



Deodar

I love looking at you, hundred-year-old-tree, loaded with shoots and boughs as though you were a stripling. Teach me the secret of growing old like you, open to life, to youth, to dreams, as somebody aware that youth and age are merely steps towards eternity.

Dom Helder Camara

FORESTS OF PAKISTAN

The theme of this year's Annual Report is Forests and some of the various species of trees found in Pakistan. It in no way diminishes the importance of the financial statements rather it complements them. The larger the network, the higher the gas sale and the even higher our efforts to save the environment, which we hold as guardians for our future generations. The information may not be new to our readers, the purpose is to restore it from the recesses of the mind where it lies dormant, to create an awareness of its utmost significance.

Pakistan is an oblong stretch of land from the Arabian Sea to the Karakoram Mountains. It is the only country in the world with a mountain as high as K-2, and with a coast. With a highly varied topography, the Country enjoys very diverse climatic conditions. It has only 5.2% of its total land area under forests (4.58 million hecta acres). The area covered by forests is far less than the desirable ratio of 20-35% considered necessary for balanced economic development and environmental stability of a country.

Trees within forests are an important source of renewable energy, when used sustainably and their economic importance is only second to food and clothing. The benefits of forests can be grouped into social, communal, environmental and economic categories.

Distribution of forests in Pakistan is primarily governed by the climatic and edaphic factors. This is amply reflected in the diversity of forest types available in the Country. It is important to make distinction between natural and man-made forests. Natural forests represent a whole ecosystem, such as those with coniferous and broad-leaved trees. Some forests are entirely man-made, such as the well-known Changa-Manga forest near Lahore. The major natural forests include the following:

A) Coniferous Forests 1. Sub-alpine forests 2. Dry temperate forests 3. Himalayan moist temperate forests 4. Sub-tropical pine forests, B) Scrub Forests 1. Dry sub-tropical broad-leaved forests 2. Dry tropical thorn forests C) Riverain Forests, D) Mangrove Forests

Each forest ecosystem thrives on a delicate balance of nature which if disturbed, can degrade the whole ecosystem. For instance, in the coniferous forest ecosystem, birds play an important role in keeping check on the insects that could harm the plants and trees, if their numbers increased beyond a certain level. The Mangrove ecosystem is another unique forest ecosystem found where river water enters the sea. The mangrove forests provide an important nursery and breeding ground for many varieties of fish.

Trees reproduce in different ways. They have four ways to spread their seeds. This process is known as seed dispersal.

The first form is seed dispersal in wind. Some trees produce seeds that can use wind to carry it away from the parent tree to a suitable place for it to grow.

The second form is seed dispersal through animals. The animals eat the fruit and expel the seed, where it takes root. The seeds also stick to the fur of the animal and later falls off, where then it grows.

The third form is seed dispersal by water. The seed drops from trees, located near water and floats on it, till the water pushes it on shore. Then the seed sprouts into a tree.

The fourth type of seed dispersal is called discharge dispersal. The tree spits its seed to the ground surrounding the parent tree, where they then form roots. Different kinds of trees have their own unique form, but the form that any tree has is also affected by the environment where it grows.

Have you ever felt you needed your own space? Sometimes we all need to be alone. Trees need to have their own space too, but they cannot walk away or shut doors so they have their own method. They use Allelopathy.

Allelopathy is a chemical process that the tree uses to keep other plant from growing too close to it. Some pine trees are allelopathic. When its needles fall onto the ground, they begin to decompose. The soil absorbs acid from the decomposing needles. This acid in the soil keeps unwanted plants from growing near the pine tree.

With one of the highest rates of deforestation in the world, Pakistan's forests are in dire need of protection and conservation.

The WWF Pakistan has identified that the major threat to Pakistan's forests is uncontrolled and unsustainable cutting. The reasons for unsustainable commercial harvesting in state forests is lack of commitment, poor planning, unrealistic forest working plans and weak implementation of forest protection laws. WWF Pakistan also indicates that the primary cause of over harvesting by domestic cutting in private and community forests, is widespread poverty. Population pressure and lack of fuel alternatives, uncontrolled use of pesticides, diseases and damage by insects and fires are other causes of forest degradation.

We need to draw our urgent attention towards the reforestation programme. We need to become arborists at heart and take proper care of our forests. If every person planted a couple of seeds, we could make Pakistan a much healthier place to live in. The age of the known oldest tree in Pakistan is about 3500 years and the youngest is the sapling which is being planted by someone, somewhere as you finish reading this and we pray you plant one soon, also.

SNGPL in line with its vision and mission statement is committed to provide natural gas to every doorstep in its chosen areas so that the deforestation being made to meet the basic needs of mankind is at least halted. Provision of natural gas to far flung areas, especially the northern regions is the need of the day, to save the pillage of our trees. If the demand cannot be met internally, it shall be met from external sources where there are ample reserves. This exchange shall be economically viable, to both internal and external parties.

Acknowledgements:

Bagh-e-Jinnah, Lahore

Pakistan Forest Institute, Peshawar

World Wide Fund for Nature (WWF) Pakistan



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.



The forests are like flags of nature. They appeal to all and awaken inspiring universal feelings. Enter the forest and the boundaries of nations are forgotten. It may be that sometime an immortal pine will be the flag of a united peaceful world.

Enos A. Mills



CONTENTS

CONTENTS

Company's profile	07
Corporate Information	13
Notice of Meeting	25
Chairman's Review	29
Directors' Report	35
Statement of Compliance	54
Auditors' Report.....	57
Financial Statements.....	61
Balance Sheet	62
Profit and Loss Account	64
Cash Flow Statement	65
Statement of Changes in Equity.....	66
Notes to the Accounts	67
Transmission System	97
Form of Proxy.....	101



A tree uses what comes its way to nurture itself. By sinking its roots deeply into the earth, by accepting the rain that flows towards it, by reaching out to the sun, the tree perfects its character and becomes great... absorb, absorb, absorb. That is the secret of the tree.

Deng Ming – Dao



COMPANY'S PROFILE

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 1984, and is listed on all the three Stock Exchanges of the Country.

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

SNGPL is the largest integrated gas company serving more than 2.5 million consumers in North Central Pakistan through an extensive network in Punjab and NWFP. The Company has over 42 years of experience in operation and maintenance of high-pressure gas transmission and distribution systems. It has also expanded its activities to undertake the planning, designing and construction of pipelines, both for itself and other organizations.



BUSINESS STRATEGY

Maximize sale of gas by entering into new areas through development / expansion of requisite infrastructure.

Focus on country's economic revival by outreaching industries for gas supply.

Displace imported liquid fuels to save foreign exchange.

Introduce policies and practices leading the company from monopoly to competitive market thus facilitating privatization.

Endeavor to reduce Un-accounted For Gas Loss.

Improvement in quality service to customer satisfaction.

Emphasis on Human Resource Development (HRD) for quality workmanship.

Create awareness and enforce adherence to HSE (Health Safety Environment) policy/standards.

Improve financial discipline through prudent investment/borrowing.

Improve internal controls /Risk Management to achieve maximum operational efficiency of system.



OBJECTIVES

Sui Northern Gas Pipelines Limited is committed to:

Provide quality customer service.

Delivering clean, efficient and reliable gas delivery.

Maintaining healthy and safe working environment.

Ensuring fair return to shareholders.

Optimizing the use of Company's resources.

Implementation of quality management services.



CORE VALUES

Commitment:

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

Courtesy:

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

Competence:

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

Responsibility:

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

Integrity:

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



*A man has made at least a start on discovering the meaning of human life
when he plants shade trees under which he knows full well he will never sit.*

Elton Trueblood



CORPORATE INFORMATION