

The Board

as on September 27, 2008

Left to Right:

Mr. Amer Tufail (Chief Financial Officer), **Mr. Abdul Bari Khan** (Director), **Mr. Saeed Ullah Shah** (Director),
Mr. A. Samad Dawood (Director), **Mian Raza Mansha** (Director), **Mr. M. Razi Abbas** (Director), **Mr. Tariq Iqbal Khan** (Chairman)

Mr. Umair Khan (Director) - not in picture.



Left to Right:

Mr. A. Rashid Lone (Managing Director), **Mr. S. M. Asghar** (Director), **Mr. Shahzada Dawood** (Director), **Mr. Qasim Rabbani** (Director), **Mr. Amanullah Shaikh** (Director), **Mr. Arif Saeed** (Director), **Mrs. Uzma Adil Khan** (Company Secretary)





The 346th Meeting of Board of Directors in progress

Corporate Governance

In the present corporate culture, it has become almost impossible for the companies to survive without good governance. Therefore your Company is committed to adopt and implement high standards of Corporate Governance and strongly believes that sound principles of Corporate Governance are important key to success, as these enhance the ability to secure the confidence of its stakeholders. At the highest level, the Company continuously endeavours to improve on an ongoing basis and adopts innovative approaches for open, transparent and merit based management, ensuring fairness in all transactions within and outside the Company with investors, customers, employees and the society at large.

Board of Directors

Presently, the Board has a non-executive chairman and twelve other members, consisting of one executive and twelve independent non-executive directors. The Members bring to the Board wide range of relevant business, financial and international experience, which is vital to the successful operations of an enterprise.

The non-executive directors fulfill a vital role in corporate accountability by bringing their independent judgment to bear on issues brought

before the Board and Board's Committees. They bring considerable knowledge and expertise from other areas of business in public life together with an international perspective, and their views carry significant weight, in Board's decision.

Election of Directors

An extraordinary General Meeting of Sui Northern Gas Pipelines Limited was held on June 23, 2008 at a local hotel for electing its Board of Directors for a term of three years effective June 26, 2008. Mr. Muhammad Razi Abbas, Syed Mohammad Asghar, Mr. A. Samad Dawood, Mr. Shahzada Dawood, Mr. Abdul Bari Khan, Mr. Tariq Iqbal Khan, Mr. A. Rashid Lone, Mian Raza Mansha, Mr. Qasim Rabbani, Mr. Arif Saeed, Mr. Saeed Ullah Shah, Mr. Amanullah Shaikh and Mr. Azim Iqbal Siddiqui were elected unopposed as Directors.

During the Financial Year 2007-08 Mr. Azim Iqbal Siddiqui and Mr. Muhammad Razi Abbas were appointed as Directors to fill the casual vacancy created by Mr. Munawar B. Ahmad and Mr. Jalal ud Din Qureshi (Late). Since the election of directors, Mr. Umair Khan was appointed as Director to fill the casual vacancy created by Mr. Azim Iqbal Siddiqui.

The Board has three sub-committees, the Audit, Finance and Human Resource Committees, to which it has delegated various matters in accordance with their respective Terms of Reference.

Responsibilities

The Board is responsible to the shareholders in conducting the Company's business and determining the Company's strategy, reviews its quarterly performance and other activities. It deals with matters reserved for its decisions as laid down in the statute. The Board receives sufficient and timely information regarding corporate and business issues. The agendas for the Board meetings are circulated within the stipulated time, as are minutes of each of these meetings.

The Board is committed to the objectives of achieving the highest standards of corporate

governance, which are designed to provide assurance, that the organization is directed and controlled by its Board of Directors, so as to achieve its business objectives reasonably in accordance with the highest standards of accountability and integrity.

Meetings

The Board meets almost every month and manages overall control of the Company's affairs by a schedule of matters reserved for its decisions. These include approval of financial statements, authority level of treasury policies, risk management policies, business plan of the Company and succession plan for senior executives. The Board delegates the day-to-day business management control to the Chief Executive of the Company.

The names and categories of the Board of Directors and their attendance at Board meetings during the FY 2007-08 is given below:

Sr. No.	Name	Designation	Category	Total No. of BOD Meetings held*	No. of Meetings Attended
1	Mr. Altaf M. Saleem	Chairman	Non-Executive	7	6
2	Mr. A Rashid Lone	MD / CEO	Executive	7	6
3	**Mr. Munawar B. Ahmad	Director	Non-Executive	4	3
4	Mr. S. M. Asghar	Director	Non-Executive	7	7
5	Mr. Hussain Dawood	Director	Non-Executive	7	2
6	Mr. Shahzada Dawood	Director	Non-Executive	7	3
7	Mr. Abdul Bari Khan	Director	Non-Executive	7	5
8	Mr. Tariq Iqbal Khan	Director	Non-Executive	7	6
9	Mian Raza Mansha	Director	Non-Executive	7	4
10	Mr. Qasim Rabbani	Director	Non-Executive	7	7
11	Mr. Arif Saeed	Director	Non-Executive	7	6
12	Mr. Saeed Ullah Shah	Director	Non-Executive	7	7
13	Mr. Amanullah Shaikh	Director	Non-Executive	7	6
14	Mr. Azim Iqbal Siddiqui	Director	Non-Executive	3	1
15	Mr. Muhammad Razi Abbas	Director	Non-Executive	2	0
16	***Mr. Jalal-ud-din Qureshi (Late)	Director	Non-Executive	0	0

* Held during the period concerned Director was on the Board.

** Resigned on February 29, 2008

*** Expired on August 23, 2007

Sub Committees of the Board

Audit Committee

The Company has an Audit Committee, composed of six entirely non-executive directors, which meets at least once in each quarter. Its Terms of Reference cover the areas recommended by the Code of Corporate Governance issued by the Securities & Exchange Commission of Pakistan. Its responsibilities mainly include, monitoring internal controls throughout the Company, approve the Company's accounting and other policies on behalf of the Board and review the quarterly and annual financial statements before making their recommendations for the approval of the Board.

The terms of reference of the Audit Committee are broadly as follows:

Procedure

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

Responsibilities

The Audit Committee shall, among other things, be responsible for recommending to the Board of Directors the appointment of external auditors by the listed 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 listed 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.

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

- a) determination of appropriate measures to safeguard the listed company's assets;
- b) review of preliminary announcements of results prior to publication;
- c) review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors, focusing on:
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the going-concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards; and
 - compliance with listing regulations and other statutory and regulatory requirements.
- d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) review of management letter issued by external auditors and management's response thereto;
- f) ensuring coordination between the internal and external auditors of the listed company;
- g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the listed company;
- h) consideration of major findings of internal investigations and management's response thereto;



Mr. Abdul Bari Khan, Mian Raza Mansha, Mr. Amanullah Shaikh, Mr. M. Razi Abbas, Mr. S.M. Asghar, Mr. Arif Saeed

- 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 listed company's statement on internal control systems prior to endorsement by the Board of Director;
- k) 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;
- l) determination of compliance with relevant statutory requirements;
- m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- n) consideration of any other issue or matter as may be assigned by the Board of Directors.

The composition of the Audit Committee, Directors' attendance, categories and detail of meetings during the FY 2007-08 are given below:

Sr. No.	Name	Designation	Category	Total No. of AC Meetings held*	No. of Meetings Attended
1	Mr. Amanullah Shaikh	Chairman	Non-Executive	7	7
2	Mr. S. M. Asghar	Member	Non-Executive	7	7
3	Mr. Abdul Bari Khan	Member	Non-Executive	7	4
4	Mian Raza Mansha	Member	Non-Executive	7	4
5	Mr. Arif Saeed	Member	Non-Executive	7	4
6	Mr. Razi Abbas	Member	Non-Executive	1	0

* Held during the period concerned Director was on Board

Finance Committee

The Finance Committee consists of seven members, six of whom excluding the Chief Executive are non executive directors. It meets frequently for reviewing major investment proposals, examination of Capital and Revenue Budgets of the Company, approval of contracts within their financial powers and other assignments given by the Board of Directors.

The terms of reference of the Finance Committee are broadly as follows:

Procedure

1. The Committee shall meet at least once in a quarter.
2. Quorum will be three members.
3. The Secretary of the Finance 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 Committee of Directors shall be responsible to review strategic business issues as assigned by the Board of Directors, which include but are not limited to the following:

- i. Major investment proposals, policies prepared by the Management for approval of the Board in excess of the financial powers delegated to the Managing Director / Finance Committee.
- ii. Major contracts including financial/economic appraisals of the same in excess of the financial powers delegated to the Managing Director / Finance Committee.
- iii. The examination of Capital and Revenue Budget of the Company and to make recommendations to the Board of Directors, thereon.
- iv. Comparison of the Revenue and Capital budget with the proposals submitted to OGRA alongwith the major deviations including reasons thereof.
- v. The examination of Budgetary and Operating limits of authority and recommend to the Board any deviation or any enhancement thereof.
- vi. Approval of contracts or purchase orders in local or foreign currency for supply of material, services or other works exceeding the financial authority delegated to the Chief Executive Officer. Recommend to the Board of Directors alongwith their findings in respect of the contracts or order exceeding the financial authority of the Finance Committee of Directors.
- vii. To approve/recommend major contracts of civil work alongwith cost benefit analysis thereof which also include purchase of land.
- viii. To review manual/policies adopted by the Management in respect of procurement of various materials and services.
- ix. To review the borrowing plans of the Company and recommendation thereof to the Board for approval assessing the requirements thereof or otherwise.
- x. Any other assignment given by the Board of Directors.



Mr. Arif Saeed, Mr. Qasim Rabbani, Mr. A. Rashid Lone, Mr. Tariq Iqbal Khan, Mr. M. Razi Abbas, Mr. A. Samad Dawood

Powers

The Board of Directors has delegated the limited financial powers to the Finance Committee of Directors for award of contract/order for consultancy service, supply of material, services or works.

The composition of the Finance Committee, Directors' attendance, categories and detail of meetings during the FY 2007-08 are given below:

Sr. No.	Name	Designation	Category	Total No. of FC Meetings held*	No. of Meetings Attended
1	Mr. Tariq Iqbal Khan	Chairman	Non-Executive	8	7
2	Mr. A. Rashid Lone	MD/CEO	Executive	8	7
3	Mr. Munawar B. Ahmad	Member	Non-Executive	5	2
4	**Mr. Jalal ud din Qureshi (Late)	Member	Non-Executive	3	2
5	Mr. Qasim Rabbani	Member	Non-Executive	8	2
6	Mr. Arif Saeed	Member	Non-Executive	8	6
7	Mr. Azim Iqbal Siddiqui	Member	Non-Executive	3	1
8	Mr. Muhammad Razi Abbas	Member	Non-Executive	2	1

* Held during the period concerned Director was on Board

** Expired on August 23, 2007

Human Resource Committee

The Human Resource Committee comprises five non-executive directors and the Chief Executive. It is primarily responsible for making recommendations to the Board inter-alia for maintaining a sound organizational plan of the Company, effective employees' development, compensation programme and specific succession plans for Senior Management positions.

The terms of reference of the Human Resource Committee are broadly as follows:

Procedure

1. Committee will meet at least once in a quarter.
2. Quorum will be three members.
3. The Secretary of the Human Resource 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

- a) The Committee will be responsible for making recommendations to the Board for maintaining:
 - a sound plan of organization for the Company;
 - an effective employees development programme;
 - 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

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



Mr. A. Samad Dawood, Mr. Saeed Ullah Shah, Mr. Qasim Rabbani, Mr. A. Rashid Lone, Mr. Shahzada Dawood, Mian Raza Mansha

Powers

The Board has delegated the limited powers to the Human Resource Committee for promotion up to Grade VII on the basis of Management's recommendations.

The composition of the Human Resource Committee, Directors' attendance, categories and detail of meetings during the FY 2007-08 are given below:

Sr. No.	Name	Designation	Category	Total No. of HRC Meetings held*	No. of Meetings Attended
1	Mr. Qasim Rabbani	Chairman	Non-Executive	6	6
2	Mr. A. Rashid Lone	MD/CEO	Executive	6	5
3	Mr. Hussain Dawood	Member	Non-Executive	6	1
4	Mr. Shahzada Dawood	Member	Non-Executive	6	5
5	Mian Raza Mansha	Member	Non-Executive	6	4
6	Mr. Saeed Ullah Shah	Member	Non-Executive	6	5

* Held during the period concerned Director was on Board

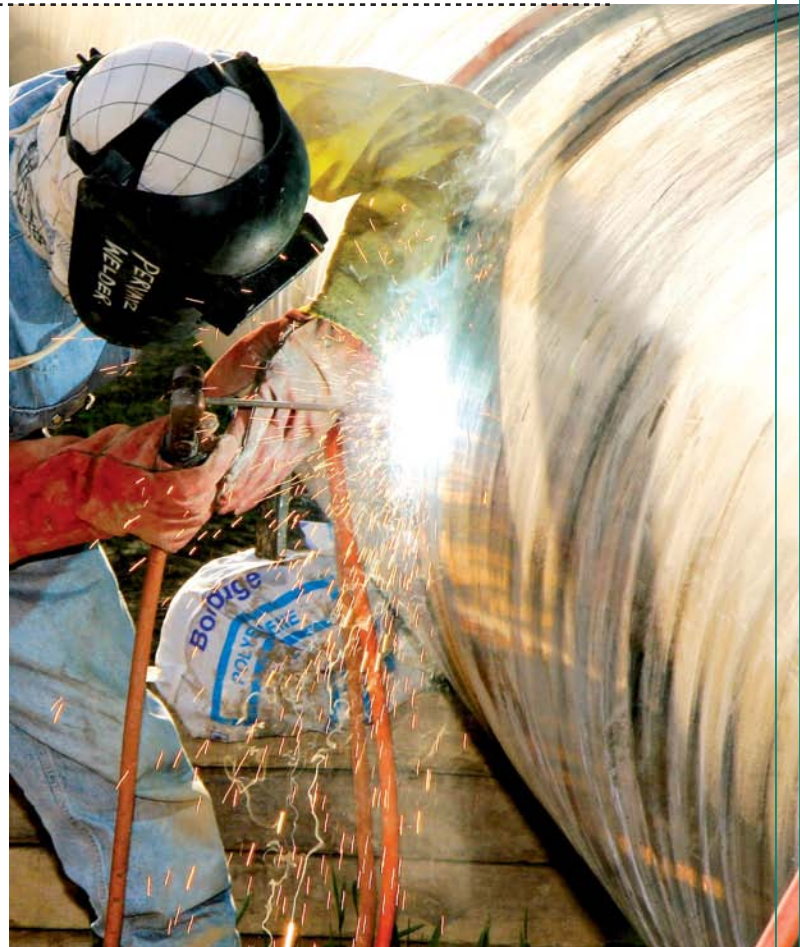
Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 of Listing Regulations of Karachi Stock Exchange, Chapter XIII of the Listing Regulations of Lahore Stock Exchange and Chapter XI of the Listing Regulations of Islamabad Stock Exchange, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interest on its Board of Directors. At present the Board comprises 13 Directors, 12 of whom are independent non-executive Directors.
2. The Directors of the Company have confirmed that none of them is serving as a Director in more than ten listed companies, including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Member of a Stock Exchange, has been declared as a defaulter by that Stock Exchange.
4. Two casual vacancies occurred in the Board of Directors during the Financial Year were filled up by the Directors, viz M/s M. Razi Abbas and Azim Iqbal Siddiqui were appointed in place of M/s. Jalal Uddin Qureshi and Munawar B. Ahmad, respectively.
5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the Directors and employees of the Company.
6. The Board has adopted a vision / mission statement, overall corporate strategy and significant policies of the Company. The Company has maintained a complete record of particulars of significant policies along with the dates on which they were approved or amended.
7. 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, have been taken by the Board.
8. 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 and the Board met at least once in every quarter during the year. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated within stipulated time.
9. The present Board of Directors was appointed w.e.f. June 26, 2008 in an election of directors held on June 23, 2008. An orientation course is being arranged for the newly elected Directors to acquaint them their responsibilities and duties as per Code of Corporate Governance.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO at the time of their appointment.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. 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.
14. The Company has complied with all the corporate and financial reporting requirements of the code.
15. The Board has formed an Audit Committee. It comprises six Members, all of them are independent non-executive Directors including the Chairman of the Committee.
16. The meetings of the Audit Committee were held once in every quarter, prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has set up an effective internal audit function. The staff is considered to be suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and is involved in the internal audit function on a full time basis.
18. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by



- the Institute of Chartered Accountants of Pakistan.
19. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
 20. We confirm that all other material principles contained in the Code have been duly complied with.

On behalf of the Board

(A. RASHID LONE)
Chief Executive

Lahore
September 27, 2008.

SNGPL's 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 (349 km of 16 inch and 129 km of 10 inch diameter pipelines) from Pakistan Industrial Development Corporation (PIDC) and Dhulian - Rawalpindi - Wah system (132 km 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 3 million consumers in North Central Pakistan through an extensive network in Punjab and NWFP. The Company has over 45 years of experience in operation and maintenance of high-pressure gas transmission and distribution systems. It has also expended its activities to undertake the planning, designing and construction of pipelines, both for itself and other organization.

With our performance...
everything falls in line



Vital Information

The Management

A. Rashid Lone
Managing Director

Abrar Ahmed
Senior General Manager (Engineering Services)

Pervaiz Azeez Khan
Senior General Manager (Human Resource)

Mujahid Anwar
Senior General Manager (Distribution)

Imdad Hussain
Senior General Manager (Consumer Services)

Hasnath Aziz Banth
Senior General Manager (Projects)

Khalid Walid Sharaq
Senior General Manager (Transmission)

Amer Tufail
Chief Financial Officer

Uzma Adil Khan
Senior General Manager (Corporate Affairs & Corporate Communications) / Company Secretary

Waqar Nisar
Chief Information Officer

Joint Auditors

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Riaz Ahmad & Co.
Chartered Accountants

Shares Registrar

M/s. Hameed Majeed Associates (Pvt) Ltd.,
H.M. House, 7-Bank Square, Lahore.
Ph: 092 - 42 - 7235081 - 82
Fax: 092 - 42 - 7358817

Legal Advisors

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

Registered Office

Gas House
21-Kashmir Road, P.O. Box No. 56
Lahore - 54000 (Pakistan)
Ph: 092 - 42-9201451 - 60, 9201419
Fax: 092 - 42 - 9201369, 9201302
E-mail: info@sngpl.com.pk
website: www.sngpl.com.pk

The Management



A. Rashid Lone
MD / CEO



Abrar Ahmed
SGM (ES)



Pervaiz Azeez Khan
SGM (HR)



Mujahid Anwar
SGM (D)



Imdad Hussain
SGM (CS)



Hasnath Aziz Banth
SGM (P)



Khalid Walid Sharaq
SGM (T)



Amer Tufail
CFO



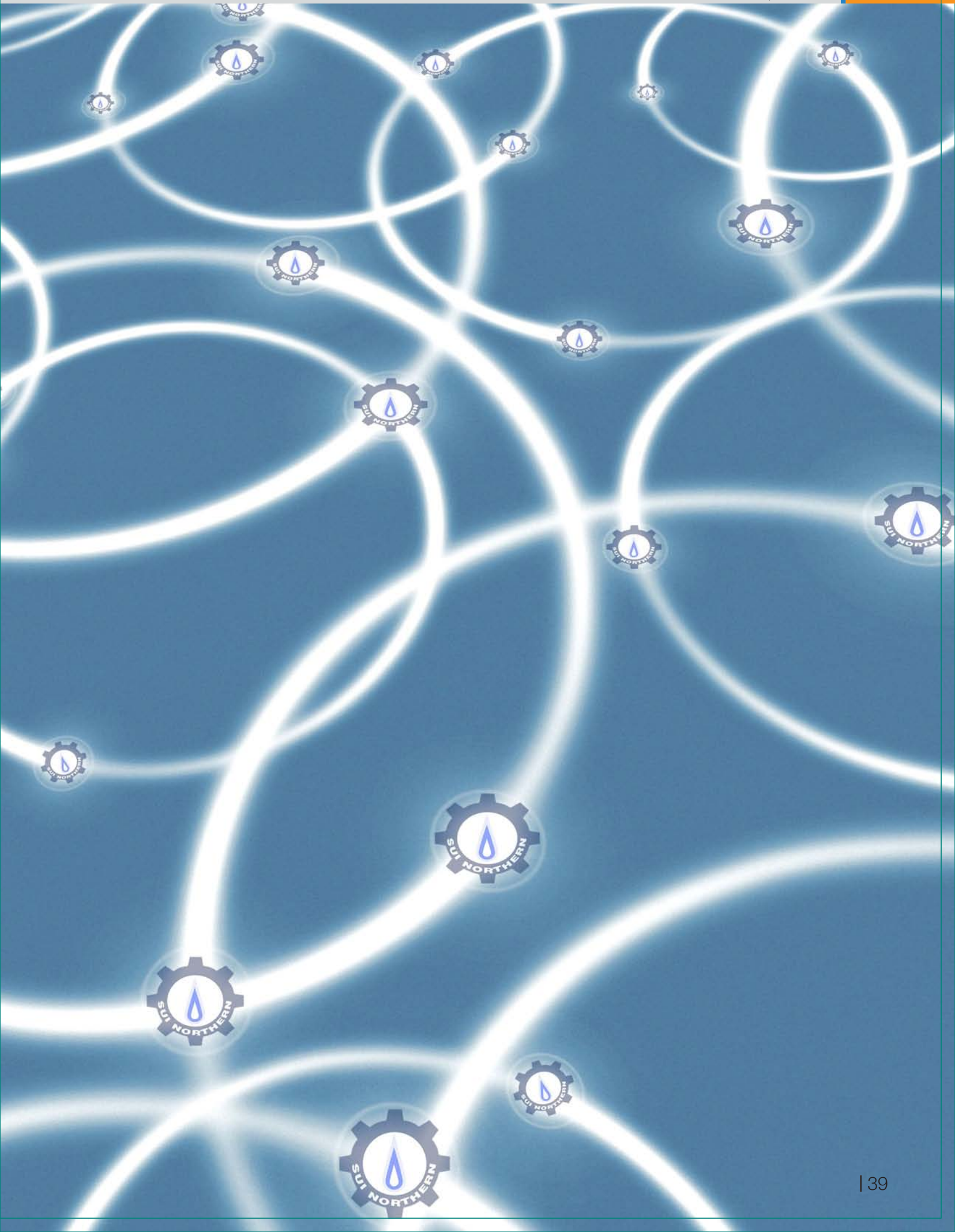
Uzma Adil Khan
SGM (CA & CC) / CS



Waqar Nisar
CIO

Milestones

1964 - 1969	Project I	Extension of Sui-Multan section to Faisalabad and Lahore and then linked with Dhulian-Rawalpindi-Wah system to form a common grid.
1970 - 1971	Project II	Increased system capacity from 170 MMCFD to 205 MMCFD.
1971- 1973	Project III	Supplies of gas further extended to major cities in the NWFP. System capacity increased to 277 MMCFD.
1974 - 1981	Project IV	Erection of 2 x 100 MMCFD purification banks at Sui, installation of 34,700 HP compression stations. System capacity enhanced to 387 MMCFD.
1985 - 1991	Project V	Increased system capacity to 450 MMCFD, constructed purification bank of 120 MMCFD capacity at Sui.
1989 - 1998	Project VI	1200 km pipeline laid and 53,370 HP additional compression stations installed. System capacity enhanced to 980 MMCFD
2001 - 2003	Project VII	560 km pipeline laid and 25,000 HP additional compression stations installed. System capacity enhanced to 1380 MMCFD
2003 - 2005	Project VIII	803 km transmission pipeline laid to increase system capacity upto 1680 MMCFD.
2005 - 2006	Gas Supply to Lilla Town	Completed a pilot project (Phase-I) for supply of gas to Lilla Town through CNG by establishing Mother-Daughter system.
2006 - 2007	Gas Supply to Murree	Completed a project for supply of gas to Murree. Gas supply to 21 No. Southern district of Punjab & NWFP.
2006 - 2009	Project IX	Being undertaken to absorb additional gas supply from newly discovered gas fields.



Decade at a Glance

(Rupees in thousand)

	2008	2007	2006
BALANCE SHEET – SUMMARY			
Paid up share capital	5,491,053	5,491,053	4,991,866
Revenue reserves	11,647,796	10,798,422	10,116,826
Non-Current Liabilities			
Long term financing			
– Local	1,774,432	2,194,721	3,428,613
– Foreign	943,531	1,515,460	2,045,483
– Banking companies	62,500	662,500	1,949,084
Long term security deposits	9,068,102	7,270,407	5,865,779
Deferred credit	31,386,548	23,108,412	16,663,770
Deferred taxation	7,562,412	6,752,570	6,046,992
Employee benefits	336,667	331,754	312,654
Current Liabilities	29,374,602	25,559,287	25,815,502
	97,647,643	83,684,586	77,236,569
Represented by:			
– Non – Current Assets	62,788,440	50,342,380	43,789,649
– Current Assets	34,859,203	33,342,206	33,446,920
	97,647,643	83,684,586	77,236,569
PROFIT AND LOSS – SUMMARY			
INCOME			
Gas sales	123,404,537	122,091,652	107,897,291
Add / (Less) Differential margin / (Gas development surcharge)	750,496	(9,514,600)	(2,046,177)
Net Sales	124,155,033	112,577,052	105,851,114
Cost of Gas sold	109,107,461	99,168,250	91,986,318
Gross profit	15,047,572	13,408,802	13,864,796
Rental and service income	916,351	828,140	744,955
Surcharge and interest on gas sales arrears	703,328	673,241	534,470
Amortization of deferred credit	790,289	591,354	472,879
Operating profit / (Loss) – LPG	–	–	–
Share in profit of associate – before tax	422	485	–
Other operating income	1,446,568	1,855,118	1,828,399
	18,904,530	17,357,140	17,445,499
EXPENDITURE			
Operating Expenses	13,176,858	12,005,044	10,799,936
Finance Cost	789,247	860,715	1,180,203
Other charges	957,194	241,324	346,300
	14,923,299	13,107,083	12,326,439
PROFIT BEFORE TAXATION	3,981,231	4,250,057	5,119,060
TAXATION	1,484,541	1,571,714	1,396,816
PROFIT AFTER TAXATION	2,496,690	2,678,343	3,722,244
Earnings per share – Basic and diluted (Rs.)	4.55	4.88	6.78
DIVIDEND (%)	35	30	30
BONUS SHARES (%)	–	–	10
NUMBER OF EMPLOYEES – Operation	6,916	6,712	6,852
– Project	224	209	249
	7,140	6,921	7,101
GAS SALES (MMCF)	597,913	576,658	571,481
CONSUMERS (IN NUMBERS)	3,190,181	2,953,818	2,723,225
CUSTOMERS (IN NUMBERS) – Industrial	5,442	4,425	3,773
– Commercial	49,176	45,925	43,919
– Domestic	3,101,303	2,869,208	2,641,273
	3,155,921	2,919,558	2,688,965
TRANSMISSION AND DISTRIBUTION SYSTEM (in Kilometers)			
Transmission mains	7,016	6,625	6,195
Distribution mains and services	59,951	53,685	46,964

(Rupees in thousand)

	2005	2004	2003	2002	2001	2000	1999
	4,991,866	4,991,866	4,991,866	4,991,866	4,991,866	4,340,753	3,774,568
	7,892,142	5,861,970	3,564,492	2,648,937	1,760,485	1,923,646	1,963,131
	4,068,020	3,036,539	3,711,707	4,506,818	5,197,566	2,229,817	5,015,173
	2,536,780	2,992,191	3,414,091	3,805,052	4,167,517	4,525,551	4,880,544
	3,473,672	5,035,759	5,471,154	4,254,384	2,211,682	2,898,603	2,395,092
	5,279,975	4,441,952	3,744,461	3,301,454	3,040,623	1,670,921	1,338,108
	10,279,438	8,098,044	4,328,300	3,980,851	3,820,602	3,194,350	2,783,107
	6,112,252	5,546,779	4,986,297	4,551,906	4,128,560	3,326,809	2,625,629
	381,719	1,989,201	1,560,203	1,075,325	799,157	560,076	404,797
	19,998,166	14,930,469	11,528,019	12,511,306	13,119,164	15,053,938	14,805,272
	65,014,030	56,924,770	47,300,590	45,627,899	43,237,222	39,724,464	39,985,421
	40,659,914	37,173,812	33,774,911	30,527,631	29,216,137	29,360,967	29,580,315
	24,354,116	19,750,958	13,525,679	15,100,268	14,021,085	10,363,497	10,405,106
	65,014,030	56,924,770	47,300,590	45,627,899	43,237,222	39,724,464	39,985,421
	84,710,404 (1,333,069)	64,276,145 (70,064)	45,649,496 (3,189,416)	42,005,148 (4,084,195)	36,522,243 (2,442,668)	26,569,704 (1,019,657)	20,577,266 (1,665,855)
	83,377,335	64,206,081	42,460,080	37,920,953	34,079,575	25,550,047	18,911,411
	71,192,390	52,627,542	31,349,357	28,549,844	24,849,097	16,626,517	11,088,152
	12,184,945	11,578,539	11,110,723	9,371,109	9,230,478	8,923,530	7,823,259
	699,036	638,648	635,260	585,016	589,680	529,600	283,644
	646,662	526,729	491,890	475,570	110,493	383,223	669,988
	397,671	359,145	333,994	312,849	278,447	235,877	206,219
	—	—	—	(3,192)	(13,807)	(6,426)	7,671
	—	—	—	—	—	—	—
	918,747	406,283	422,831	455,736	182,221	138,817	86,714
	14,847,061	13,509,344	12,994,698	11,197,088	10,377,512	10,204,621	9,077,495
	9,289,124	8,679,258	8,061,605	6,832,948	6,484,892	6,050,798	4,761,582
	1,054,730	968,918	1,531,471	1,398,174	1,440,695	2,716,947	3,462,516
	241,730	196,791	194,555	201,727	122,602	71,900	42,689
	10,585,584	9,844,967	9,787,631	8,432,849	8,048,189	8,839,645	8,266,787
	4,261,477	3,664,377	3,207,067	2,764,239	2,329,323	1,364,976	810,708
	1,525,499	1,366,899	1,193,301	877,414	992,754	838,276	385,174
	2,735,978	2,297,478	2,013,766	1,886,825	1,336,569	526,700	425,534
	4.98	4.18	3.67	3.44	2.43	0.95	0.77
	30	25	22	20	17	—	—
	—	—	—	—	—	15	15
	6,904 264	7,070 259	7,240 208	7,417 182	7,607 96	7,716 86	7,808 142
	7,168	7,329	7,448	7,599	7,703	7,802	7,950
	537,086	452,338	341,643	321,957	308,111	284,338	253,104
	2,516,795	2,340,872	2,208,968	2,113,847	2,021,857	1,922,289	1,782,600
	3,271 41,358 2,437,541	2,881 38,842 2,263,875	2,669 37,471 2,133,554	2,548 37,622 2,038,403	2,475 39,128 1,944,980	2,672 40,675 1,843,662	2,337 38,869 1,706,114
	2,482,170	2,305,598	2,173,694	2,078,573	1,986,583	1,887,009	1,747,320
	6,121 42,285	5,776 38,284	5,759 35,814	5,405 34,093	5,122 32,825	5,217 31,477	5,112 29,954

Transmission System

Sr. No.	SECTION	DIA (Inches)	MAINLINE (kilometers)	LOOPLINE (kilometers)
1	PIRKOH - SUI	24	70.50	
2	LOTI - PESHBOGI	18	11.25	
3	SUI - MULTAN	16	2.11	
4	SUI - MULTAN	18		256.82
5	SUI - MULTAN	24	321.66	
6	SUI - MULTAN	30		347.38
7	SUI - MULTAN	36		213.68
8	K1 – MP-37.88	20		20.68
9	SHER SHAH X-ING	36		2.20
10	AC1X – AV7 (RYK)	36		26.96
11	AV17 - AV 20	36		3.50
12	AV21 – AV 22	36		27.79
13	GUDDU THERMAL POWER STATION	4	2.41	
14	GUDDU CROSSING - 1	24	1.81	
15	GUDDU CROSSING - 2	36		1.81
16	SUTLEJ CROSSING - 1	12	1.61	3.22
17	SUTLEJ CROSSING - 2	36		2.04
18	KHANPUR LINE	6	22.81	
19	A5 - BAHAWALPUR	8	48.18	
20	AV22 - KOT ADDU	16	69.65	
21	AV22 - KOT ADDU	20		38.01
22	D. G. KHAN LINE	8	72.06	
23	DHODAK - KOT ADDU	16	77.79	
24	TPS MUZAFFARGARH LINE	16	4.57	
25	QADIRPUR - AC-1X LINE	30	70.26	
26	QADIRPUR - AC-1X LINE	36		70.00
27	MUBARAK LINE	16	35.48	
28	KAND KOT LINE	16	52.23	
29	SAWAN - QADIRPUR LINE	24	131.00	
30	AHMEDPUR EAST	6	18.34	
31	KHAN GARH	8	22.20	
32	MULTAN - FERTILIZER LINE	10	1.43	
33	JAHANIAN LINE	8	30.49	
34	MULTAN - SIDHNAI	18		46.70
35	MULTAN - SIDHNAI	24	22.46	22.46
36	MULTAN - SIDHNAI	30		46.70
37	MULTAN - SIDHNAI	36		48.38
38	AV29 - SAHIWAL	24	77.30	
39	AV29 - N2	36		110.24
40	SIDHNAI - FAISALABAD	18		163.58
41	SIDHNAI - FAISALABAD	24		50.24
42	SIDHNAI - FAISALABAD	30		53.29
43	SIDHNAI - FAISALABAD	36	26.42	
44	SIDHNAI X-ING - AC-7	36		33.26
45	T.T. SING - JHANG	8	30.28	
46	SAHIWAL - LAHORE	18	142.93	
47	SAHIWAL - AKHTARABAD	24		66.69
48	SUNDER INDUSTRIAL STATE LINE	16	4.34	
49	AC8 - SMSII (OLD)	16		5.90
50	AC8 - A11	20		0.66
51	WAPDA OFFTAKE FSD	12	2.42	
52	CHAK JHUMRA LINE	6	12.04	
53	FSD - MALIKWAL	12	70.74	
54	FSD - MALIKWAL	16		158.67
55	FSD - MALIKWAL	30		90.82
56	CV12A - KHATHIALA SHAKHAN LINE	12	28.23	

Transmission System

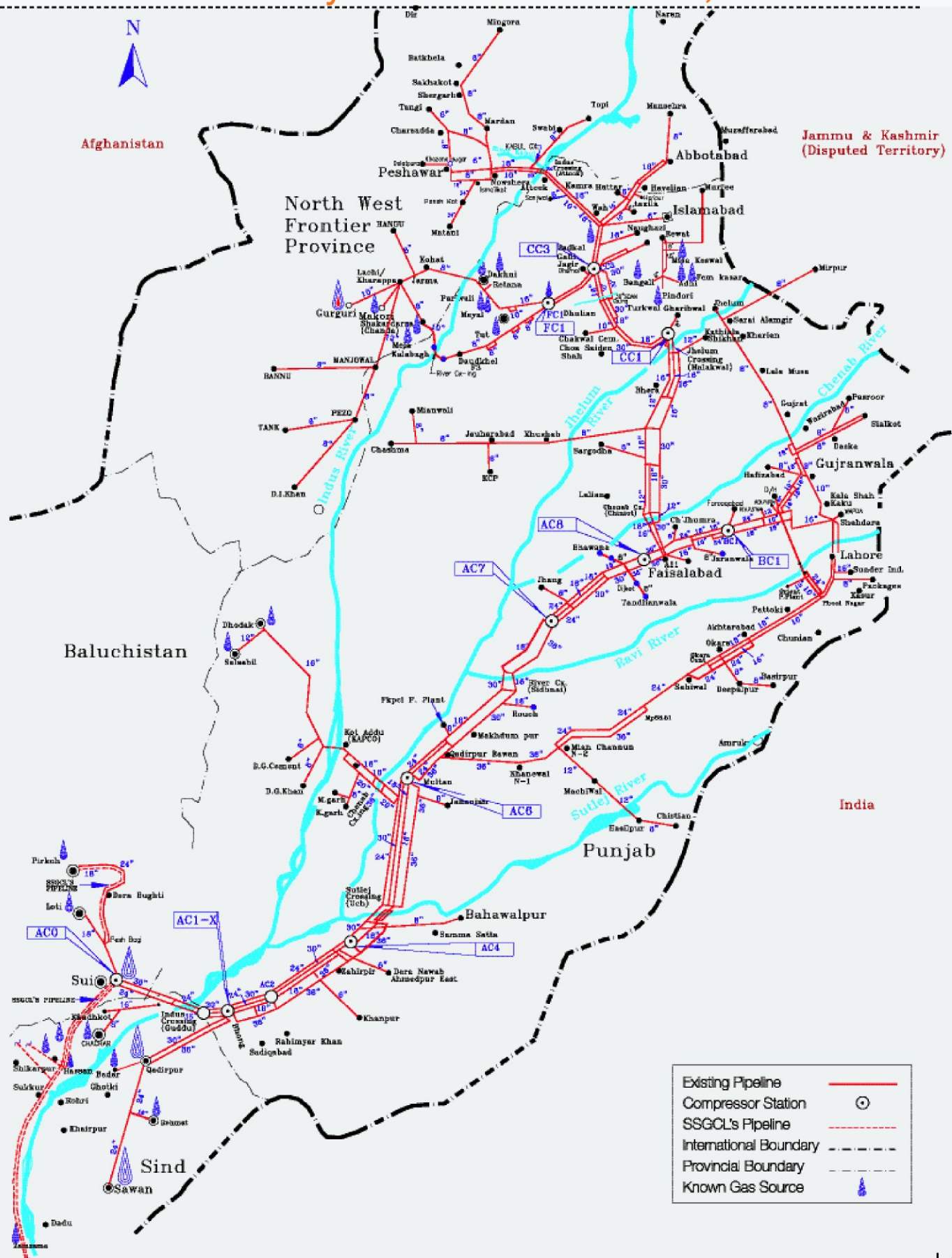
Sr. No.	SECTION	DIA (Inches)	MAINLINE (kilometers)	LOOPLINE (kilometers)
57	MALAKWAL - JHELMUM CROSSING	16		5.42
58	CHENAB CROSSING CHINIOT	18	1.13	
59	CHENAB CROSSING CHINIOT	30	2.32	
60	KOT MOMIN - JOHARABAD (1)	8	72.41	
61	KOT MOMIN - JOHARABAD (2)	6	38.36	
62	JOHARABAD - CHASHMA	8	82.21	
63	SARGODHA LINE	6	22.90	
64	FSD - SHAHDARA	16	60.84	119.25
65	FSD - SHAHDARA	24		55.03
66	BC1 - FAROOQ ABAD	8	22.96	
67	SHAHDARA - LAHORE	16	2.51	2.99
68	RAVI CROSSING (1)	16	0.58	
69	RAVI CROSSING (2)	10		0.58
70	SHAHDARA - WAPDA LAHORE	10	3.41	
71	KHURRIANWALA - JARANWALA	8		22.53
72	RENTED POWER PLANT BHIKKI	12	0.31	
73	DAWOOD HERCULES LINE	12	5.87	
74	SHEIKHUPURA - GUJRANWALA (1)	10	59.44	
75	SHEIKHUPURA - GUJRANWALA (2)	16		44.57
76	KOTLI - RAHWALI (BV13)	18	30.76	
77	HAFIZABAD LINE	8	43.00	
78	SHAHDARA - GUJRANWALA - RAHWALI	10	73.40	
79	RAHWALI - GUJRAT	8	35.46	
80	RAHWALI - SIALKOT	8	43.58	43.58
81	SIALKOT O/T - WAZIRABAD	18		19.82
82	SAHIWAL - LAHORE	16		119.11
83	PHOOL NAGAR - DAWOOD HERCULES	16	63.95	
84	PHOOLNAGAR - HEAD BALLOKI	24		10.38
85	ORIENT POWER PLANT LINE	10	1.88	
86	GUJRAT - JHELMUM	8	54.27	
87	SARAI ALAMGIR - MIRPUR	8	35.85	
88	MALIKWAL - HARANPUR - DANDOT	12	4.78	
89	MALIKWAL - HARANPUR - DANDOT	16		20.00
90	CC1 - C4	30		29.09
91	C4 - CHAKWAL CEMENT	10	24.00	
92	HARANPUR - GHARIBWAL	8	13.02	
93	DANDOT - GALI JAGIR - WAH	10	151.92	
94	DANDOT - GALI JAGIR - WAH	16		153.51
95	DANDOT - GALI JAGIR - WAH	30		64.22
96	DHULIAN - GALI JAGIR	10	40.14	29.85
97	DAKHNI - MEYAL - DHULIAN	16	50.44	
98	CV13a - CC1	16		3.58
99	C10 - ISMAILKOT	16		14.64
100	RATANA LINE	10	2.49	
101	SIL CROSSING	10		1.46
102	DHURNAL LINE (1)	8	0.54	
103	DHURNAL LINE (2)	10	11.08	
104	DHULIAN - DAUDKHEL	8	85.20	4.04
105	GALI JAGIR - MORGAH (1)	10	21.44	
106	GALI JAGIR - MORGAH (2)	6	9.50	
107	WAH - ISLAMABAD	6	12.06	
108	WAH - HATTAR - HAVELIAN	16		81.29
109	WAH - HATTAR	10	9.93	
110	HATTAR - HARIPUR	10	18.12	
111	HATTAR OFFTAKE	6	0.39	
112	HARIPUR - MANSEHRA	8	70.53	

Transmission System

Sr. No.	SECTION	DIA (Inches)	MAINLINE (kilometers)	LOOPLINE (kilometers)
113	HARIPUR OFFTAKE	8	1.53	
114	ADHI - RAWAT	10	47.70	
115	RAWAT - MURREE	12	57.25	
116	BHANGALI LINE	8	5.82	
117	MISSA KASWAL - MANDRA	8	20.60	
118	WAH - NOWSHERA (1)	10	75.54	
119	WAH - NOWSHERA (2)	16		76.28
120	INDUS CROSSING	24		1.12
121	TAXILA LINE	4	4.43	
122	SANJWAL LINE	6	6.67	
123	KOHAT LINE	8	54.27	
124	KOHAT - NOWSHERA (END POINT TO CH:201412)	24	21.96	
125	"MATANI - PANAH KOT (Kohat Nowshera Line)"	24	27.62	
126	NOWSHERA - ISMAILKOT (1)	8	11.97	
127	NOWSHERA - ISMAILKOT (2)	6		11.97
128	ISMAILKOT - TURNAB	8		20.85
129	ISMAILKOT - TURNAB	6	20.86	
130	ISMAILKOT - TURNAB	16		21.24
131	SHAKARDARA - DAUDKHEL	10	43.11	
132	SHAKARDARA END POINT - F3	10	1.55	
133	KHARAPPA - SHAKARDARA	8	25.50	
134	NOWSHERA - MDN - TAKHTBAI - S/KOT	8	57.99	
135	SAKHAKOT - SWAT	8	68.06	
136	NOWSHERA - CHARSADDA	8	23.59	
137	CHARSADDA - TURANG ZAI LINE	6	10.36	
138	SADQAL - NAUGAZI LINE	16	19.02	
139	TANGI LINE	6	13.87	
140	DASKA - PASROOR LINE	8	24.86	
141	FAUJI KABIR WALA LINE	8	5.86	
142	OKARA - DIPALPUR LINE	8	16.83	
143	CHARSADHA - KHAZANA SUGAR MILLS	8	22.64	
144	CHARSADHA - KHAZANA DOLATPURA	6	0.34	
145	JAHANGIRA - SWABI - TOPI	8	40.29	
146	KABUL CROSSING JAHANGIRA ON TOPI LINE	16	0.30	
147	ROUSCH POWER PLANT LINE	16	4.70	
148	PINDORI - BHANGALI LINE	8	15.83	
149	MIANWALI LINE	8	17.80	
150	CHACHAR FIELD LINE	8	2.87	
151	MIAN CHUNNUN - HASILPUR	12	83.85	
152	HASILPUR - CHISHTIAN LINE	8	30.98	
153	AV-40 - DIJKOT - TANDLIANWALA	8	39.79	
154	AV-40 - BHAWANA LINE	8	37.14	
155	SUKHO - RAWAT	16	33.24	
156	DIPALPUR - BASIRPUR	8	22.64	
157	MANGA - PACKAGES LINE(RENTED POWER)	8	36.65	
158	RENTED POWER - SHEIKHUPURA	12	0.43	
159	RODHO - KOT QAISRANI LINE	12	14.50	
160	KHURAPPA - KARAK - KURRUM - MUNJOWAL	12	84.42	
161	JARMA - HUNGO	8	36.00	
162	MUNJOWAL - BANNU	8	36.50	
163	MUNJOWAL - PEZU	8	53.29	
164	PEZU - D. I. KHAN	8	47.02	
165	PEZU - TANK	8	31.51	
	TOTAL		4101.11	2914.49

GRAND TOTAL = 7015.60 km

Transmission System as on June 30, 2008



Notice of Annual General Meeting

Notice is hereby given that the 45th Annual General Meeting of the Company will be held at Hotel Avari, 87-Shahrah-e-Quaid-e-Azam, Lahore at 10.30 A.M. on Thursday, October 30, 2008 for the purpose of transacting the following business:

Ordinary Business

1. To confirm the minutes of the Extraordinary General Meeting held on June 23, 2008.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2008 together with the Directors' and Auditors' Reports thereon.
3. To approve payment of cash dividend at the rate of Rs 3.50 per share of Rs 10 each i.e. 35% for the year ended June 30, 2008 as recommended by the Board of Directors.
4. To appoint auditors for the year ending June 30, 2009 and fix their remuneration. The retiring auditors being eligible, also offer themselves for re-appointment.
5. To transact any other ordinary business of the Company with the permission of the Chairman.

The share transfer books of the Company will remain closed from Tuesday, October 21, 2008 to Thursday, October 30, 2008 (both days inclusive). The members whose names appear in the register of members as at the close of business on Monday, October 20, 2008 will be treated in time, for the purpose of entitlement of dividend.

By order of the Board



(UZMA ADIL KHAN)
Company Secretary

Lahore:
September 27, 2008.

Notes

- 1) A member entitled to attend may appoint another member as his / her proxy or may by power of Attorney authorize any other person as his / her agent to attend, speak and vote at the meeting. The Federal Government, a Provincial Government, a Corporation or a Company, as the case may be, being a member of the Company may appoint any of its officials or any other person to act as its representative and the person so authorized shall be entitled to the same powers, as if he were an individual shareholder.
- 2) The instrument appointing a proxy shall;
 - a) be in writing; and
 - b) be signed by the appointer or his / her attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
- 3) The proxy must be signed across a Rupees five revenue stamp and it should be deposited in the office of the Company Secretary not less than 48 hours before the time of holding the meeting.
- 4) Shareholders are requested to notify any change in address immediately quoting their folio number (s).
- 5) CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 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 corporate 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:

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.

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or the passport of the beneficial owners and of the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- iv) In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.



Registered Office

Gas House, 21 - Kashmir Road,
P.O. Box No. 56,
Lahore - 54000 (Pakistan).
Exch: 92 - 42 - 9201451 - 60 Ext - 3701
Fax: 92 - 42 - 9201369, 9201302
E-mail: info@sngpl.com.pk
Web Site: www.sngpl.com.pk

Shares Registrar

M/s Hameed Majeed Associates (Pvt) Ltd.,
H. M. House, 7-Bank Square, Lahore.
Ph: 92 - 42 - 7235081 - 82
Fax: 92 - 42 - 7358817