior positions.

He is a fellow member of the Institute of Cost and Management Accountants of Pakistan.



MISS WAJIHA ANWAR
Company Secretary

Miss Wajiha Anwar has been working as Company Secretary for last three and half years. She has vast professional experience in the field of corporate / commercial and banking laws. She has been Legal Advisor, National Bank of Pakistan (NBP) and Legal Counsel, Corporate & Industrial Restructuring Corporation of Pakistan (CIRC), Ministry of Finance, Government of Pakistan. She has a Bachelor of Laws (LL.B.) degree as well as a Masters in English Literature (M.A.) degree from the University of the Punjab. She has to her credit success in competitive exam of the Central Superior Services (CSS) of Pakistan.





Directors

Joined the Board after June 30, 2016



MR. FURQAN BAHADUR KHAN
Director

Mr. Furqan Bahadur Khan is Additional Secretary, Ministry of Petroleum and Natural Resources, Government of Pakistan. Mr. Khan has experience of laying the policy framework related to sectorial reform process including privatization and deregulation and is also responsible for managing and implementing approved policies in furtherance of the Economics Reforms agenda of the Government of Pakistan. After his promotion to BS-21, Mr. Khan joined the Ministry of Inter-Provincial Coordination as Additional Secretary and served till March 2014.

He joined SNGPL as Director on November 14, 2016 in place of Mr. Muhammad Arif Habib after his resignation.



MR. SHOAIB MIR
Director

Mr. Shoaib Mir, an officer of Federal Government in BS-21, presently posted as Chairman, State Life Insurance Corporation of Pakistan. Prior to present posting in State Life he has held the position of Additional Secretary Establishment Division, Islamabad, besides remained posted on leading Administrative & Financial positions in Federal, Provincial Government and Public Sector Enterprises.

Mr. Mir joined Civil Services in 1990; he has vast professional experience in Senior Management positions in diversified fields such as Public Sector Management, Administration, Judicial, Health, Insurance and Planning etc. He has extensively attended local and international professional training courses, workshops, seminars and conferences. Mr. Mir has attained a Degree of MBBS and he is a Certified Director from Pakistan Institute of Corporate Governance (PICG). He also holds the Directorship of Fauji Fertilizer Company Limited, Orix Leasing Pakistan, Pakistan Cables Limited and Security Papers Limited.

He joined SNGPL as Director on September 26, 2016 in place of Ms. Nargis Ghaloo after her resignation.

The Management



Left to Right:

01 SYED JAWAD NASEEM
Senior General Manager
(Customer Services)

02 DR. ZAFAR MAHMOOD ALVI
Senior General Manager
(IT / MIS)

03 MR. MUHAMMAD ASLAM
Senior General Manager
(Compression)

04 MR. SAGHIR-UL-HASSAN KHAN
Chief Financial Officer

05 MR. SOHAIL M. GULZAR
Senior General Manager
(Distribution - South)

06 MR. ALI HUSSAIN QURESHI
Senior General Manager
(Transmission / Projects)

07 MR. AMJAD LATIF
Managing Director / CEO

08 MR. AMER TUFAIL
Dy. Managing Director
(Services)

09 SYED ZAHID HUSSAIN
Senior General Manager
(Distribution - North)

10 MR. MAHMOOD ZIA AHMAD
Senior General Manager
(Engineering Services)

11 MR. FAISAL IQBAL
Senior General Manager
(Audit)

12 MR. AZAM KHAN WAZIR
Senior General Manager
(Human Resource)



Corporate Governance

Good business is all about good corporate governance. This is the main philosophy based on which the Company's business has been successfully operated since 1964. The prime objective of the Company is to protect the interest of all stakeholders through fair, ethical and transparent business practices. The Board has ensured compliance to Code of Corporate Governance by adopting transparent procedures and methodologies which are constantly being monitored and reviewed through better internal controls. The Company also ensures compliance to Companies Ordinance 1984, Listing Regulations 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 sub-committees are circulated to the directors well before the meetings (i.e. at least seven days before the meeting) except in case of an emergent meeting, in order to give sufficient time for informed and prudent decision making. The minutes of the meetings are circulated within fourteen days from the date of meetings, after due clarification from respective Chairman of the Board and its sub-committees.

Board of Directors

The Company's Board consists of qualified individuals possessing relevant industry knowledge, leadership skills and strategic vision to meet the short term and long term goals of the Company. The Board has formed a special UFG-Control Committee to effectively monitor and arrest this overwhelming menace.

The positions of Chairman of the Board and CEO have been kept separated, to adhere to best Corporate Governance practices. Shareholders' rights are being protected under the directions of the Board by enforcing the equitable treatment, regardless of the number of shares owned by them.

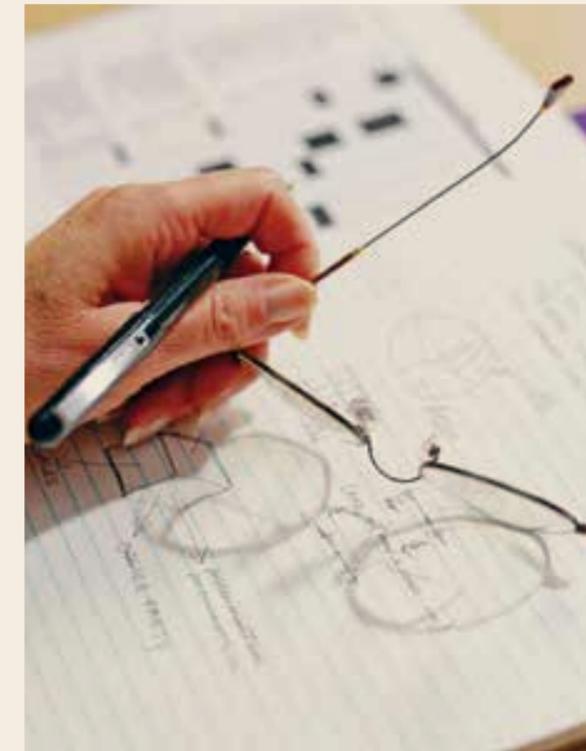
In view of the above, the Board has formed five sub-committees viz Audit, Risk Management, Finance and Procurement, Human Resource & Nomination and Un-accounted for Gas (UFG) Control, comprising different Board Members, based on their areas of expertise. Sub-committees give their best input and expert opinion on different strategic issues, for final approval by the Board.

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

Sr. #	Name	Designation	Category	FY 2015-16	
				*Total No. of Meetings	No. of Meetings Attended
1	Mr. Muhammad Saeed Mehdi	Chairman	Independent/Non-Executive	23	23
2	Mr. Mohammad Arif Hameed	MD / CEO	Executive	6	4
3	Mrs. Uzma Adil Khan	MD / CEO	Executive	5	5
4	Mr. Amer Tufail	MD / CEO	Executive	6	6
5	Mr. Amjad Latif	MD / CEO	Executive	6	6
6	Mr. Ahmad Aqeel	Director	Independent/Non-Executive	23	21
7	Mr. Arshad Mirza	Director	Non-Executive	23	21
8	Mirza Mahmood Ahmad	Director	Non-Executive	23	23
9	Mr. Khalid Rahman	Director	Non-Executive	5	4
10	Mr. Manzoor Ahmed	Director	Independent/Non-Executive	23	21
11	Mr. Muhammad Arif Habib	Director	Non-Executive	23	13
12	Mian Misbah-ur-Rehman	Director	Non-Executive	23	20
13	Mr. Mustafa Ahmad Khan	Director	Independent/Non-Executive	23	23
14	Ms. Nargis Ghaloo	Director	Non-Executive	23	21
15	Mr. Nauman Wazir	Director	Independent/Non-Executive	23	7
16	Mr. Raza Mansha	Director	Non-Executive	23	8
17	Mr. Rizwanullah Khan	Director	Independent/Non-Executive	23	8
18	Mr. Shahid Yousaf	Director	Non-Executive	18	17

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

Corporate Governance Audit Committee of the Board



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

Number of Members: 07

PROCEDURE:

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

RESPONSIBILITIES:

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

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

- determination of appropriate measures to safeguard the Company's assets;
 - review of financial results;
 - 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;
 - 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);
 - review of Management letter issued by external auditors and Management's response thereto;
 - ensuring co-ordination between the internal and external auditors of the Company;
 - 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;
 - consideration of major findings of internal investigations and Management's response thereto;



Corporate Governance - Audit Committee of the Board

- i) ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
 - j) review of the Company's statement on internal control systems prior to endorsement by the Board of Director;
 - k) recommending or approving the hiring or removal of the chief internal auditor;
 - l) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
 - m) determination of compliance with relevant statutory requirements;
 - n) monitoring compliance with the best practices of Corporate Governance and identification of significant violations thereof;
 - 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 Audit Committee shall also ensure that the external auditors do not perform Management functions or make Management decisions, responsibility for which remains with the Board and Management of the Public Sector Company.
2. The Audit Committee shall be responsible for managing the relationship of the Company with the external auditors. In managing the Company's relationship with the external auditors on behalf of the Board, the Audit Committee's responsibilities include:
 - a) suggesting the appointment of the external auditor to the Board, the audit fee, and any questions of resignation or dismissal;
 - b) considering the objectives and scope of any non-financial audit or consultancy work proposed to be undertaken by the external auditors, and reviewing the remuneration for this work;
 - c) discussing with the external auditors before the audit commences the scope of the audit and the extent of reliance on internal audit and other review agencies;
 - d) discussing with the external auditors any significant issues from the review of the financial statements by the Management, and any other work undertaken or overseen by the Audit Committee;
 - e) reviewing and considering the external auditors' communication with Management and Management's response thereto; and
 - f) reviewing progress on accepted recommendations from the external auditors.
 3. The recommendations of the Audit Committee for appointment of retiring auditors or otherwise, as mentioned in sub-rule 2 above, shall be included in the Directors' Report. In case of a recommendation for change of external auditors before the lapse of three consecutive financial years, the reasons for the same shall be included in the Directors' Report.

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

				FY 2015-16	
Audit Committee Meetings				*Total No. of Meetings	No. of Meetings Attended
Sr. #	Name	Designation	Category		
1	Mr. Manzoor Ahmed	Chairman	Independent/Non-Executive	8	8
2	Mr. Ahmad Aqeel	Member	Independent/Non-Executive	8	8
3	Mr. Muhammad Arif Habib	Member	Non-Executive	8	6
4	Ms. Nargis Ghaloo	Member	Non-Executive	8	6
5	Mr. Nauman Wazir	Member	Independent/Non-Executive	8	1
6	Mr. Raza Mansha	Member	Non-Executive	8	4
7	Mr. Rizwanullah Khan	Member	Independent/Non-Executive	8	0
8	Mirza Mahmood Ahmad	Co-opted	Non-Executive	6	6
9	Mr. Mustafa Ahmad Khan	Co-opted	Non-Executive	7	7

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

Corporate Governance Risk Management Committee of the Board

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

Number of Members: 07

PROCEDURE:

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

RESPONSIBILITIES:

The Risk Management Committee of Directors shall inter alia be responsible:

- a) To review and approve the identification of Strategic; Compliance; Operational and Financial Risks (Principal Risks) to the Company by the Management;
- b) To review and approve the strategy devised by the Management to mitigate the Principal Risks;
- c) To review and approve the procedures laid down by the Management about risk assessment;
- d) To review the Company's capability to identify and manage current and new Principal Risk Categories;
- e) 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;

- f) 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;
- g) 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;
- h) To identify internal and external risk trends and concentrations;
- i) 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;
- j) To advise the Board on the Company's overall risk appetite and tolerance/resilience within and outside Principal Risk Categories, taking account of the current and prospective macro-economic, financial, political, business and sector environments;
- k) Any other matter entrusted by the Board of Directors; and
- l) Where there is a perceived overlap of responsibilities between the Finance and Procurement Committee, the Risk Management Committee and the Audit Committee, the respective Committee Chairmen shall have the discretion to agree the most appropriate Committee to fulfill any obligation.

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

				FY 2015-16	
Risk Management Committee Meetings				*Total No. of Meetings	No. of Meetings Attended
Sr. #	Name	Designation	Category		
1	Mr. Ahmad Aqeel	Chairman	Independent/Non-Executive	3	3
2	Mr. Amer Tufail	MD / CEO	Executive	1	1
3	Mr. Amjad Latif	MD / CEO	Executive	2	2
4	Mr. Arshad Mirza	Member	Non-Executive	3	2
5	Mirza Mahmood Ahmad	Member	Non-Executive	3	3
6	Mr. Manzoor Ahmed	Member	Independent/Non-Executive	3	3
7	Mr. Mustafa Ahmad Khan	Member	Independent/Non-Executive	3	3
8	Mr. Raza Mansha	Member	Non-Executive	3	3
9	Mr. Rizwanullah Khan	Member	Independent/Non-Executive	3	0

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



Corporate Governance

Finance and Procurement Committee of the Board

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

Number of Members: 07

PROCEDURE:

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

RESPONSIBILITIES:

The Finance and Procurement Committee of Directors shall inter alia be responsible:

- a) 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;
- b) 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;
- c) To ensure Board is aware of the matters which may significantly impact the financial condition or affairs of the business;
- d) To examine the Capital and Revenue Budget of the

Company and to make recommendations to the Board of Directors, thereon;

- e) To examine the Budgetary and Operating limits of authority and recommend to the Board any deviation or any enhancement thereof;
- f) 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;
- g) 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;
- h) To approve/recommend major contracts of civil works along with cost benefit analysis thereof which also include purchase of land;
- i) To lay down time limits/ parameters in respect of procurement of various materials and services;
- j) To review the borrowing plans of the Company by assessing the requirements thereof and make recommendations to the Board for approval;
- k) Any other matter entrusted by the Board of Directors; and
- l) Where there is a perceived overlap of responsibilities between the Finance and Procurement Committee, the Risk Management Committee and the Audit Committee, the respective Committee Chairmen shall have the discretion to agree the most appropriate Committee to fulfill any obligation.

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

				FY 2015-16	
Finance and Procurement Committee Meetings				*Total No. of Meetings	No. of Meetings Attended
Sr. #	Name	Designation	Category		
1	Mirza Mahmood Ahmad	Chairman	Non-Executive	11	11
2	Mr. Mohammad Arif Hameed	MD / CEO	Executive	3	3
3	Mrs. Uzma Adil Khan	MD / CEO	Executive	1	1
4	Mr. Amer Tufail	MD / CEO	Executive	4	4
5	Mr. Amjad Latif	MD / CEO	Executive	3	3
6	Mr. Ahmad Aqeel	Member	Independent/Non-Executive	11	11
7	Mr. Arshad Mirza	Member	Non-Executive	11	9
8	Mian Misbah-ur-Rehman	Member	Non-Executive	11	10
9	Mr. Mustafa Ahmad Khan	Member	Independent/Non-Executive	11	11
10	Ms. Nargis Ghaloo	Member	Non-Executive	11	10
11	Mr. Manzoor Ahmed	Co-opted	Independent/Non-Executive	5	5
12	Mr. Raza Mansha	Co-opted	Non-Executive	1	1

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

Corporate Governance

Human Resource and Nomination Committee of the Board

The procedures along with responsibilities and functions of the Human Resource and 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.
3. The Secretary of the Human Resource and 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:

- a) a sound plan of organization for the Company;
- b) an effective employees development programme; and
- c) 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:

a) **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.
- b) **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.
- c) **Compensation and Benefits:**
- review data of competitive compensation practices and review and evaluate policies and programmes through which the Company compensates its employees; and
 - review salary ranges, salaries and other compensation for Managing Director and Senior Management / Executive Directors reporting to the Managing Director.

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

				FY 2015-16	
Human Resource and Nomination Committee Meetings				Total No. of Meetings*	No. of Meetings Attended
Sr. #	Name	Designation	Category		
1	Mr. Muhammad Saeed Mehdi	Chairman	Independent/Non-Executive	10	10
2	Mr. Mohammad Arif Hameed	MD / CEO	Executive	1	1
3	Mrs. Uzma Adil Khan	MD / CEO	Executive	3	3
4	Mr. Amer Tufail	MD / CEO	Executive	2	2
5	Mr. Amjad Latif	MD / CEO	Executive	4	4
6	Mr. Ahmad Aqeel	Member	Independent/Non-Executive	10	10
7	Mirza Mahmood Ahmad	Member	Non-Executive	10	10
8	Mr. Manzoor Ahmed	Member	Independent/Non-Executive	10	10
9	Mr. Khalid Rehman	Member	Non-Executive	1	1
10	Mr. Nauman Wazir	Member	Independent/Non-Executive	10	3
11	Mr. Raza Mansha	Member	Non-Executive	10	3
12	Mr. Shahid Yousaf	Member	Non-Executive	5	4
13	Mian Misbah-ur-Rehman	Co-opted	Non-Executive	6	6
14	Mr. Mustafa Ahmad Khan	Co-opted	Independent/Non-Executive	10	10

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



Corporate Governance

Un-Accounted for Gas Control Committee of the Board

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

Number of Members: 07

PROCEDURE:

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

RESPONSIBILITIES:

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

- a) 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;
- b) Monitor the performance of Management in reduction of UFG;
- c) Review status of UFG of the Company;
- d) Recommend Company's position vis a vis Government and the Authority regarding different issues;
- e) Recommend incentive schemes, policies etc. for reduction of UFG; and
- f) Review strategic issues pertaining UFG.



The composition of the Un-accounted for Gas Control Committee, detail of meetings and directors' attendance are given below:

				FY 2015-16	
UFG Control Committee Meetings				*Total No. of Meetings	No. of Meetings Attended
Sr. #	Name	Designation	Category		
1	Mr. Muhammad Arif Habib	Chairman	Non-Executive	3	3
2	Mr. Ahmad Aqeel	Member	Independent/Non-Executive	3	3
3	Mirza Mahmood Ahmad	Member	Non-Executive	3	3
4	Mr. Mustafa Ahmad Khan	Member	Independent/Non-Executive	3	3
5	Ms. Nargis Ghaloo	Member	Non-Executive	3	3
6	Mr. Nauman Wazir	Member	Independent/Non-Executive	3	1
7	Mr. Shahid Yousaf	Member	Non-Executive	3	3

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

Statement of Compliance

with the Public Sector Companies (Corporate Governance) Rules, 2013 and Code of Corporate Governance-2012

SCHEDULE I

Name of Company: **Sui Northern Gas Pipelines Limited**
 Name of the line Ministry: **Ministry of Petroleum and Natural Resources**
 Year Ended: **June 30, 2016**

- 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 Code of Corporate Governance-2012.
- II. The Company has complied with the provisions of the Rules in the following manner:

Sr. No.	Provision of the Rules	Rule No.	Tick the Relevant Box		Remarks																																																												
			Y	N																																																													
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																																																														
2.	*The Board has the requisite percentage of independent directors. At present the board includes: <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name</th> <th>**Category</th> <th>Date of appointment</th> </tr> </thead> <tbody> <tr><td>1.</td><td>Mr. Muhammad Saeed Mehdi</td><td>Independent/Non-Executive</td><td>09.07.2014</td></tr> <tr><td>2.</td><td>Mr. Amjad Latif</td><td>Executive</td><td>07.03.2016</td></tr> <tr><td>3.</td><td>Mr. Ahmad Aqeel</td><td>Independent/Non-Executive</td><td>26.06.2014</td></tr> <tr><td>4.</td><td>Mr. Arshad Mirza</td><td>Non-Executive</td><td>23.04.2015</td></tr> <tr><td>5.</td><td>Mirza Mahmood Ahmad</td><td>Non-Executive</td><td>26.06.2014</td></tr> <tr><td>6.</td><td>Mr. Manzoor Ahmed</td><td>Independent/Non-Executive</td><td>26.06.2014</td></tr> <tr><td>7.</td><td>Mian Misbah-ur-Rehman</td><td>Non-Executive</td><td>26.06.2014</td></tr> <tr><td>8.</td><td>Mr. Muhammad Arif Habib</td><td>Non-Executive</td><td>26.06.2014</td></tr> <tr><td>9.</td><td>Mr. Mustafa Ahmad Khan</td><td>Independent/Non-Executive</td><td>26.06.2014</td></tr> <tr><td>10.</td><td>Ms. Nargis Ghaloo</td><td>Non-Executive</td><td>07.11.2014</td></tr> <tr><td>11.</td><td>Mr. Nauman Wazir</td><td>Independent/Non-Executive</td><td>26.06.2014</td></tr> <tr><td>12.</td><td>Mr. Raza Mansha</td><td>Non-Executive</td><td>26.06.2014</td></tr> <tr><td>13.</td><td>Mr. Rizwanullah Khan</td><td>Independent/Non-Executive</td><td>26.06.2014</td></tr> <tr><td>14.</td><td>Mr. Shahid Yousaf</td><td>Non-Executive</td><td>10.09.2015</td></tr> </tbody> </table> *The number of elected directors on the Board is thirteen (13). The Managing Director is a "deemed director" under Section 200(2) of the Companies Ordinance, 1984. **"Independent Director", "Non-Executive Director" and "Executive Director" as defined in Public Sector Companies (Corporate Governance) Rules, 2013.	Sr. No.	Name	**Category	Date of appointment	1.	Mr. Muhammad Saeed Mehdi	Independent/Non-Executive	09.07.2014	2.	Mr. Amjad Latif	Executive	07.03.2016	3.	Mr. Ahmad Aqeel	Independent/Non-Executive	26.06.2014	4.	Mr. Arshad Mirza	Non-Executive	23.04.2015	5.	Mirza Mahmood Ahmad	Non-Executive	26.06.2014	6.	Mr. Manzoor Ahmed	Independent/Non-Executive	26.06.2014	7.	Mian Misbah-ur-Rehman	Non-Executive	26.06.2014	8.	Mr. Muhammad Arif Habib	Non-Executive	26.06.2014	9.	Mr. Mustafa Ahmad Khan	Independent/Non-Executive	26.06.2014	10.	Ms. Nargis Ghaloo	Non-Executive	07.11.2014	11.	Mr. Nauman Wazir	Independent/Non-Executive	26.06.2014	12.	Mr. Raza Mansha	Non-Executive	26.06.2014	13.	Mr. Rizwanullah Khan	Independent/Non-Executive	26.06.2014	14.	Mr. Shahid Yousaf	Non-Executive	10.09.2015	3(2)	✓		Majority of the nominations on the Board of Directors are made by the major shareholders of the Company.
Sr. No.	Name	**Category	Date of appointment																																																														
1.	Mr. Muhammad Saeed Mehdi	Independent/Non-Executive	09.07.2014																																																														
2.	Mr. Amjad Latif	Executive	07.03.2016																																																														
3.	Mr. Ahmad Aqeel	Independent/Non-Executive	26.06.2014																																																														
4.	Mr. Arshad Mirza	Non-Executive	23.04.2015																																																														
5.	Mirza Mahmood Ahmad	Non-Executive	26.06.2014																																																														
6.	Mr. Manzoor Ahmed	Independent/Non-Executive	26.06.2014																																																														
7.	Mian Misbah-ur-Rehman	Non-Executive	26.06.2014																																																														
8.	Mr. Muhammad Arif Habib	Non-Executive	26.06.2014																																																														
9.	Mr. Mustafa Ahmad Khan	Independent/Non-Executive	26.06.2014																																																														
10.	Ms. Nargis Ghaloo	Non-Executive	07.11.2014																																																														
11.	Mr. Nauman Wazir	Independent/Non-Executive	26.06.2014																																																														
12.	Mr. Raza Mansha	Non-Executive	26.06.2014																																																														
13.	Mr. Rizwanullah Khan	Independent/Non-Executive	26.06.2014																																																														
14.	Mr. Shahid Yousaf	Non-Executive	10.09.2015																																																														
3.	A casual vacancy occurring on the board was filled up by the directors within ninety days.	3(4)	✓		During the year Mr. Shahid Yousaf joined the Company as Director in place of Mr. Khalid Rehman.																																																												
4.	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)	✓		Since, SECP did not give exemption to Mr. Muhammad Arif Habib to hold directorship of more than five (05) companies he resigned from the Board of Directors of SNGPL.																																																												
5.	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 Ordinance.	3(7)			Majority of the nominations on the Board of Directors are made by the major shareholders of the Company.																																																												
6.	The chairman of the board is working separately from the chief executive of the Company.	4(1)	✓																																																														
7.	The chairman has been elected from amongst the independent Directors.	4(4)	✓																																																														



Statement of Compliance

Sr. No.	Provision of the Rules	Rule No.	Tick the Relevant Box		Remarks
			Y	N	
8.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	✓		
9.	(a) The Company has prepared a "Code of Conduct" and 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 (b) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓	✓	
10.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓		
11.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	✓		
12.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b)(vi)	✓		
13.	(a) The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service. (b) A Committee has been formed to investigating deviations from the Company's code of conduct.	5(5)(c)(ii)	✓	✓	
14.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services, in accordance with the PPRA Rules.	5(5)(c)(iii)	✓		
15.	The board has developed a vision or mission statement, corporate strategy and 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(6)	✓		
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.	(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)	✓ ✓ ✓		
18.	The board has carried out performance evaluation of its members, including the chairman and the chief executive, on the basis of a process, based on specified criteria, developed by it. The board has also monitored and assessed the performance of senior management on annual basis.	8	✓		
19.	The board has reviewed and approved the related party transactions placed before it after recommendations of the Audit Committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓		
20.	The board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has placed the annual financial statements on the Company's website. Monthly accounts were also prepared and circulated amongst the board members.	10	✓		The Accounts for the three quarters for the financial year 2015-16 were finalized in April, 2016 after finalization of Annual Accounts for the FY 2014-15. Thereafter, OGRA communicated its Final Revenue Requirement (FRR) as on November 25, 2016 and consequently accounts were finalized on December 9, 2016 which will be published on Company's website in due course.

Sr. No.	Provision of the Rules	Rule No.	Tick the Relevant Box		Remarks																							
			Y	N																								
21.	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	✓																									
22.	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 Chairman</th> </tr> </thead> <tbody> <tr> <td>1. Audit Committee</td> <td>7</td> <td>Mr. Manzoor Ahmed</td> </tr> <tr> <td>2. Human Resource and Nomination Committee</td> <td>8</td> <td>Mr. Muhammad Saeed Mehdi</td> </tr> <tr> <td>3. Finance and Procurement Committee</td> <td>7</td> <td>Mirza Mahmood Ahmad</td> </tr> <tr> <td>4. UFG Control Committee</td> <td>7</td> <td>Mr. Muhammad Arif Habib</td> </tr> <tr> <td>5. Risk Management Committee</td> <td>7</td> <td>Mr. Ahmad Aqeel</td> </tr> </tbody> </table>	Committee	Number of Members	Name of Chairman	1. Audit Committee	7	Mr. Manzoor Ahmed	2. Human Resource and Nomination Committee	8	Mr. Muhammad Saeed Mehdi	3. Finance and Procurement Committee	7	Mirza Mahmood Ahmad	4. UFG Control Committee	7	Mr. Muhammad Arif Habib	5. Risk Management Committee	7	Mr. Ahmad Aqeel									
Committee	Number of Members	Name of Chairman																										
1. Audit Committee	7	Mr. Manzoor Ahmed																										
2. Human Resource and Nomination Committee	8	Mr. Muhammad Saeed Mehdi																										
3. Finance and Procurement Committee	7	Mirza Mahmood Ahmad																										
4. UFG Control Committee	7	Mr. Muhammad Arif Habib																										
5. Risk Management Committee	7	Mr. Ahmad Aqeel																										
23.	The board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment, and as per their prescribed qualifications.	13/14	✓																									
24.	The Company has adopted International Financial Reporting Standards notified by the Commission under clause (1) of sub section (3) of section 234 of the Ordinance.	16	✓																									
25.	The directors' report for this year has been prepared in compliance with the requirements of the Ordinance and the Rules and fully describes the salient matters required to be disclosed.	17	✓																									
26.	The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.	18	✓																									
27.	A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place. The annual report of the Company contains criteria and details of remuneration of each director.	19	✓																									
28.	The financial statements of the Company were duly endorsed by the chief executive and chief financial officer, before approval of the board.	20	✓																									
29.	The board has formed an Audit Committee, with defined and written terms of reference, and having the following members:	21	✓																									
	<table border="1"> <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. Ahmad Aqeel</td> <td>Independent / Non-Executive</td> <td>Businessman</td> </tr> <tr> <td>Mr. Muhammad Arif Habib</td> <td>Non-Executive</td> <td>Industrialist</td> </tr> <tr> <td>Ms. Nargis Ghaloo</td> <td>Non-Executive</td> <td>Chairperson - SLIC</td> </tr> <tr> <td>Mr. Nauman Wazir</td> <td>Independent / Non-Executive</td> <td>Industrialist</td> </tr> <tr> <td>Mr. Raza Mansha</td> <td>Non-Executive</td> <td>Industrialist</td> </tr> <tr> <td>Mr. Rizwanullah Khan</td> <td>Independent / Non-Executive</td> <td>Business Executive</td> </tr> </tbody> </table> <p>The chief executive and chairman of the Board are not members of the Audit Committee.</p>	Name of Member	Category	Professional background	Mr. Manzoor Ahmed	Independent / Non-Executive	COO-NIT	Mr. Ahmad Aqeel	Independent / Non-Executive	Businessman	Mr. Muhammad Arif Habib	Non-Executive	Industrialist	Ms. Nargis Ghaloo	Non-Executive	Chairperson - SLIC	Mr. Nauman Wazir	Independent / Non-Executive	Industrialist	Mr. Raza Mansha	Non-Executive	Industrialist	Mr. Rizwanullah Khan	Independent / Non-Executive	Business Executive			
Name of Member	Category	Professional background																										
Mr. Manzoor Ahmed	Independent / Non-Executive	COO-NIT																										
Mr. Ahmad Aqeel	Independent / Non-Executive	Businessman																										
Mr. Muhammad Arif Habib	Non-Executive	Industrialist																										
Ms. Nargis Ghaloo	Non-Executive	Chairperson - SLIC																										
Mr. Nauman Wazir	Independent / Non-Executive	Industrialist																										
Mr. Raza Mansha	Non-Executive	Industrialist																										
Mr. Rizwanullah Khan	Independent / Non-Executive	Business Executive																										
30.	The board has set up an effective internal audit function, which has an audit charter, duly approved by the Audit Committee, and which worked in accordance with the applicable standards.	22	✓																									
31.	The Company has appointed its external auditors in line with the requirements envisaged under the Rules.	23	✓																									
32.	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)	✓																									



Statement of Compliance

Sr. No.	Provision of the Rules	Rule No.	Y	N	Remarks
			Tick the Relevant Box		
33.	The external auditors have not been appointed to provide non-audit services and the auditors have confirmed that they have observed applicable guidelines issued by IFAC in this regard.	23(5)	✓		
34.	The Company has complied with all the corporate and financial reporting requirements of the Rules.		✓		

ADDITIONAL DISCLOSURES AS REQUIRED UNDER CODE OF CORPORATE GOVERNANCE, 2012 (CCG):

- All the resident Directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other Executive and Non-Executive Directors, have been taken by the Board/shareholders.
- Mian Misbah-ur-Rehman, Director of the Company has obtained certification as required under CCG.
- The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
- The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose.
- The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to Directors, employees and stock exchange.
- Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
- We confirm that all other material principles enshrined in the CCG have been complied with.

(AMJAD LATIF)
Managing Director/CEOLahore
December 9, 2016**(MUHAMMAD SAEED MEHDI)**
Chairman - BOD

Notice of 52nd Annual General Meeting



Notice is hereby given that the 52nd Annual General Meeting of the Company will be held at Khorshed Mahal Hall, Avari Hotel, 87-Shahrah-e-Quaid-e-Azam, Lahore at 11:00 A.M. on Thursday, January 26, 2017 for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the last Annual General Meeting held on March 08, 2016.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' Reports thereon.
3. To appoint External Auditors for the year ending June 30, 2017 and to fix their remuneration. The retiring Auditors being eligible for re-appointment for the year ending June 30, 2017, have offered themselves for re-appointment.

SPECIAL BUSINESS**4. Amendment in Memorandum of Association of the Company**

To consider and if deemed appropriate to amend the object clause Nos. 2, 3, 4, 5, 11 and 34 of the Memorandum of Association of the Company and pass the following Special Resolution with or without modification(s):

IT IS HEREBY RESOLVED

"That the object clause Nos. 2, 3, 4, 5, 11 and 34 of the Memorandum of Association of the Company be and are hereby amended to be read as follows:

2. To carry on all or any of the business of producing, purifying, buying, storing, transporting, transmitting, distributing, processing, selling, supplying and exporting natural gas and/or liquefied petroleum gas whether as such or in compressed state for lighting, heating, motive power, generation of electricity, or any other purpose whatsoever.

3. To carry on all or any of the branches of the Company all or any of the business of dealers in natural gas and/or liquefied petroleum gas and any component, constituent, product or bye-product thereof, wharfingers, merchants, carriers, ship owners and charterers, lightermen, barge owners, factors and brokers and all other kindred business usually carried on by gas companies and to treat and turn to account in any manner whatsoever natural gas and/or liquefied petroleum gas or any component, constituent, product or bye-product thereof.
4. To manufacture, sell, deal in, let for hire, fix, repair and remove natural gas and/or liquefied petroleum gas apparatus, appliances and fittings, engines, meters, indices, apparatus for testing and measurement, stoves, cookers, gasrings, ranges, pipes, mains for lighting, heating, motive power, ventilating, cooking, refrigerating or any other purposes.
5. To carry on the business of natural gas and/or liquefied petroleum gas engineers, contractors, agents, manufactures of plant, machinery, gas apparatus and works for the sale, supply, distribution, storage, use, regulation and measurement of gas.
11. To enter into any arrangements or agreements with the Government of Pakistan or any Provincial Government, or with any authorities, supreme, national municipal, local or otherwise, or with any company, bank, firm, body or persons whatsoever for the purpose of, or in connection with any of the objects of the Company and in particular with the producers or bulk suppliers of natural gas and/or liquefied petroleum gas for the appointment of the Company as purchasers in bulk for distribution, supply and resale to industrial, commercial, domestic and other consumers.



Notice of 52nd Annual General Meeting

34. To obtain any Order, Ordinance or Act of the Federal Legislature or of the Provincial Legislature, for enabling the Company to carry any of its objects into effect, or such Order, Ordinance or Acts as confer powers on the Company to carry out its undertaking of producing, purifying, buying, storing, transporting, transmitting, distributing, processing, selling, supplying and exporting natural gas and/or liquefied petroleum gas or for any other purpose which may seem expedient, and to oppose any proceeding or application which may seem calculated directly or indirectly, to prejudice the Company's interests.

Resolved further that the Managing Director of the Company be and is hereby authorized and empowered to do or cause to be done all acts, deeds and things that may be necessary to give effect to the above resolutions."

5. Dissemination of Annual Accounts to the Shareholders through CD/DVD/USB

To consider dissemination of Annual Audited accounts through CD/DVD/USB to the shareholders instead of transmitting the same in the form of hard copies. However, for convenience of the shareholders Standard Request Form will be uploaded on the Company's website for those who opt to receive hard copies (in book form) of the Annual Audited accounts at their registered addresses:

IT IS HEREBY RESOLVED

"That dissemination of Annual Audited Accounts to the shareholders in soft form through CD/DVD/USB as notified by Securities and Exchange Commission of Pakistan vide SRO No. 470(I)/2016 dated May 31, 2016 be and is hereby approved.

Resolved further that the Managing Director of the Company be and is hereby authorized and empowered to do or cause to be done all acts, deeds and things that may be necessary to give effect to the above resolutions."

6. To transact any other ordinary business of the Company with the permission of the Chairman.

The share transfer books of the Company will remain closed from Wednesday, January 18, 2017 to Thursday, January 26, 2017 (both days inclusive).

By order of the Board

(WAJIHA ANWAR)
Company Secretary

Lahore,
December 9, 2016

NOTES:

1. Participation in Annual General Meeting:

- i) All members, entitled to attend and vote at the general meeting, are entitled to appoint another member in writing as their proxy to attend and vote on their behalf. A legal entity, being a member, may appoint any person, regardless whether they are a member or not, as proxy. In case of legal entities, a resolution of the Board of Directors' / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the legal entity, shall be submitted to the Company. The proxy holders are required to produce their original CNIC or original Passport at the time of the meeting.
- ii) The proxy instrument must be completed in all respects and in order to be effective should be deposited at the Registered Office of the Company but not later than 48 hours before the time of holding the meeting.

Further guidelines for CDC Account Holders:

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

A. For attending the meeting

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
- ii) In case of legal entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the requirements mentioned below.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the Passport of the beneficial owners and of the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.

- v) In case of a legal entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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

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

3. Deduction of Income Tax from dividends:

Pursuant to the provision of Finance Act, 2016 the rates of income tax deduction from dividend payment under section 150 of the Income Tax Ordinance, 2001 have been revised as under:

- For filers - 12.5%
- For non-filers - 20.0%

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

Please note that the Shares Registrar will check status of the members (Filer or Non Filer) from the Active Tax Payers list on the basis of valid CNIC/NTN numbers and would deduct tax as per provisions of the law therefore, all shareholders are requested to make it sure that copy of their valid CNIC/NTN should be available with the Shares Registrar, as in case of non-availability of CNIC/NTN the Share Registrar could not check their status and would constrain to apply tax rate prescribed for non-filers.

4. Payment of Cash Dividend through Electronic Mode (Mandatory):

The SECP vide circular No.CLD/CO.516/2016-3056 dated December 2, 2016 has directed all the listed Companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

All the entitled shareholders of the Company is requested to provide the particulars of their bank account to enable the Company to credit the dividend amount (if any) through electronic dividend mandate to ensure the mandatory requirements of SECP. The dividend mandate form is available on the Company's website i.e. www.sngpl.com.pk.

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

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.

6. Consent for Video Conference Facility

Pursuant to Section 132(2) of the Companies Ordinance, 2016, if Company receives consent form from members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to registered office of the Company:

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

Signature of Member(s)

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

7. Statement under Section 134(3) of the Companies Ordinance, 2016

A statement under Section 134(3) of the Companies Ordinance, 2016 pertaining to the Special resolution is being sent to the shareholders along with the notice.

REGISTERED OFFICE

Sui Northern Gas Pipelines Limited

Gas House, 21-Kashmir Road,
P.O. Box No. 56, Lahore 54000, Pakistan.
Tel : (+92-42) 99201451-60 / 9921490-99
Fax : (+92-42) 99201369 / 99201302
Website: www.sngpl.com.pk

SHARES REGISTRAR

Central Depository Company of Pakistan Limited

2nd Floor, 307 Upper Mall, Opposite Lahore Gymkhana,
Near Mian Mir Bridge, Lahore, Pakistan.
Tel: (+92-42) 35789378-87
Fax: (+92-42) 35789340
Website: www.cdc-pakistan.com



Notice of 52nd Annual General Meeting

Statement Under Section 134(3) of the Companies Ordinance, 2016

THIS STATEMENT SETS OUT THE MATERIAL FACTS CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON JANUARY 26, 2017.

ITEM NO. 4 OF THE AGENDA - AMENDMENT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

The Board of Directors has recommended that a proposal should be presented to the shareholders of the Company at a general meeting for alteration / amendment in the Memorandum of Association of the Company to enable it to undertake Liquefied Petroleum Gas business to amend the object clause Nos. 2, 3, 4, 5, 11 and 34 as approved by the Board of Directors are proposed to be incorporated in the Memorandum of Association of the Company. All necessary requirements of law will be complied with in this regard.

The proposal for incorporation for amendments in the Memorandum of Association of the Company is therefore being placed before the shareholders for their consideration and if deemed appropriate to pass the following Special Resolution, with or without modification(s):

IT IS HEREBY RESOLVED

"That the object clause Nos. 2, 3, 4, 5, 11 and 34 of the Memorandum of Association of the Company be and are hereby amended to be read as follows:

- To carry on all or any of the business of producing, purifying, buying, storing, transporting, transmitting, distributing, processing, selling, supplying and exporting natural gas and/or liquefied petroleum gas whether as such or in compressed state for lighting, heating, motive power, generation of electricity, or any other purpose whatsoever.
- To carry on all or any of the branches of the Company all or any of the business of dealers in natural gas and/or liquefied petroleum gas and any component, constituent, product or bye-product thereof, wharfingers, merchants, carriers, ship owners and charterers, lightermen, barge owners, factors and brokers and all other kindred business usually carried on by gas companies and to treat and turn to account in any manner whatsoever natural gas and/or liquefied petroleum gas or any component, constituent, product or bye-product thereof.
- To manufacture, sell, deal in, let for hire, fix, repair and remove natural gas and/or liquefied petroleum gas apparatus, appliances and fittings, engines, meters, indices, apparatus for testing and measurement, stoves, cookers, gasrings, ranges, pipes, mains for lighting, heating, motive power, ventilating, cooking, refrigerating or any other purposes.

- To carry on the business of natural gas and/or liquefied petroleum gas engineers, contractors, agents, manufactures of plant, machinery, gas apparatus and works for the sale, supply, distribution, storage, use, regulation and measurement of gas.
- To enter into any arrangements or agreements with the Government of Pakistan or any Provincial Government, or with any authorities, supreme, national municipal, local or otherwise, or with any company, bank, firm, body or persons whatsoever for the purpose of, or in connection with any of the objects of the Company and in particular with the producers or bulk suppliers of natural gas and/or liquefied petroleum gas for the appointment of the Company as purchasers in bulk for distribution, supply and resale to industrial, commercial, domestic and other consumers.
- To obtain any Order, Ordinance or Act of the Federal Legislature or of the Provincial Legislature, for enabling the Company to carry any of its objects into effect, or such Order, Ordinance or Acts as confer powers on the Company to carry out its undertaking of producing, purifying, buying, storing, transporting, transmitting, distributing, processing, selling, supplying and exporting natural gas and/or liquefied petroleum gas or for any other purpose which may seem expedient, and to oppose any proceeding or application which may seem calculated directly or indirectly, to prejudice the Company's interests.

Resolved further that the Managing Director of the Company be and is hereby authorized and empowered to do or cause to be done all acts, deeds and things that may be necessary to give effect to the above resolutions."

ITEM NO. 5 OF THE AGENDA - DISSEMINATION OF ANNUAL ACCOUNTS TO THE SHAREHOLDERS THROUGH CD/DVD/USB:

The Board of Directors has recommended that a proposal should be presented to the shareholders of the Company at a general meeting for dissemination of Annual Accounts to the shareholders through CD/DVD/USB instead of transmission of the same in book form as notified by Securities and Exchange Commission of Pakistan vide SRO No. 470(I)/2016 dated May 31, 2016. All necessary requirements of law will be complied with in this regard.

Transmission System

As at June 30, 2016

SR. #	SECTION	DIA (Inches)	MAIN LINE (Kilometers)	LOOP LINE (Kilometers)
1	PIRKOH - SUI	24	70.50	-
2	LOTI - PESHBOGI	18	11.25	-
3	SUI - MULTAN	24	19.31	-
4	SUI - MULTAN	30	-	19.31
5	SUI - MULTAN	24	14.29	-
6	SUI - MULTAN	30	-	14.29
7	SUI - MULTAN	16	0.26	-
8	GUDDU TPS	4	2.41	-
9	GUDDU BARRAGE	24	1.81	-
10	GUDDU CROSSING	36	-	1.81
11	SAWAN - QADIRPUR	24	131.00	-
12	SAWAN CUSTODY TRANSFER POINT - SV1	24	2.85	-
13	SV4 - SV5	42	-	20.92
14	SV5 - QV1 SEGMENT	42	-	29.40
15	SAWAN CUSTODY TRANSFER POINT - U/S OF SV1	42	-	2.73
16	SV1 - SV2 LINE	42	-	25.12
17	NARA CANAL D/S - SV4 LINE	42	-	51.52
18	MUBARAK LINE	16	35.48	-
19	CHACHAR GAS FIELD LINE	8	2.87	-
20	KAND KOT LINE	16	52.23	-
21	QADIRPUR LINE	30	53.13	-
22	QADIRPUR LINE	36	-	53.14
23	ENGRO FERTILIZER LINE	20	37.80	-
24	ENGRO ENERGY LINE	16	3.30	-
25	MARI DCPF - GENCO-II DEHYDRATION UNIT LINE	12	4.50	-
26	MARI DCPF - GENCO-II DEHYDRATION UNIT LINE	10	5.50	-
27	SUI - MULTAN	18	-	256.82
28	SUI - MULTAN	24	288.06	-
29	SUI - MULTAN	30	-	313.78
30	SUI - MULTAN	36	-	213.68
31	SUI - MULTAN	16	1.85	-
32	K1 - MP-37.88	20	-	20.68
33	SHER SHAH X-ING	36	-	2.20
34	AC1X - AV7 (RYK)	36	-	26.96
35	AV17 - AV 20	36	-	3.50
36	AV21 - AV 22	36	-	27.79
37	SUTLEJ CROSSING - 1	12	1.61	3.22
38	SUTLEJ CROSSING - 2	36	-	2.04
39	KHANPUR LINE	6	22.81	-
40	A5 - BAHAWALPUR	8	48.18	-
41	AV22 - KOT ADDU	16	69.65	-
42	AV22 - KOT ADDU	20	-	38.01
43	KOT ADDU - CHOWK SARWAR SHAHEED	8	26.00	-
44	D. G. KHAN LINE	8	72.06	-
45	DHODAK - KOT ADDU	16	77.79	-
46	TPS MUZAFFARGARH LINE	16	4.57	-
47	QADIRPUR - AC-1X LINE	30	17.11	-
48	QADIRPUR - AC-1X LINE	36	-	16.88
49	AHMEDPUR EAST	6	18.34	-
50	KHAN GARH	8	22.20	-
51	MULTAN - FERTILIZER LINE	10	1.43	-
52	JAHANIAN LINE	8	30.49	-
53	MULTAN - SIDHNAI	18	-	46.70
54	MULTAN - SIDHNAI	24	22.46	22.46
55	MULTAN - SIDHNAI	30	-	46.70
56	MULTAN - SIDHNAI	36	-	48.38
57	AV29 - SAHIWAL	36	-	145.46
58	KASHMORE-SHAHWALI LINE	12	20.00	-
59	SHAHWALI - ROJHAN LINE (FIRST SEGMENT)	12	4.00	-
60	HAROONABAD LINE	8	20.00	-



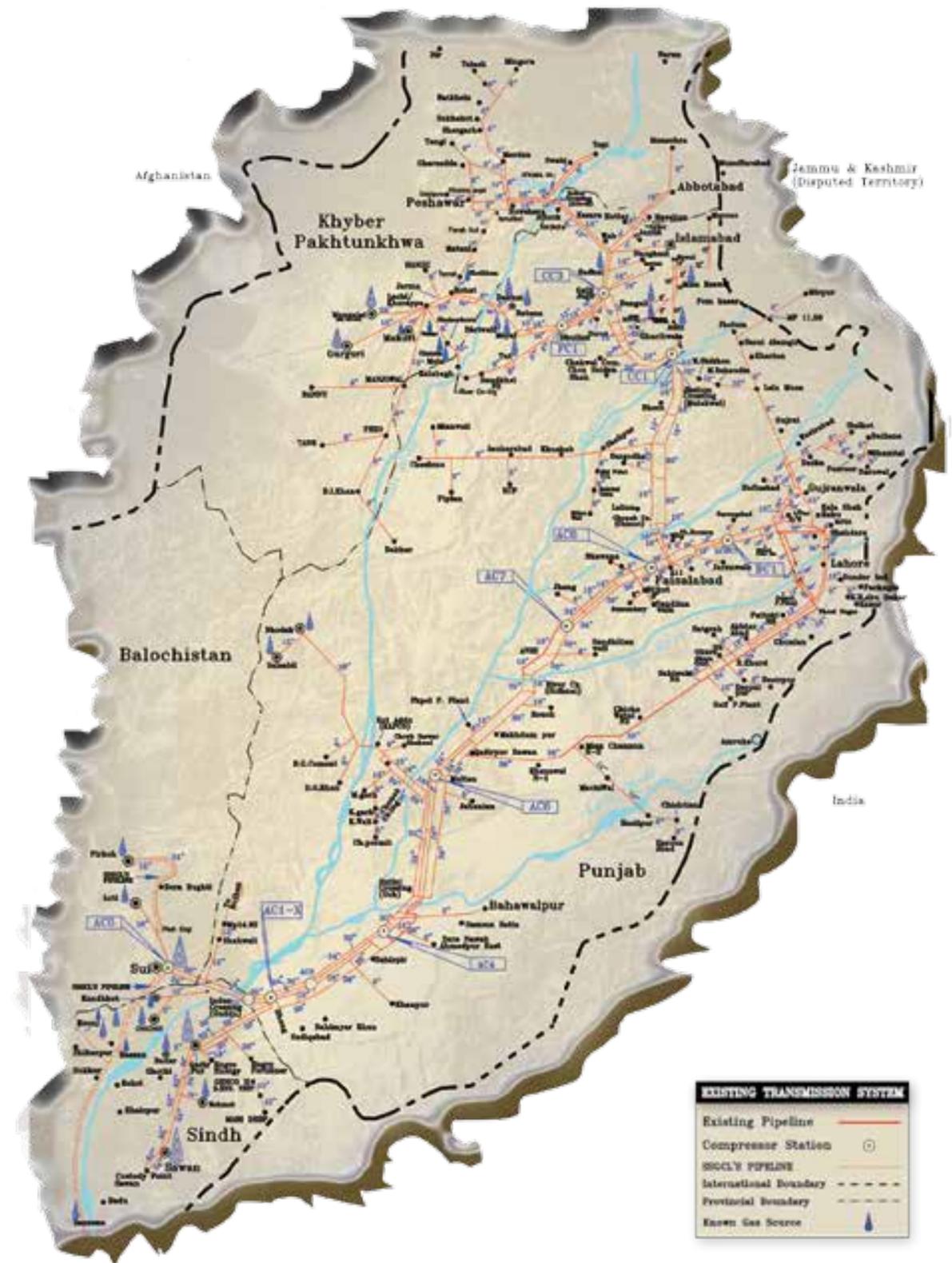
Transmission System

SR. #	SECTION	DIA (Inches)	MAIN LINE (Kilometers)	LOOP LINE (Kilometers)	SR. #	SECTION	DIA (Inches)	MAIN LINE (Kilometers)	LOOP LINE (Kilometers)
61	SMS KHANGARH - KALLARWALI	8	30.00	-	121	SAIF POWER PLANT SAHIWAL	12	0.34	-
62	SMS KALLARWALI - CHOWK PERMIT	8	27.61	-	122	GUJRAT - JHELUM	8	54.27	-
63	SIDHNAI - FAISALABAD	18	-	163.58	123	SARAI ALAMGIR - MIRPUR	8	18.50	-
64	SIDHNAI - FAISALABAD	24	-	50.24	124	RENALA - SATGARAH	8	12.35	-
65	SIDHNAI - FAISALABAD	30	-	53.29	125	MALIKWAL - HARANPUR - DANDOT	12	1.18	-
66	SIDHNAI - FAISALABAD	36	-	26.42	126	MALIKWAL - HARANPUR - DANDOT	16	-	20.00
67	SIDHNAI X-ING - AC-7	36	-	33.26	127	CC1 - C4	30	-	29.09
68	DARKHANA - SINDHELIANWALI LINE	8	17.40	-	128	C4 - CHAKWAL CEMENT	10	24.00	-
69	T.T. SING - JHANG	8	30.28	-	129	HARANPUR - GHARIBWAL	8	13.02	-
70	DIJKOT - SAMUNDARY LINE	8	22.33	-	130	DANDOT - GALI JAGIR - WAH	10	87.70	-
71	SAHIWAL - LAHORE	18	142.93	-	131	DANDOT - GALI JAGIR - WAH	16	-	153.51
72	SAHIWAL - AKHTARABAD	24	-	66.69	132	DANDOT - GALI JAGIR - WAH	30	-	64.22
73	SUNDER INDUSTRIAL STATE LINE	16	4.34	-	133	DHULIAN - GALI JAGIR	10	40.14	29.79
74	AC8 - SMSII (OLD)	16	-	5.90	134	DAKHNI - MEYAL - DHULIAN	16	50.44	-
75	AC8 - A11	20	-	0.66	135	CV13a - CC1	16	-	3.58
76	WAPDA OFFTAKE FSD	12	2.42	-	136	RATANA LINE	10	2.49	-
77	CHAK JHUMRA LINE	6	12.04	-	137	SIL CROSSING	10	-	1.46
78	FSD - MALIKWAL	12	19.34	-	138	DHURNAL LINE (1)	8	0.54	-
79	FSD - MALIKWAL	16	-	158.67	139	DHURNAL LINE (2)	10	11.08	-
80	FSD - MALIKWAL	30	-	90.82	140	DHULIAN - DAUDKHEL	8	85.20	4.04
81	CV12A - KHATHIALA SHAKHAN LINE	12	28.23	-	141	FC1 - MP 13.20	24	-	21.25
82	KATHIALA SHEIKHAN - MANDI BAHAUDDIN LINE	12	9.10	-	142	FC1 - C6 PIPELINE FROM MID POINT VALVE ASSEMBLY TO END POINT C6 GALI JAGIR	24	-	18.90
83	MANDI BAHAUDDIN - LALAMUSA LINE	12	47.17	-	143	FC1 - PINDIGHEB LINE	24	-	10.10
84	MALAKWAL - JHELUM CROSSING	16	-	5.42	144	MEYAL V/A - END POINT SMS PINDIGHEB	24	-	12.50
85	CHENAB CROSSING CHINIOT	18	1.13	-	145	KHUSHAL GARH BRIDGE - DAKHNI END POINT V/A	24	-	11.40
86	CHENAB CROSSING CHINIOT	30	2.32	-	146	POINT A V/A - SMS DHURNAL	3	0.24	-
87	KOT MOMIN - JOHARABAD (1)	8	72.41	-	147	GALI JAGIR - MORGAH (1)	10	21.43	-
88	KOT MOMIN - JOHARABAD (2)	6	38.36	-	148	GALI JAGIR - MORGAH (2)	6	9.50	-
89	JOHARABAD - CHASHMA	8	82.21	-	149	GALI - RANIAL	16	-	35.57
90	PIPLAN LINE	8	17.05	-	150	WAH - ISLAMABAD	6	12.06	-
91	SARGODHA LINE	6	20.92	-	151	WAH - HATTAR	16	-	6.17
92	CV3 (JHOKE MORE) -M3 INDUSTRIAL ESTATE LINE	8	15.68	-	152	WAH - HATTAR	10	9.93	-
93	FSD - SHAHDARA	16	57.48	119.25	153	ADHI - RAWAT	10	47.70	-
94	FSD - SHAHDARA	24	-	55.03	154	RAWAT - MURREE	12	57.25	-
95	BC1 - FAROOQ ABAD	8	22.96	-	155	BHANGALI LINE	8	5.82	-
96	SHAHDARA - LAHORE	16	2.51	2.99	156	MISSA KASWAL - MANDRA	8	20.60	-
97	RAVI CROSSING (1)	16	0.58	-	157	WAH - NOWSHERA (1)	10	50.41	-
98	RAVI CROSSING (2)	10	-	0.58	158	WAH - NOWSHERA (2)	16	-	52.60
99	SHAHDARA - WAPDA LAHORE	10	3.41	-	159	INDUS CROSSING	24	-	1.12
100	KHURRIANWALA - JARANWALA	8	-	22.53	160	TAXILA LINE	4	4.43	-
101	DAWOOD HERCULES LINE	12	5.87	-	161	SANJWAL LINE	6	6.67	-
102	SHEIKHUPURA - GUJRANWALA (1)	10	59.44	-	162	KOHAT LINE	8	11.58	-
103	SHEIKHUPURA - GUJRANWALA (2)	16	-	44.57	163	SHAKARDARA - DAUDKHEL	10	40.11	-
104	MP 59.91 - B3 LINE	24	-	22.83	164	SHAKARDARA END POINT - F3	10	1.55	-
105	B3-RAVI D/S LINE	24	-	3.15	165	SADQAL - NAUGAZI LINE	16	19.02	-
106	KOTLI - RAHWALI (BV13)	18	30.76	-	166	DASKA - PASROOR LINE	8	24.86	-
107	HAFIZABAD LINE	8	43.00	-	167	FAUJI KABIR WALA LINE	8	5.86	-
108	SHAHDARA - GUJRANWALA - RAHWALI	10	73.40	-	168	OKARA - DIPALPUR LINE	8	16.83	-
109	RAHWALI - GUJRAT	8	35.46	-	169	ROUSCH POWER PLANT LINE	16	4.70	-
110	RAHWALI - SIALKOT	8	13.97	13.97	170	PINDORI - BHANGALI LINE	8	15.83	-
111	SIALKOT OFF-TAKE V/A TO PASROOR OFF-TAKE V/A	16	-	32.83	171	CV24 - PINDORI (FIRST SEGMENT)	10	26.33	-
112	RAHWALI-SIALKOT OFFTAKE	18	-	1.48	172	KM 26.33 - KM 30.80 (CV24 - PINDORI PIPELINE)	10	4.47	-
113	PASROOR - DHAMTAL - NAROWAL	8	40.55	-	173	MIANWALI LINE	8	17.80	-
114	SIALKOT O/T - WAZIRABAD	18	-	19.82	174	DI-KHAN - BHAKAR LINE	8	19.69	-
115	SAHIWAL - LAHORE	16	-	76.67	175	MIAN CHUNNUN - HASILPUR	12	83.85	-
116	PHOOL NAGAR - DAWOOD HERCULES	16	63.95	-	176	HASILPUR - CHISHTIAN LINE	8	30.98	-
117	PHOOLNAGAR - DAWOOD HERCULES	24	-	65.47	177	AV-40 - DIJKOT - TANDLIANWALA	8	39.79	-
118	ORIENT POWER PLANT LINE	10	1.88	-	178	AV-40 - BHAWANA LINE	8	37.14	-
119	SAPPHIRE POWER PLANT LINE	10	0.22	-	179	SUKHO - RAWAT	16	36.24	-
120	HALMORE POWER LINE	12	3.40	-					



Transmission System

SR. #	SECTION	DIA (Inches)	MAIN LINE (Kilometers)	LOOP LINE (Kilometers)
180	DIPALPUR - BASIRPUR	8	22.64	-
181	MANGA - PACKAGES LINE(RENTED POWER)	8	36.65	-
182	RODHO - KOT QAISRANI LINE	12	14.50	-
183	SAHIWAL - PHOOLNAGAR LOOP LINE FROM AKHTARABAD V/A TO N-6 PATTOKI V/A	24	-	20.95
184	N-6 - PHOOL NAGAR O/T	24	-	21.69
185	SHAHPUR-HUSSAIN SHAH LINE	8	22.22	-
186	HUSSAIN SHAH - SAHIWAL TOWN LINE	8	13.52	-
187	SAHIWAL TOWN - SILLANWALI LINE	8	26.71	-
188	RANDHAWA OFF-TAKE TO BADIANA	8	8.50	-
189	KOTLI RAI ABU BAKAR LINE	8	7.05	-
190	HATTAR-HARIPUR	10	18.12	-
191	HATTAR OFFTAKE	6	0.39	-
192	HARIPUR - MANSEHRA	8	70.53	-
193	HARIPUR OFFTAKE	8	1.53	-
194	WAH - NOWSHERA(1)	10	25.13	-
195	WAH - NOWSHERA(2)	16	-	23.68
196	WAH - HATTAR	16	-	13.62
197	HATTAR - SARAI SALEH	16	-	19.00
198	HATTAR - HAVELLIAN	16	-	15.00
199	HAVILLINA - ABBATABAD	16	-	27.50
200	C10 - ISMAILKOT	16	-	14.64
201	KOHAT LINE	8	42.69	-
202	KOHAT - NOWSHERA	24	85.52	-
203	KOHAT - GHORAZAI LINE	24	-	23.49
204	MANZALAI - KOHAT LINE	24	39.01	-
205	JARMA - HANGO LINE	8	36.00	-
206	MUNJOWAL - BANNU	8	36.50	-
207	NOWSHERA - ISMAILKOT(1)	8	11.97	-
208	NOWSHERA - ISMAILKOT(2)	6	-	11.97
209	ISMAILKOT - TURNAB(1)	8	-	20.85
210	ISMAILKOT - TURNAB(2)	6	20.86	-
211	ISMAILKOT - TURNAB(3)	16	-	21.24
212	SHAKARDARA - DAUDKHEL	10	3.00	-
213	KHARAPPA - SHAKARDARA	8	25.50	-
214	KHARAPPA - MANJOWAL	12	84.42	-
215	MAKORI-KHARAPPA	10	8.75	-
216	MUNJOWAL - PEZU	8	53.29	-
217	PEZU - D. I. KHAN	8	47.02	-
218	PEZU - TANK	8	31.51	-
219	DI-KHAN BHAKAR	8	18.80	-
220	NOWSHERA-MDN-T.BAI-S/KOT	8	57.99	-
221	NOWSHERA - CHARSADDA	8	23.59	-
222	NOWSHERA - MARDAN	12	-	19.76
223	NOWSHERA - MARDAN	16	-	2.16
224	CHARSADDA - TURANG ZAI LINE	6	10.36	-
225	TANGI LINE	6	13.87	-
226	CHARSADHA - KHAZANA LINE	8	22.64	-
227	CHARSADHA - KHAZANA - DOLATPURA	6	0.34	-
228	JAHANGIRA - SWABI - TOPI	8	40.29	-
229	JAHANGIRA - SWABI - TOPI	8	-	38.24
230	JAHANGIRA OFF-TAKE - KABUL X-ING D/S	16	-	2.52
231	KABUL X-ING JAHANGIRA	16	0.30	-
232	SAKHAKOT - SWAT	8	68.06	-
233	CHAKDARA - TALASH LINE	8	31.60	-
234	GURGURI - KOHAAT LINE	10	78.00	-
235	SARAI ALAM GIR - MIRPUR	8	17.35	-
SUB-TOTAL			4,579.85	3,361.23
GRAND TOTAL (KM)				7,941.08





Chairman's Review and Directors' Report



The Board of Directors presents the 53rd Annual Report and the Audited Financial Statements of your Company for the Financial Year ended June 30, 2016 along with the Auditors' Report thereon.



FINANCIAL REVIEW

We are pleased to present the audited financial statements of your Company for the Year ended June 30, 2016, after incorporating the determination of Final Revenue Requirements of the Company for the year 2015-16 by Oil and Gas Regulatory Authority (OGRA). During the year under review, your Company has turned from loss to profit by endorsing profit after tax of Rs 124 million and EPS of Re. 0.20 as compared to loss after tax of Rs 2,495 million and loss per share of Rs 3.93 during the corresponding period of last year.

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

	(Rs in Million)
Loss before taxation	(140)
Provision for taxation	264
Profit after taxation	124

Wise decision making and right steps towards the right direction, has made your Company able to step into profit for this year after incurring heavy losses during last few years. This positive change is a ray of hope and an intimation for the prosperous years ahead of your Company.

Following are few key factors, which have direct impact on the profitability of your Company;

- a) Disallowance of UFG over and above the benchmark prescribed by OGRA, which is provisionally allowed 4.5%, till the completion of UFG study;
- b) Disallowance of provision for bad debts over and above the set criteria by the Regulator; and
- c) Treatment of non-operating income as operating income mainly on account of LPS relating to WAPDA, IPPs, Cement & Fertilizer from FY 2012-13 to FY 2015-16 which was partially offset by treating the financial charges on delayed payment to gas creditors as operating expenses.

Your Company maintains that continuous disallowance on account of Unaccounted for Gas (UFG) over and above the benchmark, set arbitrarily by the Regulator, remains as one of the major contributor towards the adverse results of the Company. During the year under review, the volumetric loss has reduced from 57.2 bcf during 2014-15 to 46.7bcf. Accordingly UFG disallowance has also reduced from



Chairman's Review and Directors' Report



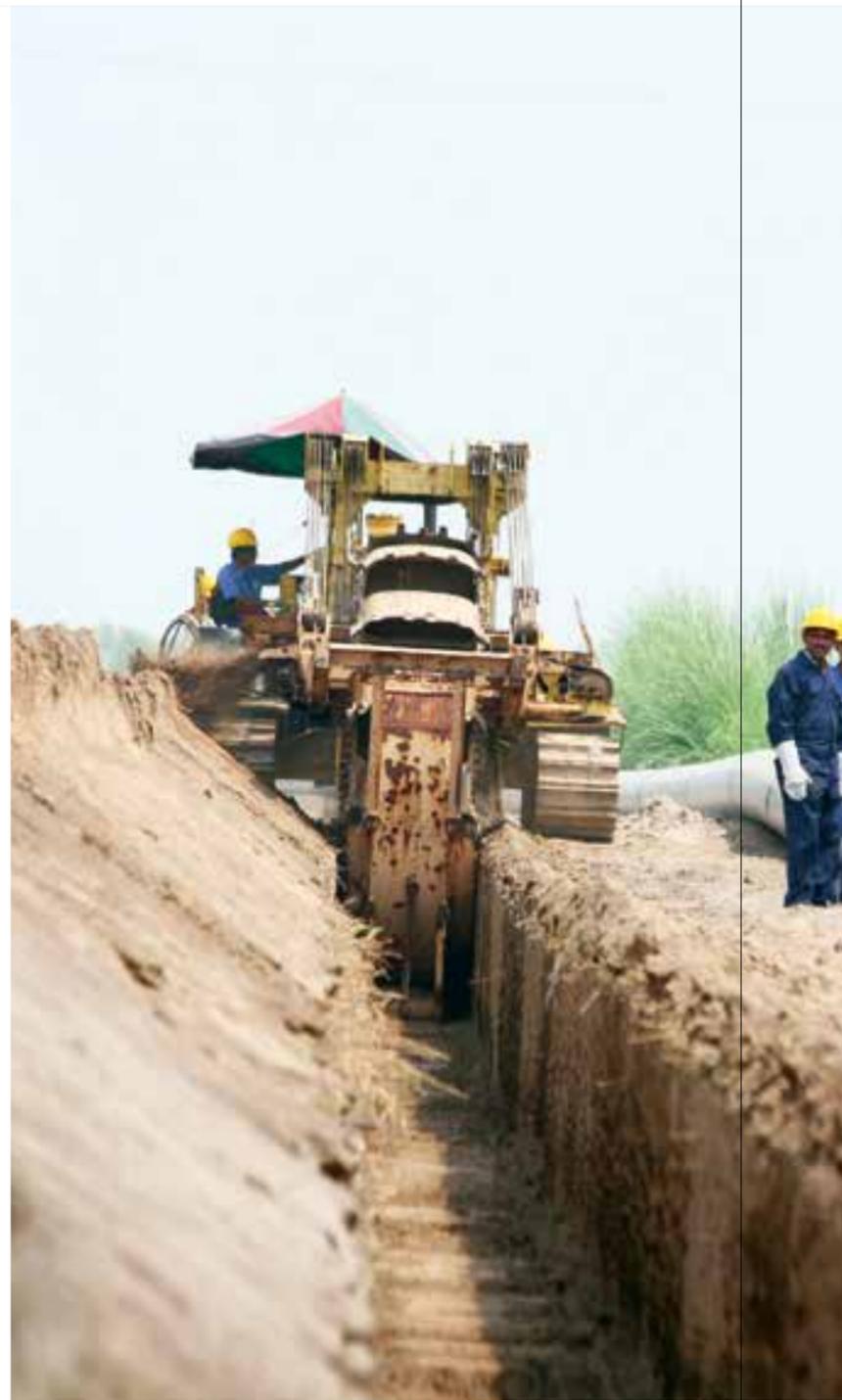
Rs 11.60 billion during 2014-15 to Rs 7.52 billion during the current year.

Your Company is taking several steps including, but not limited to, increased surveillance and particular monitoring of areas susceptible to gas pilferage, timely leakage detection and its rectification and continuous checking and up gradation of measurement facilities etc, are being taken to reduce this loss. With the right focus on the issues, the UFG has brought down more than 1% as compared to previous year and also committed to bring it further down to an acceptable level.

Economic Coordination Committee of the Cabinet (ECC) has already recognized the factual issues being faced by the Company and recommended a provisional relief to the Company till a full-fledged UFG study is undertaken. However, OGRA in its determination for the year under review has only partially recognized the impact of factors beyond Company's control and has most notably deferred the impact of bulk to retail ratio which has a major impact on UFG disallowance. Company is following up this matter at appropriate level. It is expected that with the support of Ministry of Petroleum and Natural Resources, the Company will be able to get the recommendations of ECC fully implemented enabling it to operate at a fair level of financial and operational strength.

During the determination of Final Revenue Requirements of the Company, OGRA also disallowed the provision for doubtful debts by Rs 1,737 million. The amount of provision which is recognized keeping in view International Accounting Standards to reflect true and fair of the financial statements represent amounts recoverable and under litigation mainly on account of consumers involved in the theft of gas. However, best efforts are made to control the disallowance on account of provision for doubtful debts.

Had the Regulator not incorporated the adverse impact of prior years adjustment amounting to Rs 4,695 million (mainly on account change of treatment of LPS of WAPDA, IPPs, Cement, & Fertilizer from non-operating income to operating income) the Company would have reported after tax profit of Rs 3,209 million and EPS of Rs 5.06 per share.



OPERATIONAL REVIEW

The transmission network of the Company has extended to 7,941 KMs high pressure pipelines, ranging from 4 inches to 36 inches diameter, across its area of franchise. During the year, 157 new towns, villages were connected with the existing system by laying 3,974 KMs of distribution mains and service lines. A total of 3,367 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 261,629 new gas connections during the year under review.



PROJECTS

Projects Department has completed 154 KMs Transmission Lines with diameters ranging from 8" to 42" including the contract lines. In addition to Transmission Lines, 330 KMs of Distribution mains were commissioned during this fiscal year 2015-16 for improving pressure and enhance customer satisfaction level.

The Company is pro-actively engaged (i) in bringing 1200 MMCFD LNG into its system by system augmentation projects expected to complete by end of this year; (ii) the spur line laying jobs of three power plants at Bhikki, Haveli Bahadur Shah and Balloki of consolidated 3600 MW capacity for supplying 200 MMCFD RLNG to each power plant on 100 % cost sharing basis expected to complete by end of this year; and (iii) undertaking the pipeline infrastructure development works for supplying gas to Nandipur power plant.

Under the system augmentation project Company is engaged in laying of 873 KMs long pipelines of diameter 16" to 42" (starting from Sawan to Lahore via Qadirpur, Bhong, Uch Sharif, Multan, Sahiwal) and along with installation of 35000 HP compression and 149 KMs long pipelines of 30" diameter for above mentioned power plants for supplying RLNG to these power plants.

After the completion of this system augmentation project, your Company shall be able to receive and transport 1200 MMCFD additional gas into its system as compared to present additional capacity of 600 MMCFD.



COMPRESSION OF GAS

The Compression Department of your Company is operating 11 Nos. compressor stations with 67 Nos. compressor packages, heat exchangers, power plants and cooling towers for the transmission of natural gas available from different fields, at different pressures, flow and temperature to meet the gas demands of consumers located at Company's network.

The Compression Department also has indigenous facility for maintenance and major overhauling of gas turbines under technology transfer from M/s Solar, USA. The overhauling facility for gas turbine engines has also been modernized and upgraded by adding latest CNC machines to augment its capacity to meet the future targets for engine repairs. There is also testing facility for performance evaluation and assurance of the mechanical integrity of gas turbine engines after overhauling. In last fiscal year, 4 Nos. of Centaur gas turbine engines were zero overhauled and 4 Nos. were refurbished in this facility at Multan and installed in field.

The Compression Department is also working on its five year plan for zero overhauling of turbine engines having completed more than 100,000 hours, as per OEM standards. This activity will be completed during current fiscal year and will enhance the life and efficiency of these engines. Various obsolete systems of 11 Nos. compressor packages of late 80's vintage are also being refurbished by replacing these systems with the latest ones.

The department is executing infrastructure development project to receive LNG and indigenous gas supplies of 1,200 MMCFD in transmission system. The project encompass augmentation of compression system at compressor stations AC-IX (Bhong), AC-4 (Uch Sharif) & AC-6 (Multan) by adding and relocating 35,000 horsepower at these stations along with Allied equipment / systems. The project is being executed in two phases viz Phase-I & II. Development activities under Phase-I, has been completed within target schedule, whereas construction activities under Phase-II are in progress at above compressor stations simultaneously and are targeted to be completed in Dec-2016.



Chairman's Review and Directors' Report

The department has also achieved a milestone for acquiring the status of ISO 9001:2008 certification from M/s. DAS International (The international Certifying Body). In this respect, compression department has formulated a quality policy ensuring the laid down objectives & targets in line with international codes & standards, ISO-9001:2008 and ISO-14001:2004 & OHSAS 18001:2007.

CORROSION CONTROL

The Corrosion Control Department of your Company is applying Cathodic Protection (CP) technique through 1,601 CP Stations for MS Network being monitored through 27,710 and 5,746 test points in Distribution and Transmission Departments respectively. During the fiscal year 2015-16, 72 new CP Stations were added to the system while 48 exhausted ground beds of existing CP System were replaced. Integrity Assessment of Transmission Lines through ECDA methodology was carried out on 339.33 KMs of different diameters as per NACE Standards. Corrosion Control Department has also been able to successfully scan 26,104 KMs of gas network and detect and identify 34,898 Nos. of underground leaks by using laser based detection equipment during the year as per UFG Reduction Plan. Coat & Wrap works on Transmission Lines have also been carried out by Corrosion Control Department by recoating of 18.92 KMs of Transmission Lines during fiscal year 2015-16 in four transmission sections along with fabrication of 4,025 Nos. rolls of outer wrap / thermo glass. Furthermore, 08 Nos. Remote Monitoring Units (SCADA Based) were installed at repeater stations along with installation of 10 Nos. Battery Backup T/R Units at transmission network while installation of Remote Monitoring Units (GSM Based) is under progress at Red Zone Islamabad. Furthermore, 14 Nos. Air Cooled T/R Units & 63 Nos. Battery Backup T/R Units were fabricated at Corrosion Control Centre and Material Testing of 1,250 Nos. samples was performed at material Testing Laboratory of Corrosion Control Centre. Pipeline Integrity Management Program is being implemented on Transmission Pipeline Network. As part of Research & Development, we have developed GSM Based Remote Monitoring Unit for data transmission of CP Stations. The system will improve the efficiency and resources will be utilized for further improvement of system.

UN-ACCOUNTED FOR GAS (UFG) CONTROL

The UFG Control Department of your Company under the guidance of the UFG Control Committee successfully executed the UFG Reduction Plan and reduced the UFG losses from 10.97% to 9.21% during FY 2015-16.



The activities included in UFG Reduction Plan are expected to have long term effect for controlling UFG in coming years. The key focus areas are:

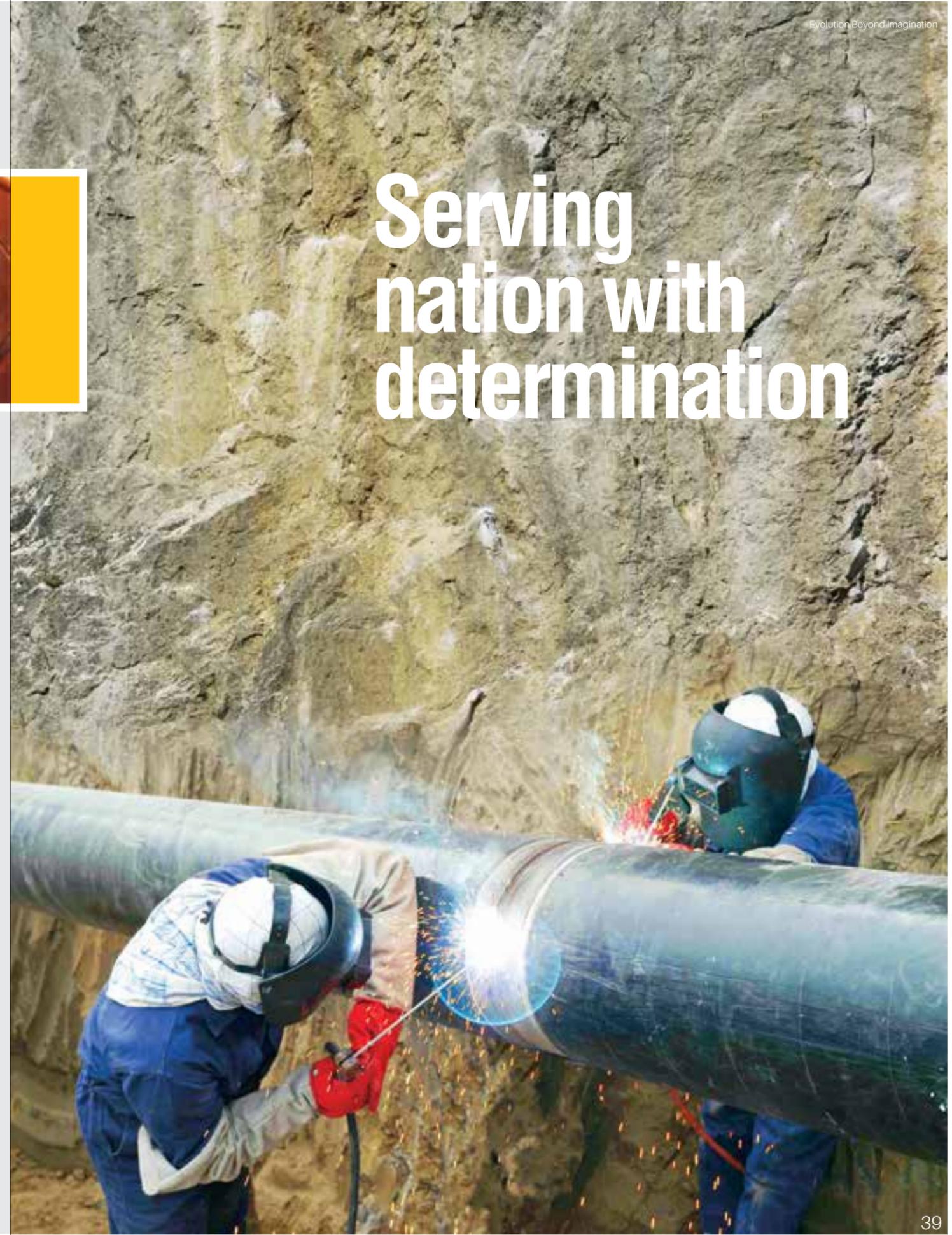
1. Leakage Rectification/ Management Program
2. Theft Control Program
3. Capacity enhancement of Metering Workshops

METERING

Meters and EVCs are cash registers of the Company as the revenue generation through billing depends upon accurate working of these sensitive gadgets. Metering department is responsible to check the accuracy of meters/ EVCs supplying gas to Industrial, Commercial and Domestic Sectors. Activities like inspection/repair/maintenance/ calibration/flow proving and configuration of measurement gadgets i.e. Meters & Electronic Volume Correctors (EVCs) are conducted at its designated Central/Regional Meter Shops. Metering Department also arranges trainings of executives and staff on Measurement Techniques to improve understanding of measurement gadgets.

Central/Regional Meter Shops are accredited to International Standards Organization (ISO) regarding implementation of Quality Management System (ISO 9001:2008). Metering Department decided to shift to latest version of ISO, released in September 2015 i.e. ISO 9001:2015 which includes Risk Based thinking, Knowledge Management Concept and change in mandatory procedures. Third party services M/s. United Registrar of Systems Pakistan (URS) has been hired for certification to ISO 9001:2015. Training session has been organized by M/s. URS covering Introduction and Transition from ISO 9001:2008 to ISO 9001:2015. Whereas, development of latest quality systems manual is in progress. Moreover, Central/Regional Meter Shops are also complying with the organization's Health, Safety and Environmental Management Systems regarding the certifications of OHSAS 18001:2007 & ISO 14001:2004 respectively.

Serving nation with determination





Chairman's Review and Directors' Report

The EVCs had been introduced in the Company about 13 years ago. Metering Department is striving continuously to improve measurement accuracy at the Consumer Meter Stations and now 100 % Industrial consumer Meter Stations have been equipped with EVCs. Metering department has developed back flow protection device and has started installation on commercial meters. Introduction of back flow protection in new domestic meters, installation of twist tight seals on commercial meters, installation of latest EVCs on Class-900 meters for High Pressure Commercial Consumers and generation of MIRs through CC&B have been done during the fiscal year 2015-16. The latest EVCs, equipped with magnetic sensor and optic coupling pulser board, have also been introduced which have not only improved the measurement accuracy but also provided data logging facilities to help in detection of tampering/pilferage of gas. GSM/GPRS based communication system was implemented in the Company, which communicates EVC data to the Central Computer, based in Head Office, for vigilance purpose, better operational control and to curb the menace of UFG losses.

The Central / Regional Meter Shops are constantly working on increasing productivity for timely dispatch of MIRs and provision of refurbished meters to fulfill the emerging needs of Regions to meet operational requirement and reduce Company's UFG losses. During the year 31,652 Meter Inspection Reports against Commercial



and Industrial meters have been issued for necessary proceedings by Distribution Regions to recover volume against measurement error/tampering. 234,686 refurbished Domestic, Commercial and Industrial meters have been dispatched to Distribution Regions for replacement of suspected/tampered/defective meters on the network. Moreover, 4,585 Nos. EVCs have also been repaired/configured for field installation.

A capacity enhancement proposal of Central / Regional Meter Shops was approved by the Board of Directors. The construction work at Central Meter Shop, RMS Faisalabad & RMS Islamabad has completed. Now the annual capacity of Central/Regional Meter Shops for repair of Domestic, Commercial and Industrial meters has been enhanced to 340,000, 28,000 and 8,500 respectively.

CUSTOMER SERVICES

Customer satisfaction has always been a core value in SNGPL policies and decision making which is amply reflected in our Vision and Mission. SNGPL has over 172 Nos. offices (14 Regional Offices, 35 Sub-regional Offices, 33 Customer Services Centers and 90 Complaint



Centers) across Punjab, Khyber Pakhtunkhwa, Islamabad Capital Territory and Azad Jammu & Kashmir to receive and rectify the complaints from more than 5.27 million consumers. These offices operate round the clock to handle emergencies. Besides these offices, SNGPL has made arrangements for centralized Call Center to receive all types of complaints and to disseminate information related to services provided by the Company. The Call Center can be accessed through a Universal Access Number (UAN) 1199 from mobile or landline number within Company's franchised area. To improve satisfaction level of our valued customers, the Call Center has also been tasked to have feedback from complainants.

The received complaints are routed to designated locations through a special Oracle based Customer Care & Billing (CC&B) software. The complete history and database of each customer is maintained in this software. The complaint rectification teams are equipped with proper tools, equipment and transport for prompt action as per standards laid down by Oil & Gas Regulatory Authority (OGRA).

During the year under review, 726,000 complaints were received all of which were duly responded and rectified to the customers satisfaction.

BILLING

The Billing Department of your Company is committed to ensure error-free and timely delivery of accurate gas bills at doorstep of every consumer by employing state of the art technological applications. Digital Imaging (HHU) meter reading has been spread across the Company in all categories of consumers, which has contributed towards reduction in consumer complaints and improving quality of billing.

The Company considers Recovery of outstanding dues from defaulting consumers as prime goal and vigorously following it up at every forum and strict action against defaulters is taken to ensure liquidation of overdue amounts. Special emphasis is given to customer services by facilitating consumers regarding resolution of their grievances on timely and expeditious manner.

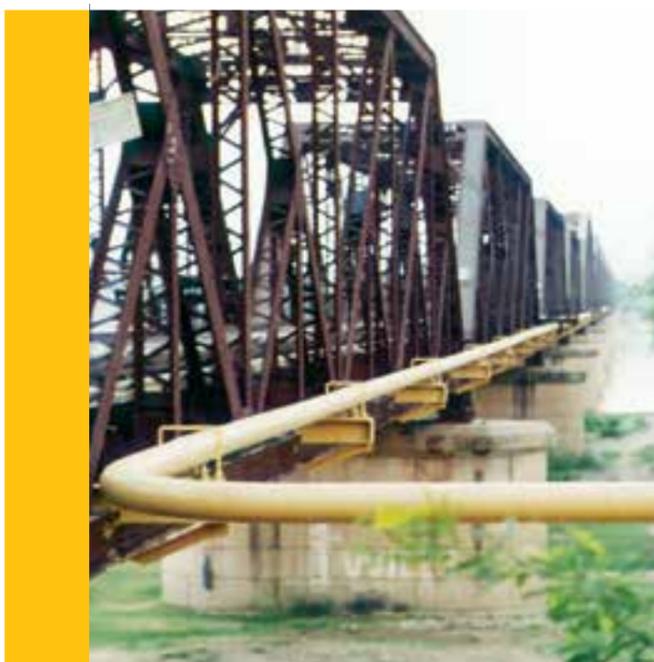


INFORMATION TECHNOLOGY

Your Company is one of the most IT enabled companies of the Region. Oracle Utilities Customer Care and Billing (CC&B) system is now completely entrenched and fully utilized by all the user departments such as Sales, Distribution, Billing, Customer Services, and Accounts for their business processes. The system has improved customer services and brought in transparency and accuracy by providing several MIS reports. It has considerably improved the system's accuracy, bill delivery, revenue realization, process visibility across the board while ensuring, customer satisfaction and employees' productivity.

Enterprise Resource Planning (ERP) modules Purchasing, Inventory and Enterprise Asset Management (EAM) have been implemented to further improve efficiencies and effectiveness of various departments. Enterprise Asset Management has been implemented in the LS department that caters day-to-day maintenance activities of Company vehicles.

These IT systems have contributed significantly towards informed decision making and facilitated in UFG reduction. Initiatives to improve security and access control have also been undertaken to make the Company information systems more robust and secure.





Chairman's Review and Directors' Report



IT has also established a new state-of-the-art Data Center equipped with precision cooling, biometric access control, advanced fire detection and suppression system, uninterrupted power sources to host critical business systems and IT services, such as ERP and CC&B.

IT/MIS department has further enhanced information security management and also focused on Android based smart phone apps to provide information at the touch of a button on the smart phone. An application has been developed to provide information such as Consumer Master Information, Meter Installation and Removal History, HHU Reading History, Billing History, Account Activity Logs (Complaints & Field work etc.) and Geographical location using maps. Location of meters is also being recorded using HHU devices. This will lead to improved customer satisfaction and support services. This can be viewed through Geographic Information System.

TELECOMMUNICATION

During the year under review, Telecommunication Department has successfully completed its largest and most challenging projects i.e. the commissioning of equipment for shifting from 2GHz to 8GHz frequency band due to allocation of previously allocated 2GHz frequency band to 3G&4G cellular companies by PTA. This project consisted of complete up gradation/replacement of Telecom equipment at 74 Nos. Microwave Radio Repeater Stations with state of the art NEC brand equipment in 8GHz Frequency Band with enhanced capacity from 8 Mbps to 80 Mbps, including Multiplexers and Telephone Exchanges. The Telephone Exchanges commonly known as DMC (Digital Microwave Communication) are replaced in all regions and transmission offices with state of the art Unify (Siemens) brand, Germany-made Exchanges which enhance the capacity from 1300 Lines to 2000 Lines. The new DMC system consists of 28 Nos. DMC Exchanges with CLI facility across the board. The Digital Multiplexers and DC Power Systems are also replaced with significantly upgraded capacities at all 74 Nos. locations. Telecom department also extended Video Conferencing system to all regional offices including Gas control Faisalabad and Gas Control Head Office.

Telecommunication Department has also completed the Front-End Engineering Design (FEED) and has invited competitive bids for the 1st-Phase of "Replacement and Expansion of SCADA System on Existing Transmission Network". During 18-month long Phase-1, the Complete SCADA Host System of Transmission Network shall be replaced with additional features and applications to make it future-ready to fulfill the Company's vision to have SCADA facilities fully deployed on all the segments and branches of Transmission Network and on all the custody transfer points of the Transmission Network. The new SCADA System shall be based on latest hardware and software platforms and shall be enabled with latest Software Application Modules for efficient and maximum automated Gas Control Operations, Load Forecasting and Management, Gas Sale/Purchase Agreement Management, Electronic Gas Measurement Audit and Real-time Gas Network Inventory, PACK Calculations with maximum Network Coverage. The Phase-1 of this Project is scheduled to be completed by end of September-2017.

The Telecom Department has also completed the Fibre-Optic-Cable (FOC) laying part of the SNGPL's pipeline construction projects executed by SNGPL as E.P.C. Contractor for M/s MOL-Pakistan at various gas fields in District-Karak.

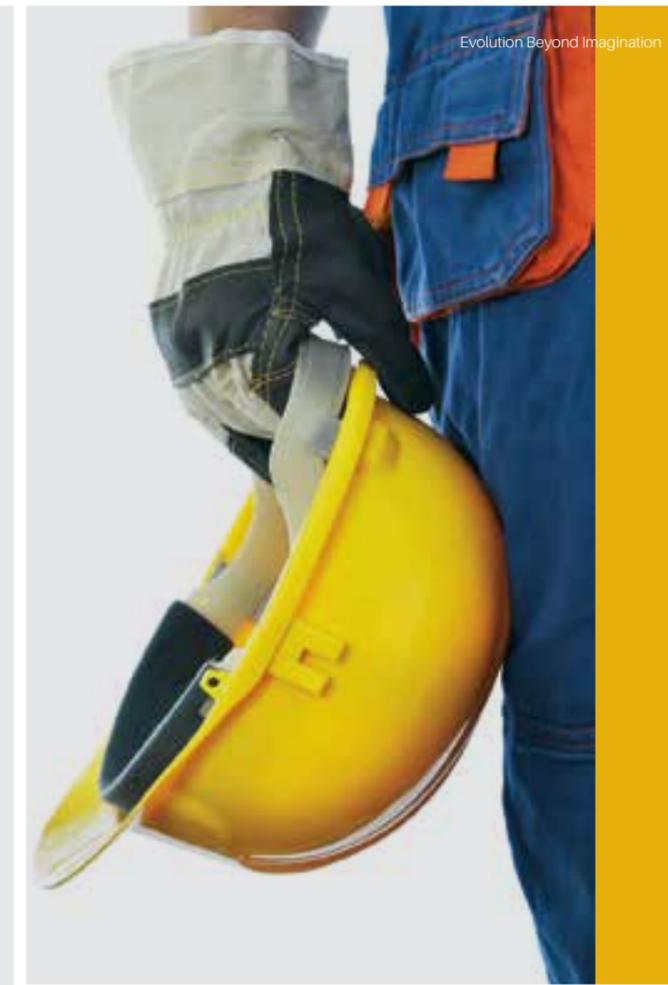
HEALTH, SAFETY AND ENVIRONMENT INFRASTRUCTURE

To ensure that our Health, Safety and Environmental Policy is systematically applied and best industry practices are adopted within all operations, we have developed an Integrated HSE Management System (IMS) based upon ISO 14001:2004 and OHSAS 18001:2007 standards. SNGPL is the member of 'National Safety Council'. National Safety Council is a non-profit organization dedicated to their mission of saving lives by preventing injuries and deaths at work, in homes and communities, and on the road through leadership, research, education and advocacy.

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

- HSE infrastructure at SNGPL is divided into 31 sites of operational departments. Incharge of each site is designated as HSE Focal Points. Each HSE Focal Points is responsible for the Implementation of Company's HSE Management System through line management under his domain.
- 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.
- Health, Safety & Environment department have developed 44 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 audit was conducted by M/s United Registrar of Systems (URS) from 24 - 27 November, 2015 and 02 - 07 June, 2016.



Following Company sites were audited;

- 1) Peshawar Distribution
- 2) Nowshera Camp
- 3) WAH Transmission
- 4) Lahore Distribution
- 5) Faisalabad Compression
- 6) Faisalabad Distribution
- 7) Central Metering Workshop
- 8) Head Office

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

Training and Awareness is an integral part of Company's HSE Management System. Capacity building plays an important role for Continual Professional Development (CPD). Training of HSE Executive is essential with respect to effective implementation of HSE Management System across the Company. HSE Department aims at enhancing technical skills, as well as a culture of team work and peer support within the staffing force.



Chairman's Review and Directors' Report

HSE Engineers at site implement the Training on HSE Procedures and Guidelines. Following different HSE Modules have been developed for the Training of Staff across the Company.

- 1) HSE Awareness
- 2) Fire Fighting / Fire Protection
- 3) First Aid and OH related topics
- 4) Incident / Accident Reporting
- 5) Emergency Response Procedure
- 6) Defensive Driving

Medical Camps are being arranged to promote Health Care Awareness and on spot health screening of employees. It provided an excellent opportunity for promoting awareness about the general HSE related initiatives as well. HSE Department has organized Medical Camps at Peshawar Distribution, Metering Workshop, Corrosion Control Centre, SNGTI, Gujranwala Distribution, Faisalabad Distribution and Compression. Medical screening tests of Diabetes, Hypertension, Hepatitis B&C, Eye Refraction and Bone Scanning were carried out. Response of employees was very encouraging who participated enthusiastically to get examined and to get published material from HSE Stall about general and work related diseases and safety measures.



Each year, Management sets targets for effective implementation of Health, Safety and Environmental System. It has resulted in reducing the number of incidents taking place across the Company. The number of Lost Work Day Injuries and Fatalities has reduced during the past few years in comparison to the years before this.

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.

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 those 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.

A new initiative has been started by HSE Department regarding safety of vehicles. All Company vehicles/ generators and equipment's are physically inspected on a monthly basis. The vehicles/generators and equipment's passing this inspection are issued Vehicle Fitness Certificates for that month. Those not passing this inspection are stopped from operating until they become fit to operate.

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. Waste water monitoring of Compressor Stations, Coating Plant Uch Sharif, CP plant Kot Lakhpat, Manga Workshop and Co-gen Plant Head Office is carried out through third party to keep effluent parameters within NEQS limits. 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 equipments 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).



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.

CORPORATE SOCIAL RESPONSIBILITY:

SNGPL is dedicated towards its CSR policy which 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. SNGPL believes in:

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

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 2015-16 are enlisted as below.

A) Education Sponsorship of Gold Medals

In order to promote education, SNGPL has sponsored 2 Gold Medals at Ghulam Ishaque Khan Institute, Topi (Swabi), One Gold Medal at NFC Faisalabad and One Gold Medal at NFC Multan with cost of Rs 70,000/- each and total outlay of Rs 280,000/-.

B) Provision of Drinking Water

SNGPL has made arrangements for potable drinking water for the community at Faisalabad and Multan. Extension of these projects is in pipeline with the cost of Rs 710,000/-.

Further, Management has also approved Installation of drinking water filtration plant at C-10 Nowshera at the cost of Rs 1.8 million, Installation of Water Filtration Plant at THQ Kahuta at cost of Rs 0.555 Million, Pressure Water Filtration Pump Installation at Village Amin Khail, District Karak at cost of Rs 570,000/-, Pressure Water Filtration Plant at Village Dabb Dawar Khel at cost of Rs 220,000/- and Installation of Water Filtration Plant at Govt. College Murree at cost of Rs 0.5 Million. The Company has installed Pressure Water Filtration Pump at village Dabb Dawar Khel.

SNGPL is also in process of installing Reverse Osmosis Plants/ Water Filtration Plant at all its Regional Offices with the provision of supplying safe drinking water to communities. Total cost for this project is Rs 7.2 million.

C) Beautification / Renovation of Chowks

In order to create soft image, SNGPL has honored its CSR Policy once again by the Beautification / Renovation of Chowk at different location.





Chairman's Review and Directors' Report

SNGPL has granted Rs 0.7 Million for Renovation of Chowk at Multan, Rs 2.1 Million for Fawara Chowk Rawalpindi and Rs 2.165 Million for Rashkai 2nd Round About Nowshera Mardan Road.

D) Provision of Grant to Pakistan Red Crescent

SNGPL has donated Rs 2.0 Million to the Pakistan Red Crescent for the up gradation of Ambulance for National Ambulance College Islamabad.



E) Energy Conservation

With a view to conserve Natural Gas, SNGPL is executing various projects for energy conservation. Ranging from impacting awareness to school going children to introducing devices which conserve gas, SNGPL is striving hard to develop a culture of conservation among the masses. Following Energy conservation projects are currently at various stages of implementation.

i) Reduction in Electricity Consumption

SNGPL is committed in playing its part in overcoming the energy crisis prevailing in the country. SNGPL has developed a self performance



and measuring mechanism to analyze the efforts made by all the regions in reducing their energy (electricity, fuel) consumption. Site wise yearly objectives are set to reduce energy consumption from previous year. 2-5% reduction in electricity consumption was achieved in the fiscal year 2015-16 at various sites of SNGPL and many other objectives of energy conservation are in progress with other SNGPL sites.

ii) Installation of solar panels at consumer service centre Lahore and Islamabad

Keeping in view the prevailing energy crisis in the country and use of alternate resources, Company may formulate a plan to shift its all consumer service centers (CSC) on the solar panels. As an initiative, SNGPL has installed the solar panel at (CSC) of regional office Lahore. The cost of the Solar panels system is around Rs 1.8 Million. It's a pilot Project. After the Successful execution of the project, SNGPL is also installing Solar panel system at consumer service centre, Islamabad Distribution.

iii) Solar Water Heater

Keeping in view the current energy crisis and gas conservation in view, SNGPL is offering the device to its valuable consumers at no profit basis with easy payments of up to 24 installments. The solar



water heater is equipped with a storage tank of 200 liters capacity. Its environment friendly as carbon emissions associated with water heating are reduced or eliminated. Being a pilot project, a limited quantity of the device may be offered on first come first service basis.

Solar Water heater is an alternate of conventional geyser which provides the hot water during the whole day. It has 200 liters capacity water tank and 20 Nos. of solar tubes which make water hot directly from sun rays, it can server 3-4 persons easily. Its efficiency is to be save hot water for 72 hours with minor loss of temperature. Total 200 units have been installed at different locations of Lahore, Islamabad, Rawalpindi, Abbottabad, Bahawalpur, Kot Addu and DG Khan in FY 2015-16 at a cost of Rs 5.27 Million. After the successful completion of pilot project, it was decided by BOD to procure more 500 units of solar water heaters. The successful procurement of 446 units was possible from the fixed budgetary allocation of 17.5 millions along with extra accessories.

iv) Geyser Timer Device



Keeping in view the current energy crisis and gas conservation in view, SNGPL is offering the device to its valuable consumers at no profit basis with easy payments of upto 12 installments. It can save 20% to 30%

of gas consumption resulting in lesser gas bills. Geyser timer device is a device which used to convert conventional Geyser temperature based thermostat into time base. By using this device this is possible for anybody to limit his gas consumption and saving in Bill. Total 800 units have been installed at different locations of Lahore, Faisalabad, Islamabad, Rawalpindi, Abbottabad, Peshawar and Multan, at a cost of Rs 3.7 Million.

v) Energy Conservation Projects under "Chair on Gas Engineering"

SNGPL is sponsoring three 'Chairs' on Gas Engineering at University of Engineering and Technology (UET) Lahore. University of Engineering and Technology, Peshawar and

University of the Punjab (PU). The Chairs were constituted to fulfill the OGRA licensing conditions to promote higher education. Company's Corporate Social Responsibility policy also has an objective of providing support in promoting education and to enable education to reach to the under privileged nationwide. As per approval of OGRA and BOD, annual grant of Rs 3.32 Million is being disbursed to each university of carrying out research projects, alternate energy sources especially Solar energy and developing innovative techniques of energy conservation will be focused.

vi) Gas Conservancy Campaign in Collaboration with WWF

Gas Conservation is an essential aspect of gas management, planning and its distribution. Its conservation and efficient usage is essential saving the fast depleting natural resources while also paying less in gas bills. In this regard, Media Affairs Department of SNGPL and Corporate relation Department of WWF-Pakistan launched the gas conservation campaign in the schools of Punjab and Khyber Pakhtunkhwa.

vii) International ECO Internship Program

1st International ECO Internship Program 2014 launched in collaboration with WWF. Agreement signed on 30.04.14 and Rs 1 Million was contributed to WWF for the purpose. 2nd International ECO Internship Program 2015. Agreement was signed on 12.05.15. SNGPL has sponsored 3000 students from both Government and private Educational Institutions of class six (6) and above, including 1000 students from less privileged institutions, falling under SNGPL's





Chairman's Review and Directors' Report

business network, which includes Punjab, Khyber Pakhtunkhwa and Azad Jammu & Kashmir. SNGPL collaborated with WWF Pakistan and announced grant of Rs 1.5 million to launch "International ECO Internship Program-2015."

The five session long summer Internship Program has been completed during the year and students of 57 different schools were given opportunity to get internships. This program was based on special training by Environmental experts, group works, participation in different activities, interactive discussions i.e. how to protect environment, creative green challenges, environmental documentary - making and finally an exposure visit to a place of ecological importance including highlighting its environmental hazard. The whole program is interactive and motivating for enabling students to get the opportunity to be affiliated with the global organization and create genuine sense of civic responsibility in the students.

viii) Energy Audits

SNGPL is conducting Energy Efficiency Audits of National Gas Boilers (Industrial Consumers) and also for Captive Power, as advised by the Ministry of Petroleum and Natural Resources. Energy audit of Industrial consumers having Natural Gas Boilers has been completed where all consumers were found well within benchmark while it is underway for Captive Power Units.

ix) Installation of Bio Gas Plant at Village near Sheikhpura

Keeping view the prevailing energy crisis and use of alternate energy resources, SNGPL has installed a biogas plant of 100m³ capacity at a village near



Sheikhpura, for the community. The cost of the plant is around 2.9 million rupees. The Biogas plant is working properly and the gas produced is sufficient for 60-80 numbers of people. Company has a plan to install further plants at different locations.

F) Relief Activity for the Community

SNGPL has donated Rs 1.833 Million for provision of 250 number of Shelters to the Affectees of Heavy rains / floods in Murree / Azad Jammu & Kashmir.

AWARDS (HSE & CSR)

In recognition of Best Practices in field of HSE and CSR activities, SNGPL has won following Awards:



- 1) Fire and Safety Award - 2016.
- 2) Corporate Social Responsibility Award - 2016.
- 3) 2nd International Summit and Award on Environment Health and Safety - 2016.



HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

The Company proactively engaged to increase its Human Resource efficiency and accountability.

Training and Development

Sui Northern Gas Training Institute established in year 2005 at Kot Lakhpat Lahore conducts trainings in more than thirteen (13) different types/categories i.e. Technical Trainings, Soft Skill Trainings, External-Domestic Trainings, External-Foreign Trainings, Orientation Programs, Management for Junior Executives (MJE), Developing Future Leaders (DFL), Executive Development Program (EDP), Guest Speakers, Gas Control, Regional Trainings, Certification Training for Welders, and Helper Trade Test etc.



In the FY 2015-16 SNGTI trained 4,382 employees by conducting 281 training courses relevant to the Company's business, operations etc. The mosaic of training modules included not only Class room lectures but also Technical workshops, Hands of Trainings, Case studies, Assignments, Presentations, Interviews, Trade tests, Theoretical and Practical examinations, Practical Trainings on drilling machines and welding machines are also arranged.

Industrial Relations

The milestones of high efficiency, increased productivity in order to maintain the essential service, with which the Company is entrusted and the office discipline could only be made possible through the cordial relations between the Management and the CBA. Successful bilateral negotiations while ensuring industrial peace and round the clock smooth operations of the Company led to improved and materially beneficial industrial and economic relationship between the Company and the permanent workmen of the Company.

Employment of Special Persons

Your Company being a socially responsible entity has always shown respect for the whole society and has always

favorably considered special/disabled persons while fulfilling its Human Resource requirements. This gesture on one side shows the Company's commitment to share responsibility with the Government with respect to every part of its society and on the other hand proves that the Company is in compliance with relevant legislations in this regard.

Business Ethics and Anti Corruption Measures

A well defined Disciplinary Policy is in place which primarily aims to ensure that employees maintain the high standards expected of them in the work place and assist the management in implementing its objectives through fairness and consistency thereby, assuring effective operations within the work environment. The Company took stern action against all those who reportedly committed misconduct to set example for others and to discourage corruption.

INTERNAL CONTROL SYSTEM

The Board has approved the scope of internal audit on the recommendations of the Audit Committee, which broadly covers review and evolution of its internal control system in accordance with business risk assessments. This includes independent assessment and evaluation of the effectiveness and efficiency of operations, the reliability of financial reporting, deterring and investigating fraud, safeguarding assets of the Company and compliance with laws and regulations. Moreover, suggestions and recommendations are also given to the Management for improvement in internal controls and risk management systems.

CHANGES IN THE BOARD

During the year under report, Mr. Shahid Yousaf joined as Director of the Company in place of Mr. Khalid Rehman on September 10, 2015. The Board of Directors would like to place on record their appreciation and gratitude to the outgoing Member of the Board for his hard work, guidance and support during his tenure as Director of the Company.





Chairman's Review and Directors' Report

POST BALANCE SHEET EVENTS

The Directors have not received, as at December 9, 2016 being the date on which these financial statements were approved, any information concerning significant conditions in existence at the balance sheet date, which effects the financial statements as presented.

CORPORATE GOVERNANCE

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

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board of Directors hereby declares that for the year ended June 30, 2016:

- The financial statements, together with the notes thereon have been drawn up in conformity with the Fourth Schedule of the Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, result of its operations, cash flows and changes in equity;
- Proper Books of Accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- 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;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- The appointment of Chairman and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Company as well as in line with the best practices;
- 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;

- Significant deviations from last year's operating results have been disclosed as deemed appropriate in this Chairman's Review & Directors' Report and in the notes to the accounts, annexed to this report;
 - Key operating and financial data of the last six years in summarized form is a part of this Annual Report;
 - All statutory payments on account of taxes, duties, levies and charges in the normal course of business, payable as on June 30, 2016, have been cleared subsequent to the year end;
 - Value of investment in employee's retirement funds based on audited accounts of the funds for the year ended June 30, 2016 is as follows:
- | | (Rupees in thousand) |
|---|----------------------|
| SN Senior Staff Pension Fund | 1,943,599 |
| SN Junior Staff Pension Fund | 8,894,400 |
| SN Executive Staff Gratuity Fund | 120,000 |
| SN Non-Executive Staff Gratuity Fund | 3,188,419 |
| SN Trustees Provident Fund | 9,452,252 |
| SNGPL Superannuation Free Gas Executives Fund | 182,500 |
| SNGPL Superannuation Free Gas Subordinates Fund | 4,012,055 |
| SNGPL Superannuation Compensated Absences Executives Fund | 282,500 |
| SNGPL Superannuation Compensated Absences Subordinates Fund | 670,000 |
| SNGPL Superannuation Medical Executives Fund | 2,590,207 |
| SNGPL Superannuation Medical Subordinates Fund | 6,511,079 |
| SN Employees Accidental Death Endowment Fund | 8,000 |
| Total | 37,855,011 |
- 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;
 - Mian Misbah-ur-Rehman, Director has completed his training program with Pakistan Institute of Corporate Governance (PICG) for Director's Training Program.

- The pattern and categories of share holding as at June 30, 2016 has been given in a separate section of this Annual Report;
- There was no default or likelihood of default in respect of any loan / debt instruments;
- 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 transaction disclosed as per statute. The number of shares, if any, held by them have been disclosed in categories of shareholders of this report.

AUDITORS

M/s. A.F. Ferguson & Co., Chartered Accountants were appointed as External Auditors of the Company for conducting audit for Financial Year 2015-16 in the Annual General Meeting held on March 8, 2016. Thereafter, the Company was unable to hold its Annual General Meeting due to non-finalization of Final Revenue Requirements by Oil and Gas Regulatory Authority. However, in the light of Section 252(1) of Companies Ordinance, 1984 M/s. A.F. Ferguson & Co., Chartered Accountants shall continue as External Auditors of the Company until the conclusion of the next Annual General Meeting. However, being eligible they have offered themselves for re-appointment for the financial year ending June 30, 2017. The Board proposes their re-appointment as auditors for the financial year ending June 30, 2017 on the recommendation of the Audit Committee.

RISK MANAGEMENT

Your Company is facing number of challenges including but not limited to unaccounted for gas (UFG), liquidity and financial challenges in terms of rationalization of consumer gas prices and increasing gap between demand and supply of natural gas directly impacting reputation of the Company.

The Management under the guidance of the Board of Directors is determined to effectively combat these challenges through intensive planning, timely decision making and effective load management. Concerted efforts are being made to minimize the demand and supply gap through induction of RLNG and creating energy conservation environment through extensive media campaigns. Alternative opportunities of LPG air mix plants are also being pursued. Number of measures have been taken to combat the menace of UFG and significant improvement has already been observed.

A separate department of Risk Management has been established under the direct supervision of Risk

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

SHARE WATCH

The Company's share opened at Rs 26.33 on July 01, 2015 and closed at Rs 36.29 on June 30, 2016. During the period under review, the highest price of the share was Rs 38.73 and the lowest was Rs 18.86. The market capitalization as on June 30, 2016 was Rs 23,016 million.



BUSINESS DEVELOPMENT

The Company is engaged in various pipeline construction projects of national and multinational companies. SNGPL is undertaking pipeline engineering and construction jobs of MOL Pakistan's flow line / trunk lines and Fiber Optic Cable in District Kohat / Hangu for different gas fields of MOL Pakistan like Maramzai, Manzalai, Mamikhel and Makori for the last ten years. MOL Pakistan has played a very vital role in strengthening the gas input supplies.

MOL Pakistan is presently working on four more wells i.e. Makori Deep-1, Tolanj West, Maramzai-4 and Mardankhel-3 which are likely to be commissioned soon and projects of pipeline laying from / to the wells are likely to be awarded to SNGPL which would be the hall mark of quality / time consciousness of our work. Lately, MOL Pakistan has awarded 12"/10" dia x 25 KM pipe line for Mardankhel-1 well head and SNGPL has started Engineering & Construction



Chairman's Review and Directors' Report

activities and is quite hopeful to complete the task in next three months. After the completion of this task additional 40 MMCFD gas will flow in SNGPL's system.

Recently, MOL Pakistan have shown interest in awarding the further 30 KMs long flow lines / trunk lines of above mentioned wells to SNGPL that involves laying of 8" dia flowlines for well heads of Tolanj West, Maramzai-4, Mardankhel-3 and Mardankhel-2 wells along with laying of fiber optic cable and tie-in works. SNGPL will carry out detailed route survey, detailed engineering and pipeline construction works in three months time frame. The completion of this project will not only inject 60 MMCFD gas into SNGPL' System but would be quite instrumental in reducing the energy deficiency in the country.

areas/category of consumers having higher distribution losses as compared to bulk consumers with minimum line losses.

- c) Concerted efforts to bring down the UFG at an acceptable level by specifically targeting areas of high UFG both technically and functionally.
- d) Expedite augmentation of transmission network required to transport additional 1.2 BCFD imported gases in the network. This would enhance your Company's asset base yielding direct impact on return on assets / profitability of the Company.
- e) Actively pursue other avenues of profitability including pipeline engineering and construction work for E&P companies.

Management of your Company is confident that with the action plan brief of which is set out above, your Company will be able to turn-around and show promising results in near future.

ACKNOWLEDGEMENTS

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

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

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

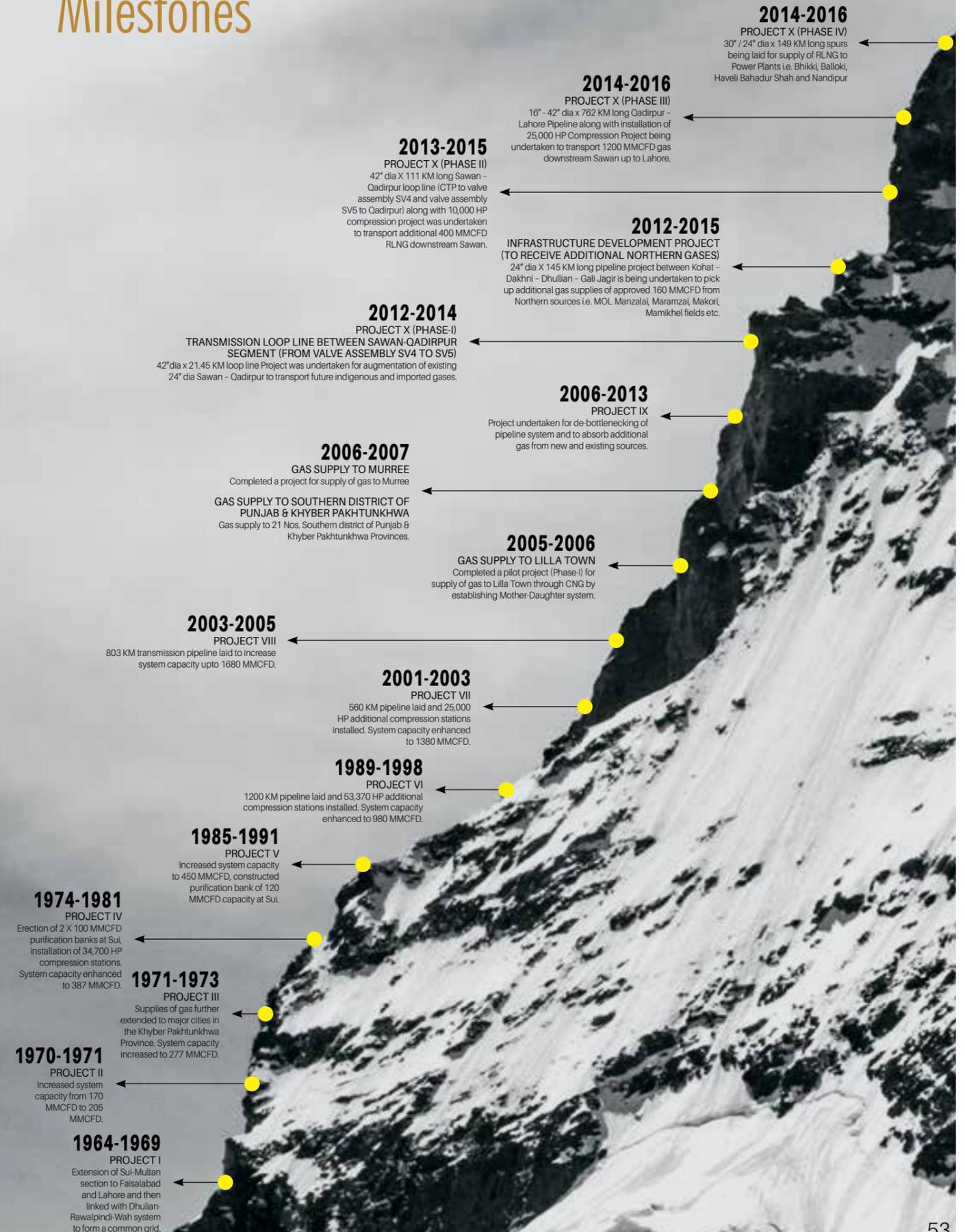
On behalf of the Board

(AMJAD LATIF)
Managing Director/CEO

(MUHAMMAD SAEED MEHDI)
Chairman-BOD

Lahore
December 9, 2016

Milestones





Pattern of Shareholding

As at June 30, 2016

Name of Shareholders	Number of Shareholders	Shareholdings		Total Shares Held	Percentage
		From	To		
	3116	1	100	134,640	0.02
	3717	101	500	1,023,353	0.16
	4532	501	1000	3,422,268	0.54
	2992	1001	5000	7,379,649	1.16
	608	5001	10000	4,688,151	0.74
	181	10001	15000	2,282,269	0.36
	145	15001	20000	2,643,660	0.42
	103	20001	25000	2,459,815	0.39
	54	25001	30000	1,548,960	0.24
	30	30001	35000	1,001,126	0.16
	30	35001	40000	1,148,815	0.18
	19	40001	45000	816,185	0.13
	46	45001	50000	2,266,359	0.36
	14	50001	55000	741,955	0.12
	20	55001	60000	1,171,431	0.18
	11	60001	65000	689,075	0.11
	6	65001	70000	403,000	0.06
	17	70001	75000	1,256,231	0.20
	5	75001	80000	396,277	0.06
	5	80001	85000	414,793	0.07
	5	85001	90000	439,661	0.07
	3	90001	95000	283,000	0.04
	43	95001	100000	4,295,724	0.68
	2	100001	105000	209,359	0.03
	5	105001	110000	548,495	0.09
	3	110001	115000	342,500	0.05
	5	115001	120000	590,623	0.09
	4	120001	125000	494,267	0.08
	3	125001	130000	388,500	0.06
Munawar Jamal	1	130001	135000	133,200	0.02
	3	135001	140000	418,500	0.07
	3	140001	145000	428,591	0.07
	4	145001	150000	598,230	0.09
CDC - Trustee AKD Aggressive Income Fund - MT	1	150001	155000	153,500	0.02
	2	155001	160000	317,888	0.05
	3	170001	175000	521,000	0.08
	2	175001	180000	356,500	0.06
Muhammad Akbar Aqil	1	180001	185000	181,000	0.03
Kashif Rafiq	1	185001	190000	190,000	0.03
	2	190001	195000	390,000	0.06
	14	195001	200000	2,791,891	0.44
First National Equities Limited	1	200001	205000	200,001	0.03
	2	205001	210000	417,000	0.07
Arsalan	1	210001	215000	214,500	0.03
	2	215001	220000	436,000	0.07
CDC - Trustee Faysal MTS Fund - MT	1	225001	230000	226,000	0.04
Raja Muhammad Ikram ul Haq	1	230001	235000	235,000	0.04

Name of Shareholders	Number of Shareholders	Shareholdings		Total Shares Held	Percentage
		From	To		
Anwar Elahi	1	240001	245000	243,544	0.04
	5	245001	250000	1,250,000	0.20
	2	265001	270000	535,500	0.08
Shaikh Naveed Mazhar / Marium Naveed	1	275001	280000	278,000	0.04
	2	280001	285000	568,346	0.09
	6	295001	300000	1,800,000	0.28
CDC - Trustee PICIC Income Fund - MT	1	305001	310000	307,000	0.05
National Logistic Cell	1	310001	315000	314,737	0.05
	2	320001	325000	645,147	0.10
Seven Star Securities (Pvt) Limited	1	325001	330000	326,000	0.05
	2	330001	335000	666,779	0.11
Riffat Rashid	1	335001	340000	336,000	0.05
	3	345001	350000	1,043,500	0.16
Erum Bilwani	1	355001	360000	360,000	0.06
Ghulam Reza Namaiti	1	365001	370000	367,978	0.06
Muhammad Sohail	1	375001	380000	380,000	0.06
	2	380001	385000	769,314	0.12
	4	395001	400000	1,600,000	0.25
Ijaz Hussain	1	410001	415000	412,062	0.06
R.t. Securities (Pvt) Limited	1	415001	420000	420,000	0.07
Waqar Asghar	1	445001	450000	450,000	0.07
Uzma Javed	1	455001	460000	460,000	0.07
ABA Ali Habib Securities (Pvt) Limited	1	470001	475000	473,500	0.07
CDC - Trustee Askari High Yield Scheme - MT	1	475001	480000	478,500	0.08
	4	495001	500000	2,000,000	0.32
Altaf Adam Securities (Pvt) Limited	1	510001	515000	511,000	0.08
CDC - Trustee NIT-Equity Market Opportunity Fund	1	515001	520000	515,149	0.08
NTGI-QM Common Diversified Frontier Markets Index Fund	1	580001	585000	582,500	0.09
M. Shoaib	1	590001	595000	595,000	0.09
	2	595001	600000	1,200,000	0.19
	2	645001	650000	1,300,000	0.20
	2	740001	745000	1,489,000	0.23
Asian Co-operative Society Limited	1	760001	765000	762,300	0.12
Muhammad Shafi Tanneries (Pvt) Limited	1	770001	775000	772,500	0.12
Aba Ali Habib	1	780001	785000	783,000	0.12
Select Equities	1	790001	795000	792,000	0.12
Saqib Mahmood	1	800001	805000	800,200	0.13
Adnan	1	885001	890000	885,500	0.14
Trustee - The Crescent Textile Mills Ltd Empl. Provident Fund	1	890001	895000	893,500	0.14
Growth Securities (Pvt) Limited	1	945001	950000	949,500	0.15
JS Global Capital Limited - MF	1	965001	970000	965,500	0.15
Saudi Pak Industrial & Agricultural Investment Co. Ltd - PMD	1	995001	1000000	1,000,000	0.16
Adeel Zafar	1	1195001	1200000	1,200,000	0.19
Taurus Securities Limited	1	1295001	1300000	1,295,073	0.20
Muhammad Arshad	1	1370001	1375000	1,372,000	0.22
Polunin Funds	1	1385001	1390000	1,387,500	0.22
CDC - Trustee Faysal Savings Growth Fund - MT	1	1395001	1400000	1,395,500	0.22



Pattern of Shareholding

Name of Shareholders	Number of Shareholders	Shareholdings		Total Shares Held	Percentage
		From	To		
CDC - Trustee First Habib Income Fund	1	1470001	1475000	1,471,500	0.23
Zohra Basheer	1	1530001	1535000	1,530,500	0.24
Shahid Malik	1	1570001	1575000	1,575,000	0.25
LGT Select Funds - LGT Select Equity Emerging Markets	1	1585001	1590000	1,586,522	0.25
CDC - Trustee Nafa Islamic Energy Fund	1	1620001	1625000	1,625,000	0.26
Silkbank Limited	1	1625001	1630000	1,627,850	0.26
Muhammad Samin	1	1890001	1895000	1,892,000	0.30
Pak - Oman Investment Company Limited - MT	1	1935001	1940000	1,936,800	0.31
DJM Securities (Pvt) Limited	1	2020001	2025000	2,025,000	0.32
NCC - Pre Settlement Delivery Account	1	2025001	2030000	2,030,000	0.32
Adamjee Insurance Company Limited	1	2210001	2215000	2,213,095	0.35
Sui Southern Gas Company Limited	1	2410001	2415000	2,414,174	0.38
CDC - Trustee PICIC Investment Fund	1	2485001	2490000	2,488,024	0.39
Hafiz Avais Ghani	1	2510001	2515000	2,513,000	0.40
NIB Bank Limited	1	2600001	2605000	2,604,500	0.41
EFU Life Assurance Limited	1	2815001	2820000	2,818,250	0.44
Pearl Securities Limited - MF	1	3095001	3100000	3,098,000	0.49
NIB Bank Limited - MT	1	3175001	3180000	3,177,700	0.50
Dawood Foundation	1	3245001	3250000	3,246,545	0.51
Polunin Discovery Funds - Frontier Markets Fund	1	3685001	3690000	3,686,400	0.58
CDC - Trustee AKD Opportunity Fund	1	4045001	4050000	4,050,000	0.64
United Bank Limited - Trading Portfolio	1	4495001	4500000	4,500,000	0.71
Sindh Bank Limited	1	4530001	4535000	4,532,500	0.71
M. Munir Mohammad Ahmed Khanani Securities (Pvt.) Ltd.	1	5185001	5190000	5,189,270	0.82
Golden Arrow Selected Stocks Fund Limited	1	5340001	5345000	5,344,550	0.84
CDC - Trustee NIT State Enterprise Fund	1	5455001	5460000	5,458,067	0.86
Azneem Bilwani	1	5495001	5500000	5,498,500	0.87
Masood Ahmed Khan	1	5995001	6000000	6,000,000	0.95
Acadian Frontier Markets Equity Fund	1	6920001	6925000	6,924,883	1.09
Pakistan Reinsurance Company Limited	1	8695001	8700000	8,698,203	1.37
Polunin Emerging Markets Small Cap Fund, LLC	1	9405001	9410000	9,407,400	1.48
CDC - Trustee PICIC Growth Fund	1	9910001	9915000	9,911,246	1.56
State Life Insurance Corp. of Pakistan	1	10725001	10730000	10,725,728	1.69
Sherman Securities (Pvt) Limited	1	10730001	10735000	10,733,000	1.69
State Life Insurance Corp. of Pakistan	1	16755001	16760000	16,757,409	2.64
CDC - Trustee National Investment (Unit) Trust	1	19640001	19645000	19,642,326	3.10
Employees Old Age Benefits Institution	1	22660001	22665000	22,660,753	3.57
SNGPL Employees Empowerment Trust	1	27395001	27400000	27,399,709	4.32
National Bank of Pakistan	1	34310001	34315000	34,311,153	5.41
Pakistan Industrial Development Corp. (Pvt) Limited	1	38160001	38165000	38,164,538	6.02
MCB Bank Limited - Treasury	1	42190001	42195000	42,194,789	6.65
The President of Islamic Republic of Pakistan	1	200930001	200935000	200,931,210	31.68
	15,883			634,216,665	100.00

Categories of Shareholders

As at June 30, 2016

Categories of Shareholders	Shareholders	Shares Held	Percentage
Government of Pakistan			
The President of Islamic Republic of Pakistan	1	200,931,210	31.68
Directors and their spouse(s) and minor children			
Mr. Muhammad Saeed Mehdi	1	2,500	0.00
Mian Misbah-ur-Rehman	1	15,000	0.00
Mirza Mahmood Ahmad	2	3,077	0.00
Mr. Ahmad Aqeel	1	3,000	0.00
Mr. Muhammad Arif Habib	1	577	0.00
Mr. Raza Mansha	1	126	0.00
Mr. Mustafa Ahmad Khan	1	3,000	0.00
Ms. Nargis Ali Akber Ghaloo	1	5,000	0.00
Mrs. Kausar Hameed Ahmad (Spouse of Mr. Mustafa Ahmad Khan)	1	50,000	0.01
Associated Companies, undertakings and related parties			
MCB Bank Limited	6	42,242,764	6.66
Sui Southern Gas Company Limited	1	2,414,174	0.38
Executives	2	1,506	0.00
Public Sector Companies and Corporations	16	110,637,852	17.44
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	47	24,694,452	3.89
Mutual Funds			
Growth Mutual Fund Limited	1	451	0.00
Golden Arrow Selected Stocks Fund Limited	1	5,344,550	0.84
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	5,500	0.00
CDC - Trustee First Dawood Mutual Fund	1	25,000	0.00
CDC - Trustee AKD Index Tracker Fund	1	40,670	0.01
CDC - Trustee AKD Opportunity Fund	1	4,050,000	0.64
Tri. Star Mutual Fund Limited	1	158	0.00
CDC - Trustee Meezan Islamic Fund	1	9,000	0.00
CDC - Trustee MCB DCF Income Fund	1	84,000	0.01
CDC - Trustee First Habib Income Fund	1	1,471,500	0.23
CDC - Trustee MCB Pakistan Asset Allocation Fund	1	8,500	0.00
CDC - Trustee NIT State Enterprise Fund	1	5,458,067	0.86
CDC - Trustee NIT-Equity Market Opportunity Fund	1	515,149	0.08
MCFSL - Trustee Askari Islamic Asset Allocation Fund	1	100,000	0.02
CDC - Trustee AKD Aggressive Income Fund - MT	1	153,500	0.02
CDC - Trustee PICIC Income Fund - MT	1	307,000	0.05
CDC - Trustee Alfalah GHP Income Fund - MT	1	117,000	0.02
CDC - Trustee KSE Meezan Index Fund	1	207,000	0.03
CDC - Trustee First Capital Mutual Fund	1	44,000	0.01
CDC - Trustee Faysal Savings Growth Fund - MT	1	1,395,500	0.22
CDC - Trustee National Investment (Unit) Trust	1	19,642,326	3.10
CDC - Trustee Askari High Yield Scheme - MT	1	478,500	0.08
CDC - Trustee Alfalah GHP Income Multiplier Fund - MT	1	72,000	0.01
CDC - Trustee Faysal Mts Fund - MT	1	226,000	0.04
CDC - Trustee Nafa Islamic Energy Fund	1	1,625,000	0.26
General Public			
a. Local	15,079	81,206,362	12.80
b. Foreign	510	865,044	0.14
Foreign Companies	35	25,440,046	4.01
Others			
a. SNGPL Employees Empowerment Trust	1	27,399,709	4.32
b. Joint Stock Companies	128	35,717,426	5.63
c. All others	20	28,804,199	4.54
Total	15,883	634,216,665	100.00
Share holders holding 5% or more		Shares Held	Percentage
The President of Islamic Republic of Pakistan		200,931,210	31.68
MCB Bank Limited		42,242,764	6.66
Pakistan Industrial Development Corp. (Pvt) Limited		38,164,538	6.02
National Bank of Pakistan		34,311,153	5.41
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: (Namewise detail)			Purchased
Mian Misbah-ur-Rehman			5,000
Mrs. Kausar Hameed Ahmad (Spouse of Mr. Mustafa Ahmad Khan)			50,000



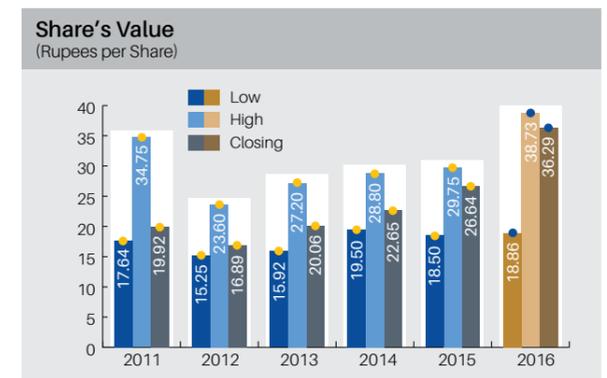
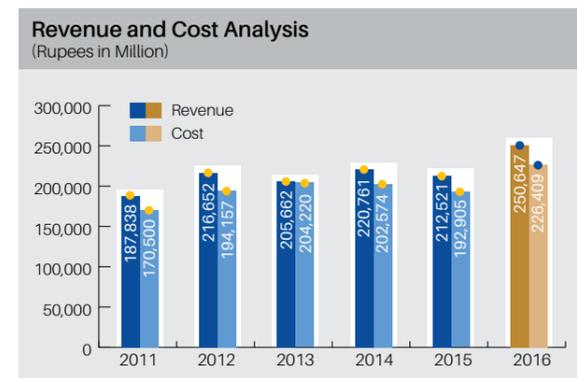
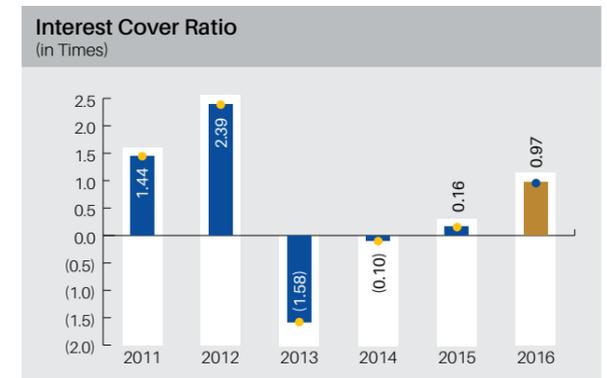
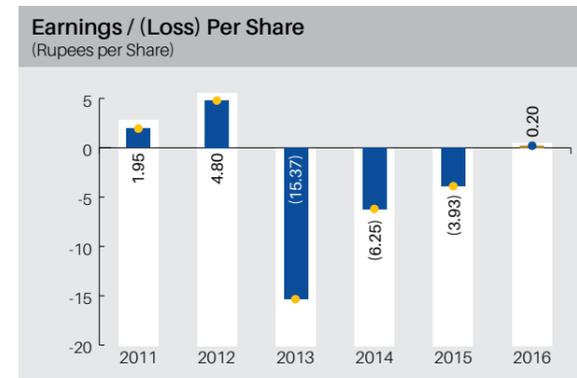
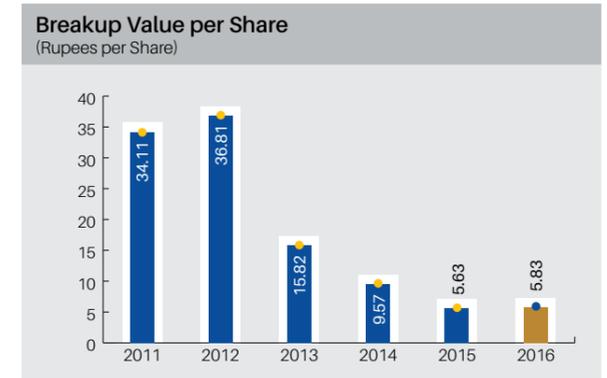
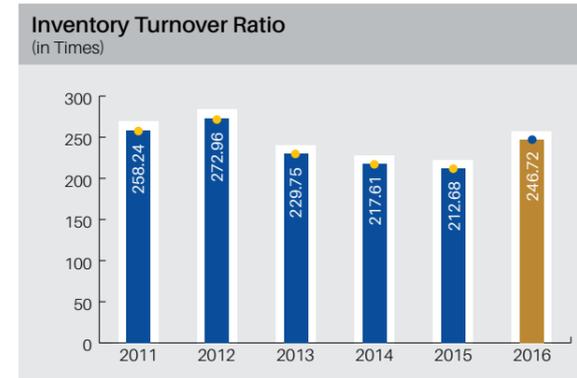
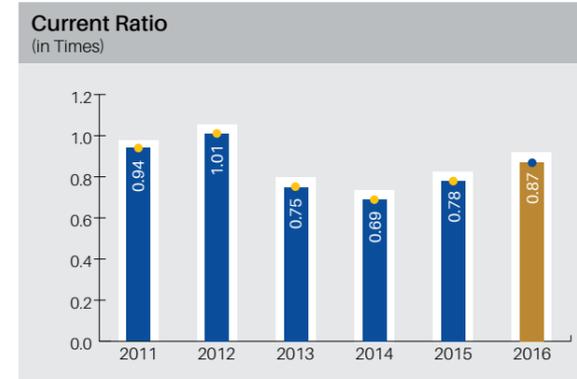
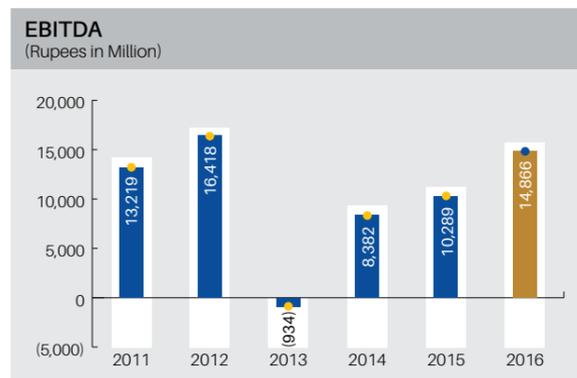
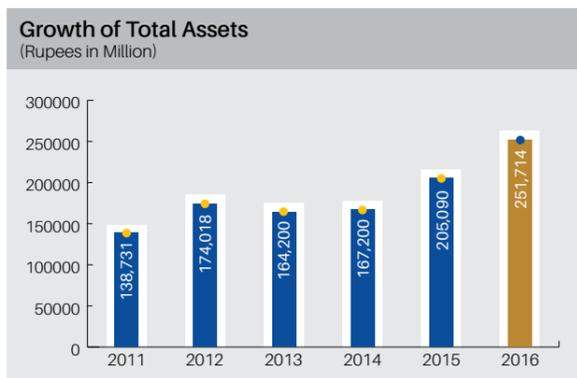
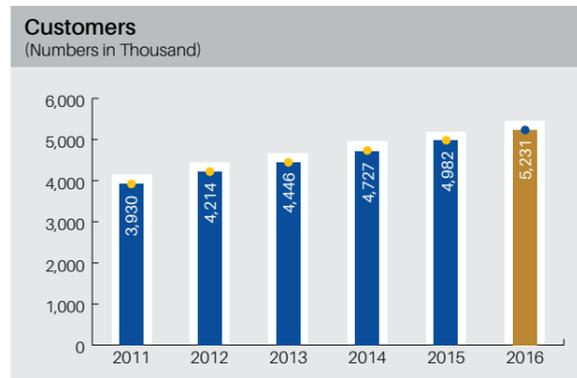
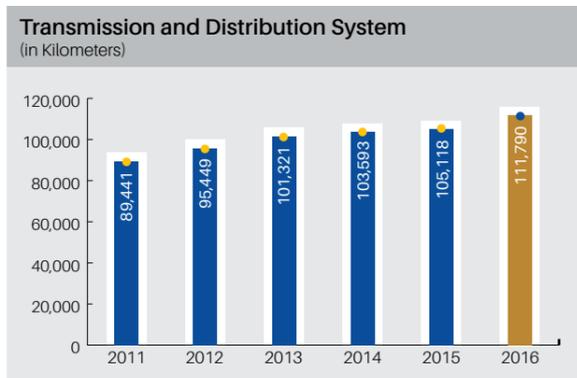
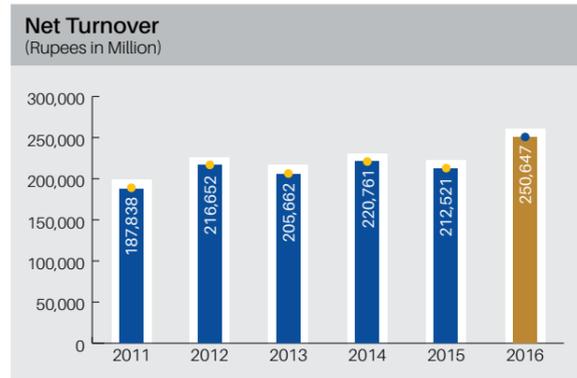
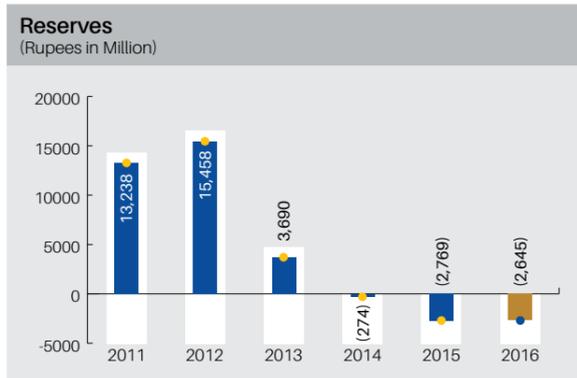
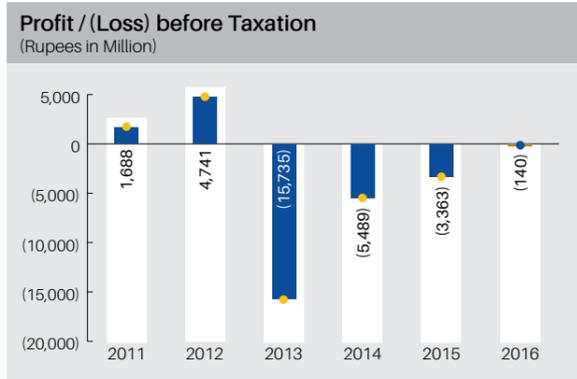
Summary of Six Years

Particulars	Unit	2016	2015	2014	2013	2012	2011
Profit and loss account							
Net turnover	Rs ' 000	250,646,588	212,520,573	220,760,878	205,662,047	216,652,317	187,837,601
Gross profit / (loss)	Rs ' 000	4,222,419	2,146,341	633,539	(15,350,738)	7,229,803	3,600,428
Operating profit / (loss)	Rs ' 000	4,484,003	1,041,051	(388,704)	(9,133,823)	9,090,533	5,774,559
(Loss) / profit before tax	Rs ' 000	(139,608)	(3,363,009)	(5,488,724)	(15,734,979)	4,740,885	1,687,743
Profit / (loss) after tax	Rs ' 000	124,013	(2,494,500)	(3,964,575)	(9,749,089)	3,043,996	1,125,021
Earnings / (Loss) before interest, taxes, depreciation and amortization (EBITDA)	Rs ' 000	14,865,666	10,288,894	8,381,830	(934,100)	16,418,024	13,218,848
Balance sheet							
Share capital	Rs ' 000	6,342,167	6,342,167	6,342,167	6,342,167	5,765,606	5,491,053
Reserves	Rs ' 000	(2,644,836)	(2,768,849)	(274,130)	3,690,445	15,458,174	13,237,836
Property, plant and equipment	Rs ' 000	136,000,051	114,476,508	104,543,542	98,397,094	92,769,426	89,498,248
Net current (liabilities) / assets	Rs ' 000	(16,713,885)	(24,618,696)	(26,803,561)	(21,570,400)	533,568	(2,964,050)
Long term / deferred liabilities	Rs ' 000	119,076,582	88,562,843	73,960,641	69,317,457	74,373,427	69,570,313
Summary of cash flows							
Net cash from operating activities	Rs ' 000	10,954,255	11,635,935	13,749,697	17,707,352	10,215,571	2,381,118
Net cash used in investing activities	Rs ' 000	(30,218,519)	(18,540,378)	(14,500,221)	(13,781,730)	(10,932,565)	(10,228,636)
Net cash from / (used in) financing activities	Rs ' 000	19,635,863	7,814,602	285,993	(4,083,520)	(111,802)	7,792,456
Net increase / (decrease) in cash and cash equivalents	Rs ' 000	371,599	910,159	(464,531)	(157,898)	(828,796)	(55,062)
Investor information for six years							
Profitability ratios							
Gross profit ratio	%	1.76	1.12	0.31	(6.85)	3.14	1.95
Net profit to sales	%	0.05	(1.31)	(1.92)	(4.35)	1.32	0.61
EBITDA margin	%	6.20	5.39	4.06	(0.42)	7.13	7.14
Return on equity	%	3.41	(51.75)	(49.25)	(62.38)	15.24	6.01
Return on capital employed	%	1.32	(0.92)	(2.82)	(9.90)	6.05	2.65
Efficiency ratios							
Operating cycle	Days	88	105	96	106	88	80
Inventory turnover ratio	Times	246.72	212.68	217.61	229.75	272.96	258.24
Debtor turnover ratio	Times	4.20	3.54	3.88	3.51	4.19	4.67
Total asset turnover ratio	Times	0.95	0.93	1.23	1.36	1.32	1.33
Fixed asset turnover ratio	Times	1.76	1.67	1.97	2.28	2.48	2.07
Weighted average cost of debt	%	2.67	3.09	5.35	6.60	4.36	6.19
Investment							
Earnings / (Loss) per share (basic)	Rs /Share	0.20	(3.93)	(6.25)	(15.37)	4.80	1.95
Market value per share	Rs /Share	36.29	26.64	22.65	20.06	16.89	19.92
Share's highest value during the year	Rs /Share	38.73	29.75	28.80	27.20	23.60	34.75
Share's lowest value during the year	Rs /Share	18.86	18.50	19.50	15.92	15.25	17.64
Price earning ratio	Times	185.59	(6.77)	(3.62)	(1.30)	3.52	10.21
Break up value per share	Rs /Share	5.83	5.63	9.57	15.82	36.81	34.11
Bonus shares issued	Ratio	-	-	-	-	10%	5%
Cash dividend per share	Rs /Share	-	-	-	-	2.50	1.00
Leverage							
Debt: equity ratio	%	91	83	63	50	37	39
Dividend yield ratio	%	-	-	-	-	14.80	5.02
Dividend payout ratio	%	-	-	-	-	47.35	48.81
Interest cover ratio	Times	0.97	0.16	(0.10)	(1.58)	2.39	1.44
Dividend cover ratio	Times	-	-	-	-	2.11	2.05
Current ratio	Times	0.87	0.78	0.69	0.75	1.01	0.94
Quick / Acid test ratio	Times	0.84	0.75	0.65	0.71	0.97	0.90
Statement of value added & how distributed							
Employees as remuneration	Rs ' 000	11,209,040	9,894,515	10,161,720	8,199,332	7,726,425	6,512,432
Government as taxes	Rs ' 000	49,800,909	40,762,190	45,781,896	49,762,787	38,391,421	31,501,188
Shareholders as dividends	Rs ' 000	-	-	-	-	1,441,402	549,105
Retained with the business	Rs ' 000	(7,252,518)	(7,376,531)	(4,881,812)	(917,237)	8,832,529	7,806,496
Financial charges to providers of finance	Rs ' 000	4,402,741	3,982,728	5,005,457	6,053,916	3,397,081	3,870,415

Exploring the imagination



Graphical Presentation





Horizontal Analysis

	Jun 30, 11	Jun 30, 12	Jun 30, 13	Jun 30, 14	Jun 30, 15	Jun 30, 16
BALANCE SHEET ITEMS						
Assets						
Non-current assets						
Property, plant and equipment	100	104	110	117	128	152
Intangible assets	100	56	5	24	20	50
Deferred taxation	100	100	100	100	100	100
Long term investment	100	100	100	100	100	100
Long term loans	100	109	115	143	161	186
Employee benefits	100	147	174	147	-	55
Long term deposits and prepayments	100	204	99	107	98	139
	100	104	111	117	128	153
Current assets						
Stores and spare parts	100	114	136	177	170	219
Stock in trade-gas in pipelines	100	124	157	138	150	141
Trade debts	100	201	149	142	154	159
Loans and advances	100	87	218	573	517	1019
Trade deposits and short term prepayments	100	86	81	162	83	79
Interest accrued	100	166	135	194	148	155
Other receivables	100	1	6	1	379	648
Income tax recoverable - Net	100	257	609	534	494	595
Sales tax recoverable	100	100	100	100	100	100
Cash and bank balances	100	58	50	25	28	91
	100	166	133	127	186	236
Total assets	100	125	118	120	148	181
Equity and liabilities						
Share capital and reserves						
Authorized share capital (1,500,000,000 ordinary shares of Rs 10 each)	100	100	100	100	100	100
Issued, subscribed and paid up share capital	100	105	116	116	116	116
Revenue reserves	100	117	28	(2)	(21)	(20)
Total equity	100	113	54	32	19	20
Non-current liabilities						
Long term financing:						
- Secured	100	79	53	58	142	362
- Unsecured	100	82	83	70	54	43
Security deposits	100	123	136	181	197	208
Deferred credit	100	102	101	95	98	114
Deferred tax	100	108	32	1	-	-
Employee benefits	100	281	447	572	863	1,091
	100	107	100	106	127	171
Current liabilities						
Trade and other payables	100	155	162	160	221	253
Interest / Mark up accrued	100	121	177	207	238	277
Short term borrowings	100	100	100	98	14	100
Current portion of long term financing	100	1227	1219	1222	1255	788
Sales tax payable	100	100	100	100	100	100
	100	155	168	173	224	256
Total liabilities	100	127	128	134	168	207
Total equity and liabilities	100	125	118	120	148	181
PROFIT AND LOSS ITEMS						
Gas sales	100	124	121	111	103	129
Add / (less): Differential margin / (Gas development surcharge)	100	(490)	(663)	523	782	397
	100	115	109	118	113	133
Cost of gas sales	100	114	120	119	113	133
Gross profit	100	130	8	105	113	140
Other operating income	100	105	179	113	121	137
	100	122	65	107	116	139
Less: Operating expenses						
Distribution cost	100	112	131	142	144	155
Administrative expenses	100	106	116	130	144	163
	100	111	129	140	144	156
Other operating expenses	100	157	(158)	(7)	18	78
Operating profit / (loss)	100	146	(173)	(9)	11	77
Finance cost	100	88	157	129	103	114
Profit / (loss) before taxation	100	281	(932)	(325)	(199)	(8)
Taxation	100	302	(1,064)	(271)	(154)	(47)
Profit / (loss) after taxation	100	271	(867)	(352)	(222)	11
Earnings / (loss) per share - Basic and diluted (Rupees)	100	246	(788)	(321)	(202)	10

Vertical Analysis

	Jun 30, 11	Jun 30, 12	Jun 30, 13	Jun 30, 14	Jun 30, 15	Jun 30, 16
BALANCE SHEET ITEMS						
Assets						
Non-current assets						
Property, plant and equipment	64.51	53.31	59.93	62.55	55.82	54.03
Intangible assets	0.17	0.08	0.01	0.03	0.02	0.05
Deferred taxation	0.00	0.00	0.00	0.00	0.91	0.89
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00
Long term loans	0.16	0.14	0.16	0.19	0.18	0.17
Employee benefits	0.93	1.09	1.36	1.14	0.00	0.28
Long term deposits and prepayments	0.00	0.01	0.00	0.00	0.00	0.00
	65.78	54.63	61.46	63.92	56.93	55.42
Current assets						
Stores and spare parts	1.17	1.06	1.34	1.72	1.35	1.41
Stock in trade-gas in pipelines	0.49	0.49	0.65	0.57	0.50	0.38
Trade debts	26.28	42.14	33.17	30.94	27.40	22.99
Loans and advances	0.13	0.09	0.23	0.60	0.44	0.71
Trade deposits and short term prepayments	0.10	0.07	0.07	0.14	0.06	0.05
Interest accrued	0.01	0.01	0.01	0.01	0.01	0.01
Other receivables	4.23	0.05	0.20	0.03	10.85	15.11
Income tax recoverable - Net	0.40	0.82	2.07	1.78	1.34	1.32
Sales tax recoverable	0.00	0.00	0.20	0.00	0.85	1.90
Cash and bank balances	1.41	0.65	0.59	0.29	0.27	0.71
	34.22	45.37	38.54	36.08	43.07	44.58
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Equity and liabilities						
Share capital and reserves						
Authorized share capital (1,500,000,000 ordinary shares of Rs 10 each)						
Issued, subscribed and paid up share capital	3.96	3.31	3.86	3.79	3.09	2.52
Revenue reserves	9.54	8.88	2.25	(0.16)	(1.35)	(1.05)
Total equity	13.50	12.20	6.11	3.63	1.74	1.47
Non-current liabilities						
Long term financing:						
- Secured	6.85	4.31	3.05	3.29	6.58	13.68
- Unsecured	0.95	0.62	0.67	0.56	0.35	0.23
Security deposits	11.88	11.62	13.62	17.82	15.82	13.64
Deferred credit	23.62	19.15	20.17	18.65	15.67	14.86
Deferred tax	6.03	5.21	1.63	0.06	0.00	0.00
Employee benefits	0.81	1.83	3.07	3.87	4.75	4.90
	50.15	42.74	42.22	44.25	43.18	47.31
Current liabilities						
Trade and other payables	29.65	36.67	40.70	39.39	44.30	41.30
Sales tax payable	0.05	0.62	0.00	0.53	0.00	0.00
Interest / Mark up accrued	5.76	5.56	8.63	9.91	9.29	8.80
Short term borrowing	0.72	0.57	0.61	0.58	0.07	0.40
Current portion of long term financing	0.17	1.64	1.73	1.70	1.42	0.73
	36.35	45.06	51.67	52.12	55.08	51.22
Total liabilities	86.50	87.80	93.89	96.37	98.26	98.53
Contingencies and commitments						
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
PROFIT AND LOSS ITEMS						
Gas Sales	100.00	100.00	100.00	100.00	100.00	100.00
Add / (Less): Differential Margin / (Gas Development Surcharge)	1.50	(5.91)	(8.21)	7.04	11.37	4.59
	101.50	94.09	91.79	107.04	111.37	104.59
Cost of gas sales	92.13	84.32	91.14	98.22	101.09	94.48
Gross profit	9.37	9.77	0.64	8.82	10.28	10.11
Other operating income	4.68	3.95	6.94	4.73	5.52	4.96
	14.05	13.72	7.58	13.55	15.80	15.08
Less: Operating expenses						
Distribution cost	9.36	8.44	10.14	11.89	13.05	11.22
Administrative expenses	1.57	1.34	1.51	1.84	2.20	1.99
	10.93	9.78	11.66	13.74	15.25	13.21
Other operating expenses	3.12	3.95	(4.08)	(0.19)	0.55	1.87
Operating profit / (loss)	0.11	0.41	0.22	0.05	0.22	0.09
Finance cost	3.01	3.54	(4.30)	(0.23)	0.32	1.78
Profit / (loss) before taxation	2.10	1.48	(2.72)	(0.23)	2.09	1.84
Taxation	0.91	2.06	(7.02)	(2.66)	(1.76)	(0.06)
Profit / (loss) after taxation	0.30	0.74	(2.67)	(0.74)	(0.46)	(0.11)
	0.61	1.32	(4.35)	(1.92)	(1.31)	0.05



Ten Years at a Glance

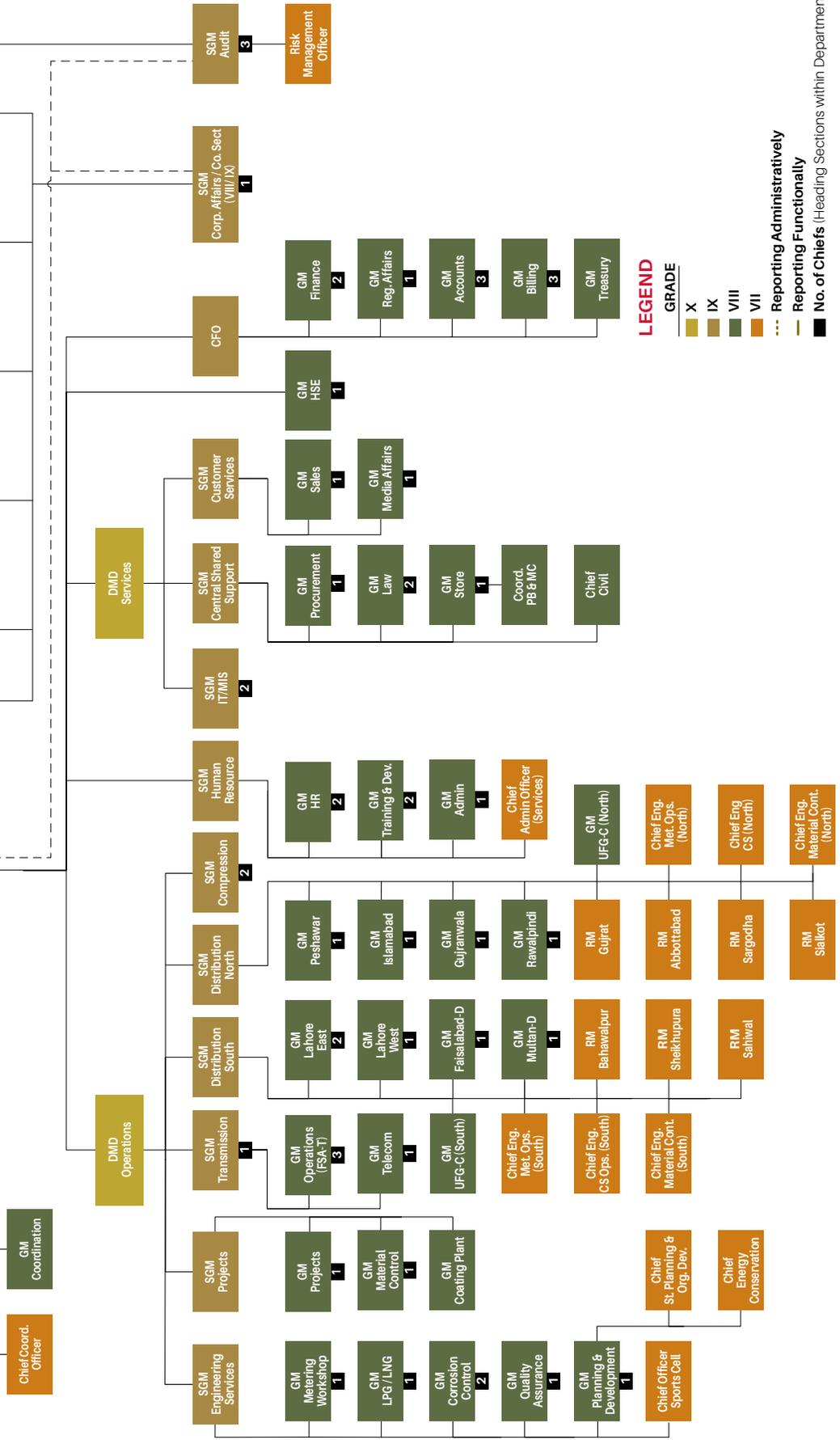
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
BALANCE SHEET - SUMMARY (Rupees in thousand)										
Paid up share capital	6,342,167	6,342,167	6,342,167	6,342,167	5,765,606	5,491,053	5,491,053	5,491,053	5,491,053	5,491,053
Revenue reserves	(2,644,836)	(2,768,849)	(274,130)	3,690,445	15,458,174	13,237,836	13,211,026	10,656,463	11,647,796	10,798,422
Deferred credit	37,405,489	32,142,949	31,168,532	33,118,345	33,315,790	32,768,270	33,017,791	32,000,133	31,386,548	23,108,412
Non-Current liabilities										
Long term loans outstanding										
- Local	569,903	718,778	932,097	1,103,835	1,086,313	1,324,177	1,251,220	1,471,659	1,774,432	2,194,721
- Foreign	-	-	-	-	-	-	-	326,653	943,531	1,515,460
- Banking companies	34,425,000	13,500,000	5,500,000	5,000,000	7,500,000	9,500,000	-	-	62,500	662,500
Long term security deposits	34,343,735	32,452,229	29,782,655	22,369,143	20,227,669	16,477,801	14,899,244	11,439,969	9,068,102	7,270,407
Deferred liabilities - taxation	-	-	107,968	2,677,154	9,066,835	8,369,991	8,758,231	8,178,211	7,562,412	6,752,570
Employee benefit	12,332,455	9,748,887	6,469,389	5,048,980	3,176,820	1,130,074	1,232,171	392,249	336,667	331,754
Current liabilities	128,939,602	112,953,347	87,110,028	84,849,817	78,420,597	50,431,414	61,376,573	52,595,572	29,374,602	25,559,287
	251,713,515	205,089,508	167,138,706	164,199,886	174,017,804	138,730,616	139,237,309	122,551,962	97,647,643	83,684,586
Non-Current assets	139,487,798	116,754,857	106,832,239	100,920,469	95,063,639	91,263,252	88,240,778	79,211,266	62,788,440	50,342,380
Current assets	112,225,717	88,334,651	60,306,467	63,279,417	78,954,165	47,467,364	50,996,531	43,340,696	34,859,203	33,342,206
	251,713,515	205,089,508	167,138,706	164,199,886	174,017,804	138,730,616	139,237,309	122,551,962	97,647,643	83,684,586
PROFIT AND LOSS - SUMMARY (Rupees in thousand)										
Sales	239,636,172	190,819,014	206,237,565	224,063,823	230,267,469	185,060,783	172,994,645	160,714,737	123,404,537	122,091,652
Add/(less): Differential margin/(Gas Development Surcharge)	11,010,416	21,701,559	14,523,313	(18,401,776)	(13,615,152)	2,776,818	(11,364,817)	8,219,094	750,496	(9,514,600)
Net Sales	250,646,588	212,520,573	220,760,878	205,662,047	216,652,317	187,837,601	161,629,828	168,933,831	124,155,033	112,577,052
Cost of gas sales	226,408,688	192,905,262	202,573,981	204,219,807	194,157,271	170,499,741	143,332,938	151,337,339	109,107,461	99,168,250
Gross profit	24,237,900	19,615,311	18,186,897	1,442,240	22,495,046	17,337,860	18,296,890	17,596,492	15,047,572	13,408,802
Other operating income	11,896,988	10,525,247	9,752,046	15,541,298	9,104,253	8,664,184	7,772,532	4,496,964	3,856,958	3,948,338
	36,134,888	30,140,558	27,938,943	16,983,538	31,599,299	26,002,044	26,069,422	22,093,456	18,904,530	17,357,140
Expenditure										
Operating Expenses	31,650,885	29,099,507	28,327,647	26,117,361	22,508,766	20,227,485	16,923,837	16,734,729	13,176,858	12,005,044
Finance cost	4,402,741	3,982,728	5,005,457	6,100,239	3,412,328	3,877,833	4,650,154	653,182	789,247	860,715
Other charges	220,870	421,332	94,563	500,917	937,320	208,983	615,500	2,975,305	957,194	241,324
	36,274,496	33,503,567	33,427,667	32,718,517	26,858,414	24,314,301	22,189,491	20,363,216	14,923,299	13,107,083
(Loss)/profit before taxation	(139,608)	(3,363,009)	(5,488,724)	(15,734,979)	4,740,885	1,687,743	3,879,931	1,730,240	3,981,231	4,250,057
Taxation	(263,621)	(868,509)	(1,524,149)	(5,985,890)	1,696,889	562,722	1,325,368	799,704	1,484,541	1,571,714
Profit/(loss) after taxation	124,013	(2,494,500)	(3,964,575)	(9,749,089)	3,043,996	1,125,021	2,554,563	930,536	2,496,690	2,678,343
Earnings/(loss) per share (Basic)/(Rupees)	0.20	(3.93)	(6.25)	(15.37)	4.80	1.95	4.43	1.61	4.33	4.65
Dividend (%)	-	-	-	-	25	10	20	-	35	30
Bonus shares (%)	-	-	-	-	10	5	-	-	-	-
Number of employees - Operation	8,819	8,772	8,696	8,991	8,509	7,800	6,774	6,652	6,916	6,712
- Project	384	290	288	303	291	282	306	342	224	209
	9,203	9,062	8,984	9,294	8,800	8,082	7,080	6,994	7,140	6,921
Gas sales (MMCF)	534,922	463,393	506,355	552,272	597,056	581,935	586,741	584,881	597,913	576,658
Consumers (In numbers)	5,271,039	5,021,956	4,766,715	4,486,189	4,174,342	3,964,350	3,706,701	3,451,142	3,190,181	2,953,818
Customers (In numbers)										
Industrial	5,754	6,453	6,453	6,559	6,628	6,606	6,375	5,953	5,442	4,425
Commercial	53,271	54,047	53,957	56,212	55,906	55,877	54,631	52,242	49,176	45,925
Domestic	5,172,305	4,921,747	4,666,596	4,383,709	4,151,518	3,867,359	3,611,187	3,358,439	3,101,303	2,869,208
	5,231,330	4,982,247	4,727,006	4,446,480	4,214,052	3,929,842	3,672,193	3,416,634	3,155,921	2,919,558
Transmission and distribution system (In kilometers)										
Transmission mains	7,941	7,818	7,738	7,675	7,653	7,613	7,585	7,347	7,016	6,625
Distribution mains and services	103,849	97,300	95,855	93,646	87,796	81,828	75,653	67,449	59,951	52,394
	111,790	105,118	103,593	101,321	95,449	89,441	83,238	74,796	66,967	59,019



SNGPL Organizational Structure

BOARD OF DIRECTORS

MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER



LEGEND
GRADE
X
IX
VIII
VII

Reporting Administratively
Reporting Functionally
No. of Chiefs (Heading Sections within Department)