



Teamwork: vertically,  
horizontally and diagonally

# Transmission System

Province - Wise Break-up as on June 30, 2011

## BALUCHISTAN

Sr. #	Section	Dia (Inches)	Mainline (Kilometer)	Loopline (Kilometer)
1	PIRKOH - SUI	24	70.50	
2	LOTI - PESHBOGI	18	11.25	
3	SUI - MULTAN	24	19.31	
4	SUI - MULTAN	30		19.31
<b>SUB TOTAL</b>			<b>101.06</b>	<b>19.31</b>

## SINDH

Sr. #	Section	Dia (Inches)	Mainline (Kilometer)	Loopline (Kilometer)
1	SUI-MULTAN	24	14.29	
2	SUI-MULTAN	30		14.29
3	SUI-MULTAN	16	0.26	
4	GUDDU TPS	4	2.41	
5	GUDDU BARRAGE	24	1.81	
6	GUDDU CROSSING	36		1.81
7	SAWAN - QADIRPUR	24	131.00	
8	MUBARAK LINE	16	35.48	
9	CHACHAR GAS FIELD LINE	8	2.87	
10	KAND KOT LINE	16	52.23	
11	QADIRPUR LINE	30	53.13	
12	QADIRPUR LINE	36		53.14
13	ENGRO FERTILIZER LINE	20	37.80	
14	ENGRO ENERGY LINE	16	3.30	
<b>SUB TOTAL</b>			<b>334.58</b>	<b>69.24</b>

## PUNJAB

Sr. #	Section	Dia (Inches)	Mainline (Kilometer)	Loopline (Kilometer)
1	SUI - MULTAN	18		256.82
2	SUI - MULTAN	24	288.06	
3	SUI - MULTAN	30		313.78
4	SUI - MULTAN	36		213.68
5	SUI - MULTAN	16	1.85	
6	K1 - MP-37.88	20		20.68
7	SHER SHAH X-ING	36		2.20
8	AC1X - AV7 (RYK)	36		26.96
9	AV17 - AV 20	36		3.50
10	AV21 - AV 22	36		27.79
11	SUTLEJ CROSSING - 1	12	1.61	3.22
12	SUTLEJ CROSSING - 2	36		2.04
13	KHANPUR LINE	6	22.81	
14	A5 - BAHAWALPUR	8	48.18	
15	AV22 - KOT ADDU	16	69.65	
16	AV22 - KOT ADDU	20		38.01
17	KOT ADDU - CHOWK SARWAR SHAHEED	8	26.00	
18	D. G. KHAN LINE	8	72.06	
19	DHODAK - KOT ADDU	16	77.79	
20	TPS MUZAFFARGARH LINE	16	4.57	

Sr. #	Section	Dia (Inches)	Mainline (Kilometer)	Loopline (Kilometer)
21	QADIRPUR - AC-1X LINE	30	17.11	
22	QADIRPUR - AC-1X LINE	36		16.88
23	AHMEDPUR EAST	6	18.34	
24	KHAN GARH	8	22.20	
25	MULTAN - FERTILIZER LINE	10	1.43	
26	JAHANIAN LINE	8	30.49	
27	MULTAN - SIDHNAI	18		46.70
28	MULTAN - SIDHNAI	24	22.46	22.46
29	MULTAN - SIDHNAI	30		46.70
30	MULTAN - SIDHNAI	36		48.38
31	AV29 - SAHIWAL	36		145.46
32	SHAHWALI LINE	12	20.00	
33	HARONABAD LINE	8	20.00	
34	SMS KHANGARH - KALLARWALI	8	30.00	
35	SMS KALLARWALI - CHOWK PERMIT	8	27.61	
36	SIDHNAI - FAISALABAD	18		163.58
37	SIDHNAI - FAISALABAD	24		50.24
38	SIDHNAI - FAISALABAD	30		53.29
39	SIDHNAI - FAISALABAD	36		26.42
40	SIDHNAI X-ING - AC-7	36		33.26
41	DARKHANA-SINDHELIANWALI LINE	8	17.40	
42	T.T. SING - JHANG	8	30.28	
43	DIJKOT-SAMUNDARY LINE	8	22.33	
44	SAHIWAL - LAHORE	18	142.93	
45	SAHIWAL - AKHTARABAD	24		66.69
46	SUNDER INDUSTRIAL STATE LINE	16	4.34	
47	AC8 - SMSII (OLD)	16		5.90
48	AC8 - A11	20		0.66
49	WAPDA OFFTAKE FSD	12	2.42	
50	CHAK JHUMRA LINE	6	12.04	
51	FSD - MALIKWAL	12	19.34	
52	FSD - MALIKWAL	16		158.67
53	FSD - MALIKWAL	30		90.82
54	CV12A - KHATHIALA SHAKHAN LINE	12	28.23	
55	KATHIALA SHEIKHAN - MANDI BAHAUDDIN LINE	12	9.10	
56	MANDI BAHAUDDIN - LALAMUSA LINE	12	47.17	
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	PIPLAN LINE	8	17.05	
64	SARGODHA LINE	6	22.90	
65	FSD - SHAHDARA	16	57.48	119.25
66	FSD - SHAHDARA	24		55.03
67	BC1 - FAROOQ ABAD	8	22.96	
68	SHAHDARA - LAHORE	16	2.51	2.99
69	RAVI CROSSING (1)	16	0.58	
70	RAVI CROSSING (2)	10		0.58
71	SHAHDARA - WAPDA LAHORE	10	3.41	

# Transmission System

Province - Wise Break-up as on June 30, 2011

Sr. #	Section	Dia (Inches)	Mainline (Kilometer)	Loopline (Kilometer)
72	KHURRIANWALA - JARANWALA	8		22.53
73	DAWOOD HERCULES LINE	12	5.87	
74	SHEIKHUPURA - GUJRANWALA (1)	10	59.44	
75	SHEIKHUPURA - GUJRANWALA (2)	16		44.57
76	MP 59.91 - B3 LINE	24		22.83
77	KOTLI - RAHWALI (BV13)	18	30.76	
78	HAFIZABAD LINE	8	43.00	
79	SHAH DARA - GUJRANWALA - RAHWALI	10	73.40	
80	RAHWALI - GUJRAT	8	35.46	
81	RAHWALI - SIALKOT	8	13.97	13.97
82	SIALKOT OFF-TAKE V/A TO PASROOR OFF-TAKE V/A	16		32.83
83	RAHWALI-SIALKOT OFFTAKE	18		1.48
84	PASROOR - DHAMTAL - NAROWAL	8	40.55	
85	SIALKOT O/T - WAZIRABAD	18		19.82
86	SAHIWAL - LAHORE	16		76.67
87	PHOOL NAGAR - DAWOOD HERCULES	16	63.95	
88	PHOOLNAGAR - DAWOOD HERCULES	24		65.47
89	ORIENT POWER PLANT LINE	10	1.88	
90	SAPPHIRE POWER PLANT LINE	10	0.22	
91	HALMORE POWER LINE	12	3.40	
92	SAIF POWER PLANT SAHIWAL	12	0.34	
93	GUJRAT - JHELMUM	8	54.27	
94	SARAI ALAMGIR - MIRPUR	8	18.50	
95	RENALA-SATGARAH	8	12.35	
96	MALIKWAL - HARANPUR - DANDOT	12	1.18	
97	MALIKWAL - HARANPUR - DANDOT	16		20.00
98	CC1 - C4	30		29.09
99	C4 - CHAKWAL CEMENT	10	24.00	
100	HARANPUR - GHARIBWAL	8	13.02	
101	DANDOT - GALI JAGIR - WAH	10	87.70	
102	DANDOT - GALI JAGIR - WAH	16		153.51
103	DANDOT - GALI JAGIR - WAH	30		64.22
104	DHULIAN - GALI JAGIR	10	40.14	29.85
105	DAKHNI - MEYAL - DHULIAN	16	50.44	
106	CV13a - CC1	16		3.58
107	RATANA LINE	10	2.49	
108	SIL CROSSING	10		1.46
109	DHURNAL LINE (1)	8	0.54	
110	DHURNAL LINE (2)	10	11.08	
111	DHULIAN - DAUDKHEL	8	85.20	4.04
112	POINT A V/A - SMS DHURNAL	3	0.24	
113	GALI JAGIR - MORGHAH (1)	10	21.44	
114	GALI JAGIR - MORGHAH (2)	6	9.50	
115	GALI-RANIAL	16		35.57
116	WAH - ISLAMABAD	6	12.06	
117	WAH - HATTAR	16		6.17
118	WAH - HATTAR	10	9.93	
119	ADHI - RAWAT	10	47.70	
120	RAWAT - MURREE	12	57.25	
121	BHANGALI LINE	8	5.82	
122	MISSA KASWAL - MANDRA	8	20.60	



Sr. #	Section	Dia (Inches)	Mainline (Kilometer)	Loopline (Kilometer)
123	WAH - NOWSHERA (1)	10	50.41	
124	WAH - NOWSHERA (2)	16		52.60
125	INDUS CROSSING	24		1.12
126	TAXILA LINE	4	4.43	
127	SANJWAL LINE	6	6.67	
128	KOHAT LINE	8	11.58	
129	SHAKARDARA - DAUDKHEL	10	40.11	
130	SHAKARDARA END POINT - F3	10	1.55	
131	SADQAL - NAUGAZI LINE	16	19.02	
132	DASKA - PASROOR LINE	8	24.86	
133	FAUJI KABIR WALA LINE	8	5.86	
134	OKARA - DIPALPUR LINE	8	16.83	
135	ROUSCH POWER PLANT LINE	16	4.70	
136	PINDORI - BHANGALI LINE	8	15.83	
137	MIANWALI LINE	8	17.80	
138	DI-KHAN BHAKAR LINE	8	19.69	
139	MIAN CHUNNUN - HASILPUR	12	83.85	
140	HASILPUR - CHISHTIAN LINE	8	30.98	
141	AV-40 - DIJKOT - TANDLIANWALA	8	39.79	
142	AV-40 - BHAWANA LINE	8	37.14	
143	SUKHO - RAWAT	16	33.24	
144	DIPALPUR - BASIRPUR	8	22.64	
145	MANGA - PACKAGES LINE( RENTED POWER )	8	36.65	
146	RODHO - KOT QAISRANI LINE	12	14.50	
147	SAHIWAL -PHOOLNAGAR LOOP LINE FROM AKHTARABAD V/A to N-6 Pattoki V/A	24		20.95
148	N-6 - PHOOL NAGAR O/T	24		21.69
149	SHAHPUR-HUSSAIN SHAH LINE	8	22.22	
150	HUSSAIN SHAH-SAHIWAL TOWN LINE	8	13.52	
151	SAHIWAL TOWN-SILLANWALI LINE	8	26.71	
152	RANDHAWA OFF-TAKE TO BADIANA	8	8.50	
<b>SUB TOTAL</b>			<b>3047.89</b>	<b>2812.08</b>

#### KHYBER PAKHTUN KHWA

Sr. #	Section	Dia (Inches)	Mainline (Kilometer)	Loopline (Kilometer)
1	HATTAR-HARIPUR	10	18.12	
2	HATTAR OFFTAKE	6	0.39	
3	HARIPUR-MANSEHRA	8	70.53	
4	HARIPUR OFFTAKE	8	1.53	
5	WAH-NOWSHERA(1)	10	25.13	
6	WAH-NOWSHERA(2)	16		23.68
7	WAH - HATTAR	16		13.62
8	HATTAR - SARAI SALEH	16		19.00
9	HATTAR - HAVELLIAN	16		15.00
10	HAVILLINA - ABBATABAD	16		27.50
11	C10 - ISMAILKOT	16		14.64
12	KOHAT LINE	8	42.69	
13	KOHAT - NOWSHERA	24	85.52	
14	MANZALAI - KOHAT LINE	24	39.01	

# Transmission System

Province - Wise Break-up as on June 30, 2011

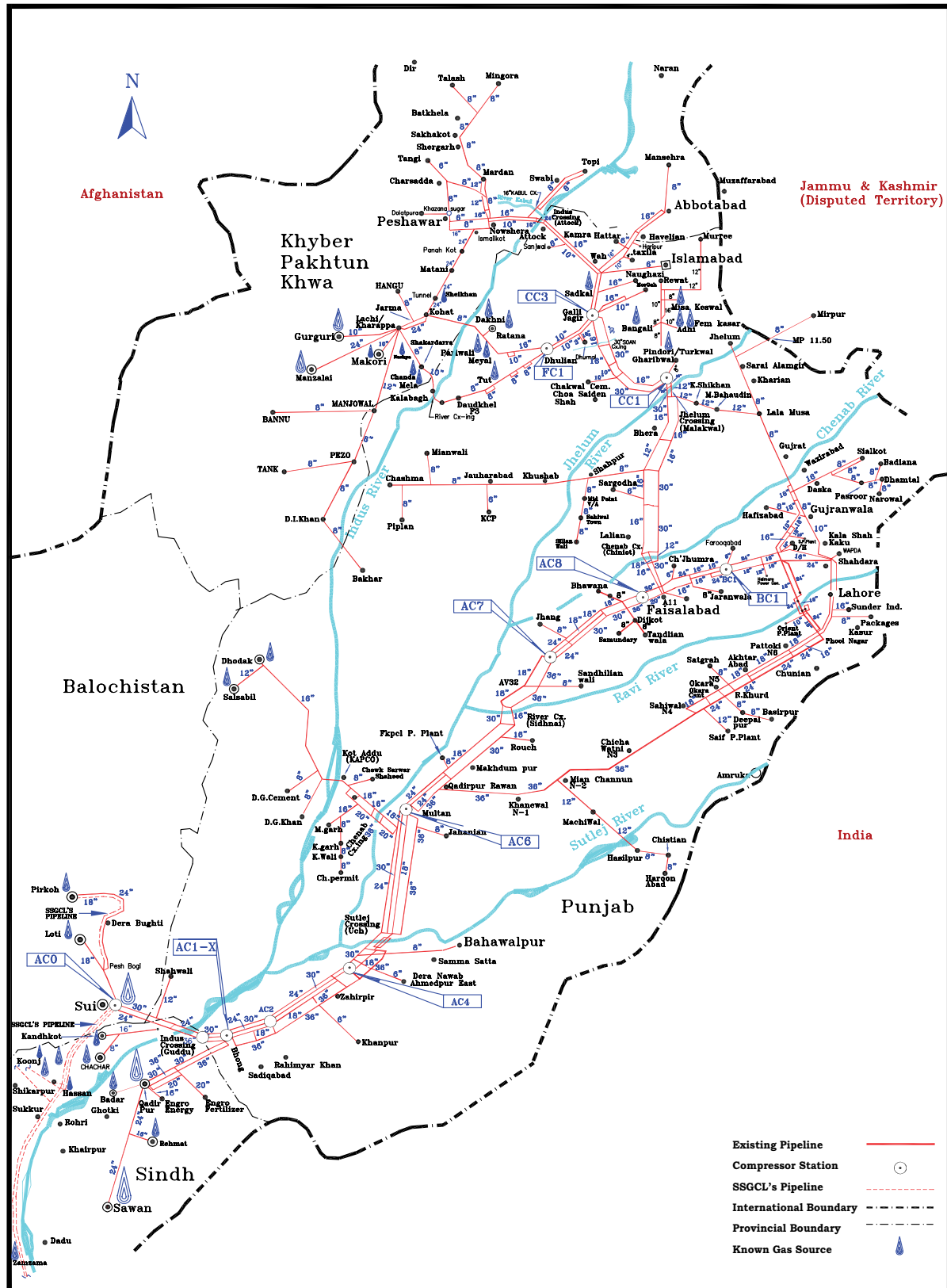
Sr. #	Section	Dia (Inches)	Mainline (Kilometer)	Loopline (Kilometer)
15	JARMA - HANGO LINE	8	36.00	
16	MUNJOWAL - BANNU	8	36.50	
17	NOWSHERA-ISMAILKOT(1)	8	11.97	
18	NOWSHERA-ISMAILKOT(2)	6		11.97
19	ISMAILKOT-TURNAB(1)	8		20.85
20	ISMAILKOT-TURNAB(2)	6	20.86	
21	ISMAILKOT-TURNAB(3)	16		21.24
22	SHAKARDARA - DAUDKHEL	10	3.00	
23	KHARAPPA - SHAKARDARA	8	25.50	
24	KHARAPPA - MANJOWAL	12	84.42	
25	MUNJOWAL - PEZU	8	53.29	
26	PEZU - D. I. KHAN	8	47.02	
27	PEZU - TANK	8	31.51	
28	DI- KHAN BHAKAR	8	18.80	
29	NOWSHERA-MDN-T.BAI-S/KOT	8	57.99	
30	NOWSHERA-CHARSADDA	8	23.59	
31	NOWSHERA - MARDAN	12		19.76
32	NOWSHERA - MARDAN	16		2.16
33	CHARSADDA-TURANG ZAI LINE	6	10.36	
34	TANGI LINE	6	13.87	
35	CHARSADHA - KHAZANA LINE	8	22.64	
36	CHARSADHA - KHAZANA - DOLATPURA	6	0.34	
37	JAHANGIRA - SWABI - TOPI	8	40.29	
38	JAHANGIRA - SWABI - TOPI	8		38.24
39	KABUL X-ING JAHANGIRA	16	0.30	
40	SAKHAKOT - SWAT	8	68.06	
41	CHAKDARA-TALASH LINE	8	16.90	
42	GURGURI - KOHAAT LINE	10	78.00	
<b>SUB TOTAL</b>			<b>984.12</b>	<b>227.66</b>

## AZAD KASHMIR

Sr. #	Section	Dia (Inches)	Mainline (Kilometer)	Loopline (Kilometer)
1	SARAI ALAMGIR - MIRPUR	8	17.35	
<b>SUB TOTAL</b>			<b>17.35</b>	

## GRAND TOTAL

**7613.29**



# Chairman's Review and Directors' Report



**Mian Misbah-ur-Rehman**  
(Chairman)

Your Directors have the pleasure of presenting the 48th Annual Report and the Audited Financial Statements of your Company for the Financial Year ended June 30, 2011 along with the Auditors Report thereon.

## Energy Highlights

The Year 2010-11 was a challenging year due to acute shortage of natural gas as a result of depleting indigenous gas producing sources and unprecedented increase in gas demand by different sectors. In order to bridge the gap between demand and supply, the Company had to curtail gas supply to different sectors, which resultantly increased the trend of gas pilferage by using unfair means by some consumers during the curtailment period. Despite all odds, the Company is optimistic of being able to control such untoward incidents in the best interest of the stakeholders.

Natural gas is contributing maximum share to meet the Country's energy consumption demands. As per Pakistan Energy Year Book 2010, the share of natural gas in primary fuel supplies during 2009-10 was 48.8%. Being relatively inexpensive it is used inefficiently, which resultantly worsens the crisis.

It is imperative to change our mindsets in order to conserve this precious resource in order to utilize it efficiently and economically. We also have to safeguard it for our future generations in order to improve their quality of life. The Company launches awareness campaigns from time to time to apprise consumers and urged them to use this resource efficiently. The Company also takes initiatives in research and development of appliances which use gas efficiently. The Company has developed a retrofitted water geyser with conical baffle, which saves consumption of gas by 25% and reduces gas bills by approximately 45%.



### Financial and Operational Review

Despite numerous social, economic and financial challenges, your Company has been able to close the year with profit. The Company has been able to earn Rs. 3,600 million gross profit, Rs. 1,125 million net profit and an earnings per share of Rs. 2.05. Your Directors are pleased to announce a cash dividend @ 10% i.e Re. 1 per share and bonus shares in the proportion of 1 share for every 20 shares held i.e. 5%.

Your Company has extended its distribution network by over 6,115 Km, in addition to 152 Km of high pressure Transmission Lines. The Company stands committed to its Mission Statement to provide gas to its consumers by expanding its network and installed 267,657 new domestic gas connections during the period under review.

The Company operates under a fixed rate of return of 17.50% on net average fixed operating assets (excluding assets financed through Government grants and customers' contribution), under tariff regime governed by Oil and Gas Regulatory Authority (OGRA). After making all adjustments made by the Regulator, the total rate of return reduced from 17.5% to 2.10%, which translates to Rs 5,642 million in financial terms. These deductions resulted in reduction of Earnings Per Share (EPS) by Rs 10.28.



**M. Arif Hameed**  
(Managing Director / Chief Executive Officer)

# Chairman's Review and Directors' Report

MOL Lachi Line – work in progress



## Summary of Results

	(Rs. in "000")
Profit before taxation	1,687,743
Provision for taxation	562,722
Profit after taxation	1,125,021
Adding thereto:	
Un-appropriated profit brought forward	7,505,133
<b>Profit available for appropriation</b>	<b>8,630,154</b>
<b>Appropriations</b>	
Cash Dividend @ 10% i.e. Re 1 per share (Ordinary shares in issue (Nos) 549,105,339 held)	549,105
Bonus shares in the proportion of 1 share for every 20 shares held i.e. 5%.	274,553
<b>Un-appropriated profit</b>	<b>7,806,496</b>

## Transmission & Distribution of Gas

Your Company's Transmission network is spread over 7,613 Km high pressure pipelines, ranging from 4 inches to 36 inches diameter, across its area of franchise.

During the year under report, 284 new towns, villages, District Head Quarters (DHQs) & Tehsil Head Quarters (THQs) which were connected with the existing system. A total of 2205 towns, villages, DHQs and THQs now exist on the Company's network which are being facilitated with natural gas facility at their door step.

In FY 2010-11, SNGPL provided 220 industrial, 2,472 commercial and 267,657 domestic new gas connections, whilst 5,244 Km of distribution mains and 871 Km of service lines were laid.

## Projects

Your Company commissioned 203 Km transmission pipelines (including 52 Km pipeline for M/s MOL as a sub contractor and 5,244 Km distribution lines in FY 2010-11. Thus gas facility was extended to various localities / towns and industrial units across Punjab and Khyber Pukhtun Khwa.



MOL Lachi Line – work in progress

With the passage of time your Company has been able to gain strength in the areas of planning, designing and construction of pipelines and has emerged as one of the most reliable Engineering and Procurement Construction (EPC) Contractor. During the period under review, the Company has completed a number of In-house and contract projects, whereas a few are in progress. Completion of these EPC contracts will also make 300-400 MMCFD gas available to the Company for use in its own system.

### Compression of Gas

Compression plays vital role for transmission of natural gas available at different pressure from various fields by maintaining adequate gas pressure and flows to meet the gas demands of consumers located at SNGPL's distribution network. For this purpose 11 compressor stations are being operated by the Company by maintaining 67 Nos. Gas Turbine driven compressor packages installed at these stations.

The Company has also indigenous facility for overhauling of Saturn and Centaur turbine engines and testing facility

for performance testing and to ensure the mechanical integrity of the engines through overhauling.

Owing to expertise in the area of installation of compressor packages and allied equipment such as gas coolers, generating sets, SNGPL has recently constructed the compressor station at Qadirpur as a contractor for OGDCL by installing 14 Nos. compressor packages along with complete package of allied facilities. The project was ready for commissioning, by OGDCL, in record period of 6 months.

### Corrosion Control

The Company is proactive in protecting its underground Transmission and Distribution pipeline network, due to corrosion and rust as per NACE standards by applying Cathodic Protection (CP) technique through 1327 CP Stations covering steel pipeline Distribution network of 58,563 Km and 7613 Km of Transmission. The Company has also been able to successfully scan 15,168 Km of gas network and detect underground leaks of different grades by using laser based detection equipment.



# Chairman's Review and Directors' Report



## Quality Assurance

Your Company has adopted the international concept of Quality Assurance. It is ensured that the work is done right in first attempt, by in-process inspection and specially designed formats, which meet requirements of international concept.

## Un-accounted For Gas (UFG)

A major share of the Company's profit is eroded mainly due to Un-accounted For Gas loss (UFG). The increasing size of its distribution network, rising differential between local gas prices versus alternative fuels, increasing gap between demand and supply, theft of gas by consumers / non-consumers, overhead / underground leakages, shift of bulk sale to retail sale and measurement errors have been major factors that have contributed to the increase in the menace of UFG. The ever increasing relative value of gas coupled with an absence of legislation which provides adequate coverage to gas utility companies, makes the Company's operations considerably difficult. The resulting gas shortage leads to curtailment of the bulk customers in favour of the domestic and other consumers where UFG is typically higher. The Board and the Management are conscious of this drain on the Company's profitability and are making hectic efforts to control the same. In order to control UFG, following steps are being taken:

- Introduction of new technologies for gas measurement
- Procurement of ground penetrating radars to identify leakages
- Increase in vigilance activities & Task Forces
- Installation of GSM/GPRS based security system to protect the Consumer Meter Stations (CMS) from unauthorized entry
- Pressure profiling in distribution networks to reduce gas leakage

- Use of Hand Held Units (HHUs) for Domestic Meter Reading
- Replacement of Undersized Meters to avoid under billing in Industrial & Commercial Sectors
- Installation of Tamper Proof Regulators in Domestic sector

## Customer Services

Customer satisfaction has always been a core value in SNGPL. The Company has over 152 offices in its franchised area of operation, to receive and rectify complaints from more than 3.9 million consumers. These offices operate round the clock to handle emergencies. SNGPL has also set up a centralized Call Centre to receive all types of complaints and to give information related to services provided by the Company. The Call Centre can be accessed through a Universal Access Number (UAN) 1199 from mobile or landline number within our franchise area, at local call rates. To satisfy our valued customers, the Call Centre has also been assigned to obtain a feedback from complainants.

## Billing

The Company is committed to ensure accurate meter reading, timely delivery of gas bills, maximize recovery against gas bills and to provide quality service to consumers.

Various steps are regularly taken to address the following billing issues:

- Reduction in Non-Billing Cases
- Reduction in Provisional Billing Cases
- Recovery from Defaulting Consumers
- Recovery from large Industrial Consumers
- Spread of Digital Imaging (HHU) facility for meter reading upto 70% of domestic consumers.
- Expeditious reporting of anomalies and complaints during meter reading
- Arranged verification of minimum billing
- Expeditious booking of under billed and pilfered volume

During the year under review, the Company has been able to reduce its overdue receivables from Rs. 29 billion to Rs. 20 billion.

### Information Technology

During the year, our focus remained on consolidating the key strategic initiatives taken during the past few years and set up a long term plan for end to end automation across the Organization. Customer satisfaction, transparency, bringing efficiencies and enhancing visibility are some of the primary drivers in expanding automation across the organization.

Leveraging on the technological advancements and best practices embedded in recently implemented billing system, most of the processes in Sales, Distribution, Billing, Customer Services and Accounts department have been streamlined providing transparency in operations and a 360 degree view of our valued consumers across the organization HR and Payroll modules were made fully operational while supply chain modules will be made operational during the next financial year.

Your Company realizes that technology plays a pivotal role in the way we do our business. Your company has already embarked upon automating meter readings of significant number of domestic consumers through electronic hand held units and it is expected that complete automation will be achieved during the next financial year. Several initiatives are being taken to make the security of our information system more robust and impregnable.

Our quest to explore innovative technologies and improvement opportunities will continue and rationalization of efforts to make our business processes more technology enabled will carry on unabated.

### Telecommunications

During the year under review your Company has upgraded the Lahore-Faisalabad Microwave Backbone Link from 2GHz to 8GHz frequency band, increasing the Data traffic capacity from 8Mbps to 84Mbps by using its own resources. High-Definition (HD) Video Conferencing System for 10-parties have been installed and commissioned between Head Office, Faisalabad Gas Control Centre and eight Regional Distribution Offices. The system provides profound facility of virtual meeting between different company offices enabling best communication and coordination.





# Chairman's Review and Directors' Report



## Health Safety & Environment

Your Company has an HSE commitment to the highest standards for the health and safety of its employees, customers and stakeholders as well as to the protection of the environment in the communities in which the Company operates. To ensure that HSE Policy is systematically applied and best industry practice is adopted within all operations, the Company has developed an Integrated HSE Management System (IMS).

During the period under review your Company's achievements remained as under:

- 7th Annual Excellence Award – 2010
  - By: M/s National Forum for Environment & Health (NFEH)
- 5th CSR National Excellence Award - 2010
  - By: M/s Help International Welfare Trust (HIWT)
- 2nd National Conference on "Fuel & Environment"
  - By: University of Peshawar
- "SMART" Registration by Pakistan Environmental Protection Agency (PAK – EPA) under SMART / GIP Program for Environmental Reporting
- Participation in HSE Conference for Oil, Gas and Energy Industry arranged by Delta Consultants
- Membership of National Safety Council
- SNGPL shortlisted among 60 Companies / Organization for ACCA-WWF Award 2010 in Dec 2010
- SNGPL was one of the top five corporate entities in the category of highest volume of donation on the basis of Corporate Philanthropy Survey 2008 and ranked forth. Award distributed during December 2010



Management Training Session

#### **Contribution to National Exchequer**

The Company made a healthy contribution to the National Exchequer during the FY2010-11. An amount of Rs 35,177 million was paid in the form of taxes, duties and GDS.

#### **Human Resource Development**

Human Resource Development is a framework for the expansion of human capital within an organization. It is a combination of training and education which ensures the continual improvement and growth of both the individual and the organization. In the corporate vision, the Human Resource Development framework views employees as an asset to the enterprise, whose value is enhanced by development. At the organizational level, a successful Human Resources Development program prepares the individual to undertake a higher level of work and organized learning over a given period of time, to provide the possibility of performance change.

Knowing the importance of the HRD and Training, your Company has established its own independent Training Institute viz. Sui Northern Gas Training Institute (SNGTI) for imparting training to all its employees to

make them a true asset of the Company. This institute regularly conducts mandatory courses / trainings for its employees to upgrade their skill levels.

During the period under review, 79 courses including soft and technical skills were conducted at SNGTI. 674 executives and 117 subordinates were benefited from these courses. In addition to above several technical sessions were also arranged for technical staff, in order to bring more professionalism in their work.

#### **Internal Control System**

The scope of internal auditing within the Company is clearly defined which broadly involves 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.

# Chairman's Review and Directors' Report



Minister and Secretary Petroleum visit SNGPL's Head Office to meet the newly elected Board of Directors

## Changes In The Board

Election of Directors for the triennial commencing June 26, 2011 was held on June 23, 2011. The election was conducted by using voting rights by the shareholders. It was contested by 15 candidates, 13 of whom were declared elected. The Managing Director did not contest the election but is deemed to be a Director under section 200(2) of the Companies Ordinance 1984.

Prior to elections, casual vacancies created by the resignation of Mr. Sher Muhammad Khan, Director, was filled by Mr. Saeed Ullah Shah, Director and the vacancy created by the resignation of Mr. A. Rashid Lone was filled by Mr. M. Arif Hameed, as Managing Director/Chief Executive Officer of the Company.

The elected Directors are Mian Misbah-ur-Rehman, Mian Raza Mansha, Wazir Ali Khoja, Shahid Aziz Siddiqui, Mirza Mahmood Ahmad, Nessar Ahmed, Muhammad Arif Habib, Saeed Ullah Shah, Shabbir Ahmad, Muhammad Azam Khan, Ahmed Aqeel, Azim Iqbal Siddiqui and Abdul Samad Dawood.

The Board of Directors would like to place on record their appreciation and gratitude to the outgoing Members of the Board for their guidance and support during their tenure as Directors of the Company.

## Sui Northern LPG-LNG (Pvt) Limited

Natural gas is becoming a scarce commodity due to continuously widening gap between gas demand and supply. In order to address this issue and on the initiative of the Government of Pakistan to reduce the energy crisis, your Company has formed a wholly owned subsidiary company viz. Sui Northern LPG-LNG (Private) Limited in July 2011. The subsidiary company shall undertake the business of storage, marketing and air mix supply in its area of operation. This subsidiary company will help SNGPL to enhance its profitability, in addition to bridge the gap between demand and supply of natural gas.

## Post Balance Sheet Events

The Directors have not received, as at September 28, 2011 being the date on which these financial statements were approved, any information concerning significant conditions in existence at the balance sheet date, which have not been reflected in the financial statements as presented.

## Corporate Governance

The principles of Corporate Governance adopted by the Directors are set out in detail in the section on Corporate Governance, in this Annual Report.



### Statement on Corporate and Financial Reporting Framework

The Board of Directors hereby declares that for the year ended June 30, 2011:

- a. The financial statements, together with the notes thereon have been drawn up in conformity with the Fourth Schedule to the Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, result of its operations, cash flows and changes in equity.
- b. Proper Books of Accounts of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements, except for those stated specifically, and accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There is no significant doubt upon the Company's ability to continue as a going concern.
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h. Significant deviations from last year's operating results have been disclosed as appropriate in this Chairman's Review & Directors' Report and in the notes to the accounts, annexed to this report.
- i. Key operating and financial data for the last six years in summarized form is annexed.
- j. All statutory payments on account of taxes, duties, levies and charges in the normal course of business, payable as on June 30, 2011, have been cleared subsequent to the year end.

- k. Value of investment in employees retirement funds based on audited accounts of the funds for the year ended June 30, 2010 are as follows:

	Rupees in (000)
SN Senior Staff Pension Fund	1,377,559
SN Junior Staff Pension Fund	3,104,322
SN Executive Staff Gratuity Fund	58,063
SN Non-Executive Staff Gratuity Fund	1,774,261
SN Employees Accidental Death Endowment Fund	5,000
SN Trustees Provident Fund	5,444,473
SN Executive Staff Medical Facility	682,329
SN Non-Executive Staff Medical Facility	2,934,285
SN Executive Staff Free Gas Facility	34,500
SN Non-Executive Staff Free Gas Facility	788,794
SN Executive Staff Compensated Absences Fund	65,545
SN Non-Executive Staff Compensated Absences Fund	210,000
<b>Total</b>	<b>16,479,131</b>

- l. The number of Board meetings held during the year and attendance by each Director is disclosed in Corporate Governance section of this report.
- m. 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 are disclosed in categories of shareholders of this report.

### Pattern of Share Holding

The pattern of share holding as at June 30, 2011 is annexed.

# Chairman's Review and Directors' Report

## Auditors

The present joint auditors M/s. A. F. Ferguson & Co., Chartered Accountants and M/s. M. Yousaf Adil Saleem & Co., Chartered Accountants, are retiring at the conclusion of the Annual General Meeting being held on October 31, 2011 and being eligible, offer themselves for re-appointment for the financial year ended June 30, 2012.

The Board proposes their reappointment as auditors for the financial year ending June 30, 2012 on the recommendation of the Audit Committee.

## Going Concern

The Board of Directors has satisfied itself that the Company has adequate resources to continue its operations for the foreseeable future. The Company's Financial Statements have accordingly been prepared on a 'going concern' basis.

## Risk Management

The Company's risk management policies aim to

minimize financial risks associated with the Company's revenue and cost streams, safeguarding the Company's assets, addressing key areas of capital, finance structure and cash management.

Furthermore, the Company faces gas shortages and pipeline pressure problems during winter months due to excessive use of gas heaters and water geysers by domestic consumers. To mitigate these risks, the Company launches an extensive gas conservancy campaign before the onset of winter months. This campaign creates awareness amongst consumers to avoid using gas heaters, which are a health hazard. It also highlights the inefficiencies of conventional gas water geysers and appraises them of ways and means to control high gas bills for conservation of gas in winter season.

## Share Watch

The Company's share opened at Rs. 27.79 on July 01, 2010 and closed at Rs. 19.92 on June 30, 2011. During the period under review, the highest price of the share was Rs. 34.75 and the lowest was Rs. 17.64. The market capitalization as on June 30, 2011 was Rs. 10,938 million.



Agreement Signing Ceremony with M/s. CDC of Pakistan Limited as Share Registrar of the Company



### Future Plans

Your Company is working to import and inject 500 MMCFD LNG into its network to mitigate the energy shortage in the country due to ever increasing supply-demand gap. This entails laying of over 350 Km x 36" dia cross country gas pipeline from Karachi to Sawan via Nawabshah. Moreover, Company is also pursuing to undertake supply of Synthetic Natural Gas (LPG-Air Mix and bottling and marketing of LPG cylinders) as replacement of natural gas to help ease the prevailing energy crisis in the country.

Spade work on Iran Pakistan (IP) Gas pipeline project is underway and it is hoped that your Company would be able to get additional gas supply of 500 MMCFD in the years ahead.

### Acknowledgements

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 its operations.

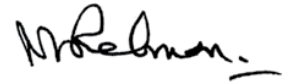
We also place on record our acknowledgement for the continued guidance and support received from the Government of Pakistan, Ministry of Petroleum & Natural Resources and Oil & Gas Regulatory Authority (OGRA) in making the year a success.

We wish to give the outgoing directors a thankful farewell for their hard work and long hours they have contributed to SNGPL. We wish them the greatest of success in their future endeavours.

On behalf of the Board,



**(M. Arif Hameed)**  
Managing Director/  
Chief Executive Officer



**(Mian Misbah ur Rehman)**  
Chairman

Lahore:  
September 28, 2011

# Pattern of Shareholding

As at June 30, 2011

*Name of Shareholders	Number of Shareholders	Shareholding		Total No. of Shares Held	Percentage
		From	To		
	3,306	1	100	149,330	0.03
	3,520	101	500	911,529	0.17
	4,595	501	1,000	3,105,578	0.57
	2,520	1,001	5,000	5,548,707	1.01
	438	5,001	10,000	3,146,958	0.57
	126	10,001	15,000	1,585,504	0.29
	65	15,001	20,000	1,170,697	0.21
	40	20,001	25,000	923,494	0.17
	25	25,001	30,000	689,240	0.13
	21	30,001	35,000	695,912	0.13
	11	35,001	40,000	419,371	0.08
	9	40,001	45,000	390,662	0.07
	10	45,001	50,000	482,123	0.09
	7	50,001	55,000	364,163	0.07
	7	55,001	60,000	392,827	0.07
	6	65,001	70,000	399,212	0.07
	4	70,001	75,000	287,418	0.05
	2	75,001	80,000	154,662	0.03
	4	80,001	85,000	335,609	0.06
Central Insurance Co. Ltd.	1	85,001	90,000	88,900	0.02
	2	90,001	95,000	186,766	0.03
	3	95,001	100,000	298,809	0.05
	3	100,001	105,000	303,099	0.06
	2	110,001	115,000	220,365	0.04
Pakistan Kuwait Investment Co. (Pvt) Ltd.	1	120,001	125,000	125,000	0.02
	2	125,001	130,000	256,500	0.05
	2	130,001	135,000	264,741	0.05
	3	135,001	140,000	411,252	0.07
Muhammad Murtaza	1	140,001	145,000	142,779	0.03
The Bank of Khyber	1	145,001	150,000	150,000	0.03
Darson Securities (Pvt) Limited	1	150,001	155,000	150,427	0.03
Mohammad Mazhar Hayat	1	165,001	170,000	169,171	0.03
Dosslani's Securities (Pvt) Limited	1	175,001	180,000	178,606	0.03
	2	195,001	200,000	398,782	0.07
Teacher Retirement System of Texas	1	215,001	220,000	218,700	0.04
CDC - Trustee AKD Opportunity Fund	1	220,001	225,000	225,000	0.04
Intermarket Securities Limited	1	225,001	230,000	229,887	0.04
Anwar Elahi (00463)	1	230,001	235,000	232,500	0.04
	2	245,001	250,000	496,620	0.09
Nuzhat Irfan	1	250,001	255,000	252,055	0.05
National Logistic Cell	1	270,001	275,000	272,500	0.05
IDBP (ICP Unit)	1	275,001	280,000	278,050	0.05
Irfanuddin	1	285,001	290,000	289,900	0.05

*Name of Shareholders	Number of Shareholders	Shareholding		Total No. of Shares Held	Percentage
		From	To		
Muhammad Arif Khan	1	300,001	305,000	303,600	0.06
Rustom F. Cowasjee	1	305,001	310,000	305,374	0.06
Ghulam Reza Namlaiti	1	315,001	320,000	318,597	0.06
	2	400,001	405,000	801,494	0.15
RO Limited (032985)	1	440,001	445,000	442,750	0.08
CDC - Trustee NIT-Equity Market Opportunity Fund	1	445,001	450,000	446,018	0.08
Yasar Khan Swati	1	470,001	475,000	475,000	0.09
Masood Ahmed Khan	1	495,001	500,000	497,500	0.09
Shareef Ahmad Bani & Mubashir Ahmad Bani	1	575,001	580,000	579,300	0.11
Pair Investment Company Limited	1	585,001	590,000	587,638	0.11
Eaton Vance Structured Emerging Markets Fund	1	610,001	615,000	611,000	0.11
MCBFSL - Trustee Namco Balanced Fund	1	630,001	635,000	630,026	0.11
Asian Co-Operative Society Limited	1	655,001	660,000	660,000	0.12
Advance Series Trust-AST Parametric Emerging Markets Equity	1	660,001	665,000	662,300	0.12
EFU Life Assurance Ltd	1	665,001	670,000	667,750	0.12
Golden Arrow Selected Stocks Fund Limited	1	1,090,001	1,095,000	1,091,042	0.20
Saudi Pak Inv. Co.	1	1,515,001	1,520,000	1,520,000	0.28
CDC - Trustee PICIC Energy Fund	1	1,645,001	1,650,000	1,650,000	0.30
Adamjee Insurance Company Limited	1	1,915,001	1,920,000	1,916,100	0.35
Sui Southern Gas Company Limited	1	2,090,001	2,095,000	2,090,195	0.38
CDC - Trustee PICIC Investment Fund	1	2,150,001	2,155,000	2,154,134	0.39
AKD Securities Limited	1	2,505,001	2,510,000	2,507,618	0.46
Askari Bank Limited	1	2,795,001	2,800,000	2,800,000	0.51
The Bank of Punjab, Treasury Division.	1	2,895,001	2,900,000	2,896,000	0.53
State Life Insurance Corp. of Pakistan	1	4,100,001	4,105,000	4,103,461	0.75
Dawood Foundation	1	5,115,001	5,120,000	5,116,490	0.93
IGI Finex Securities Limited	1	6,900,001	6,905,000	6,904,743	1.26
Pakistan Reinsurance Company Ltd.	1	7,530,001	7,535,000	7,530,913	1.37
CDC - Trustee PICIC Growth Fund	1	8,580,001	8,585,000	8,581,166	1.56
State Life Insurance Corp. of Pakistan	1	14,505,001	14,510,000	14,508,580	2.64
NBP Trustee - NI(UT) (LOC) Fund	1	16,280,001	16,285,000	16,281,661	2.97
National Bank of Pakistan-Trustee Department NI(UT) Fund	1	17,005,001	17,010,000	17,006,343	3.10
Employee's Old-Age Benefits Institution	1	19,615,001	19,620,000	19,619,700	3.57
CDC - Trustee NIT State Enterprise Fund	1	20,605,001	20,610,000	20,609,143	3.75
SNGPL Employees Empowerment Trust	1	23,720,001	23,725,000	23,722,693	4.32
National Bank of Pakistan	1	26,790,001	26,795,000	26,793,320	4.88
Pakistan Industrial Development Corp. (Pvt) Ltd.	1	33,040,001	33,045,000	33,042,891	6.02
MCB Bank Limited - Treasury	1	47,725,001	47,730,000	47,728,822	8.69
Dawood Hercules Chemicals Limited	1	69,980,001	69,985,000	69,982,155	12.74
The President of Islamic Republic of Pakistan	1	173,965,001	173,970,000	173,966,417	31.68
	14,793	549,105,339			100.00

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

# Categories of Shareholders

As at June 30, 2011

Sr. #	Category	No. of Shareholders	Shares Held	Percentage
<b>1</b>	<b>Associated Companies, Undertakings and Related Parties</b>			
	MCB Bank Limited	6	47,770,364	8.70
	State Life Assurance Corporation Limited	2	18,612,041	3.39
	Dawood Foundation	2	5,116,730	0.93
	Askari Bank Limited	1	2,800,000	0.51
	Sui Southern Gas Company Limited	1	2,090,195	0.38
	Central Insurance Co. Ltd.	1	88,900	0.02
<b>2</b>	<b>ICP and NIT</b>			
	IDBP (ICP UNIT)	2	281,618	0.05
	NIT	7	54,485,698	9.92
<b>3</b>	<b>Directors, Chief Executive Officers and their Spouses and minor children</b>			
	Mirza Mahmood Ahmad (Director)	1	500	0.00
	Nessar Ahmed (Director)	1	1,000	0.00
	Ahmad Aqeel (Director)	1	200	0.00
	Abdul Samad Dawood (Director)	1	5,000	0.00
	Muhammad Arif Habib (Director)	1	500	0.00
	Muhammad Arif Hameed (MD / CEO)	1	5	0.00
	Mian Raza Mansha (Director)	1	110	0.00
<b>4</b>	<b>Executives</b>	35	22,159	0.00
<b>5</b>	<b>Shareholders holding 10% or More Voting Interest</b>			
	The President of Islamic Republic of Pakistan	1	173,966,417	31.68
	Dawood Hercules Chemicals Limited	1	69,982,155	12.74
<b>6</b>	<b>Public Sector Companies and Corporations</b>	5	27,205,070	4.95
<b>7</b>	<b>Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds</b>			
	Banks, Development Financial Institutions, Non Banking Financial Institutions	23	5,982,511	1.09
	Insurance Companies	10	10,449,740	1.90
	Modarabas and Mutual Funds	26	14,598,302	2.66
<b>8</b>	<b>General Public</b>			
	Local	13,951	23,839,730	4.34
	Foreign	581	2,938,555	0.54
<b>9</b>	<b>Others</b>			
	Pakistan Industrial Development Corporation Limited	1	33,042,891	6.02
	SNGPL Employees Empowerment Trust	1	23,722,693	4.32
	Joint Stock Companies	113	11,955,159	2.18
	All others	16	20,147,096	3.67
	<b>Total</b>	<b>14,793</b>	<b>549,105,339</b>	<b>100.00</b>

# Summary of Six Years

As at 30th June

Particulars	Unit	2011	2010	2009	2008	2007	2006
<b>Profit and Loss Account</b>							
Net Turnover	Rs.' 000	187,837,601	161,629,828	168,933,831	124,155,033	112,577,052	105,851,114
Gross Profit	Rs.' 000	3,600,428	5,612,963	17,596,492	15,047,572	13,408,802	13,864,796
Operating Profit	Rs.' 000	5,774,559	9,145,373	2,383,422	4,770,056	5,110,287	4,817,164
Profit Before Tax	Rs.' 000	1,687,743	3,879,931	1,730,240	3,980,809	4,249,572	5,119,060
Profit After Tax	Rs.' 000	1,125,021	2,554,563	930,536	2,496,690	2,678,343	3,722,244
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	Rs.' 000	13,218,848	15,353,437	8,263,504	9,601,371	9,558,766	10,365,180
<b>Balance Sheet</b>							
Share Capital	Rs.' 000	5,491,053	5,491,053	5,491,053	5,491,053	5,491,053	4,991,866
Reserves	Rs.' 000	13,237,836	13,211,026	10,656,463	11,647,796	10,798,422	10,116,826
Property, Plant and Equipment	Rs.' 000	89,737,675	86,728,369	78,616,277	62,194,617	50,053,930	43,568,193
Net Current Assets / Liabilities	Rs.' 000	(2,964,050)	(10,416,871)	(9,254,876)	5,484,601	7,782,919	7,631,418
Long Term/Deferred Liabilities	Rs.' 000	69,574,591	59,158,657	53,808,874	51,134,192	41,835,824	36,312,375
<b>Summary of Cash Flows</b>							
Net Cash from Operating Activities	Rs.' 000	2,381,118	16,256,271	17,431,998	13,246,707	10,690,617	16,164,146
Net Cash used in Investing Activities	Rs.' 000	(10,228,636)	(14,593,668)	(21,836,945)	(15,778,338)	(9,452,441)	(6,033,647)
Net Cash used in Financing Activities	Rs.' 000	7,792,456	(1,019,500)	(2,415,324)	(2,877,449)	(3,092,466)	(3,045,065)
Net (Decrease) / Increase in Cash and Cash Equivalents	Rs.' 000	(55,062)	643,103	(6,820,271)	(5,409,080)	(1,854,290)	7,085,434

## INVESTOR INFORMATION FOR SIX YEARS

<b>Profitability Ratios</b>							
Gross Profit Ratio	%	1.95%	3.24%	10.95%	12.19%	10.98%	12.85%
Net Profit to Sales	%	0.61%	1.48%	0.58%	2.02%	2.19%	3.45%
EBITDA Margin	%	7.14%	8.88%	5.14%	7.78%	7.83%	9.61%
Return on Equity	%	6.01%	14.66%	5.59%	14.94%	17.06%	26.59%
Return on Capital Employed	%	2.40%	4.27%	2.26%	4.81%	6.09%	9.53%

<b>Efficiency Ratios</b>							
Operating Cycle	Days	80	74	52	53	48	50
Inventory Turnover Ratio	Times	258.24	204.68	231.27	218.48	215.78	232.24
Debtor Turnover Ratio	Times	4.67	5.04	7.23	7.05	7.94	7.52
Total Asset Turnover Ratio	Times	1.33	1.24	1.31	1.26	1.46	1.40
Fixed Asset Turnover Ratio	Times	2.06	1.99	2.04	1.98	2.44	2.48
Weighted Average Cost of Debt	%	5.56%	6.37%	4.13%	5.88%	6.18%	7.45%

<b>Investment</b>							
Earning Per Share (Basic)	Rs./Share	2.05	4.65	1.69	4.55	4.88	6.78
Market Value Per Share	Rs./Share	19.92	27.79	31.95	43.57	70.90	100.00
Share's Highest Value During The Year	Rs./Share	34.75	36.60	45.75	83.00	102.90	124.40
Share's Lowest Value During The Year	Rs./Share	17.64	27.69	17.52	39.47	63.45	55.50
Price Earning Ratio	Times	9.72	5.97	18.85	9.58	14.54	14.75
Break Up Value Per Share	Rs./Share	34.11	34.06	29.41	31.21	29.67	27.52
Bonus Shares Issued	%	5%	0%	0%	0%	0%	10%
Cash Dividend Per Share	Rs./Share	1.00	2.00	-	3.50	3.00	3.00

<b>Leverage</b>							
Debt: Equity Ratio	%	39	14	19	20	29	40
Dividend Yield Ratio	%	5.02	7.20	-	8.03	4.23	3.00
Dividend Payout Ratio	%	48.81	42.99	-	76.98	61.51	40.23
Interest Cover Ratio	Times	1.44	1.83	3.65	6.04	5.94	5.34
Dividend Cover Ratio	Times	2.05	2.33	-	1.30	1.63	2.49
Current Ratio	Times	0.94	0.83	0.82	1.19	1.30	1.30
Quick / Acid Test Ratio	Times	0.90	0.79	0.77	1.09	1.24	1.23

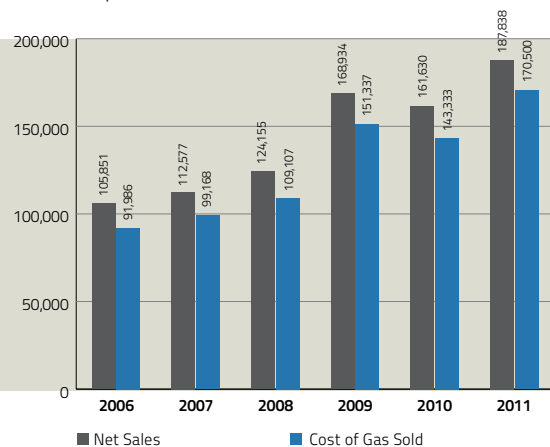
<b>Statement of Value Added &amp; How Distributed</b>							
Employees as Remuneration	Rs.' 000	6,512,432	4,916,333	4,507,714	3,726,305	3,542,991	3,334,296
Government as Taxes	Rs.' 000	25,893,720	25,893,720	23,166,822	17,350,530	16,406,075	16,606,505
Shareholders as Dividends	Rs.' 000	549,105	1,098,211	-	1,921,869	1,647,316	1,497,560
Retained with the Business	Rs.' 000	7,806,496	7,505,133	6,048,781	5,118,245	4,543,424	3,512,397
Financial Charges to Providers of Finance	Rs.' 000	3,870,415	4,639,382	630,980	788,963	860,655	1,180,142



# Graphical Presentation

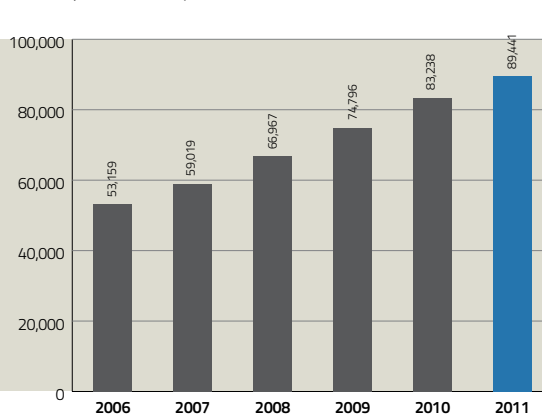
## Revenue & Cost Analysis

(Rupees in Million)



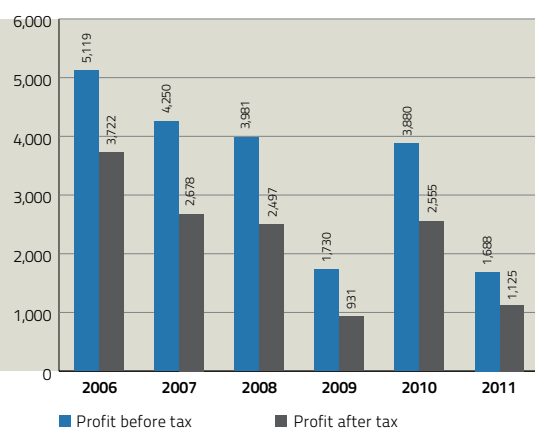
## Transmission & Distribution Network

(In Kilometer)



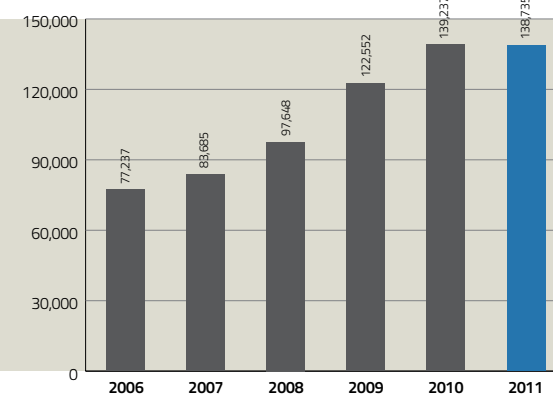
## Profit Before / After Tax

(Rupees in Million)



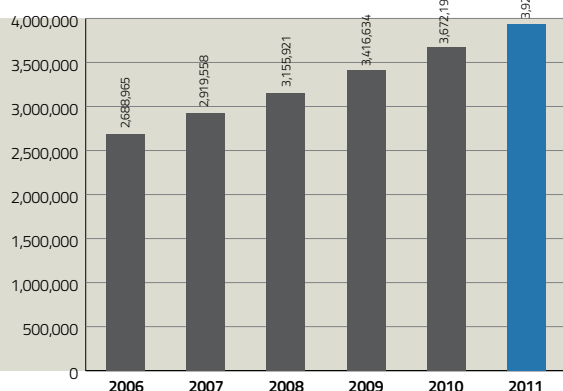
## Growth of Total Assets

(Rupees in Million)



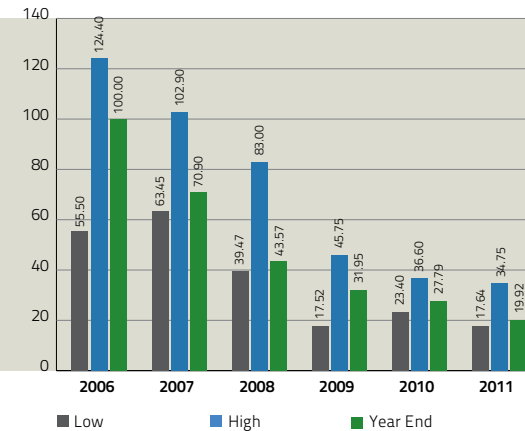
## Customers' Growth

(In Numbers)



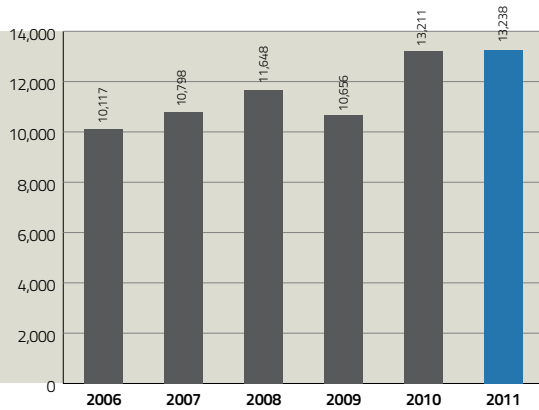
## Share's Value

(Rupees per Share)



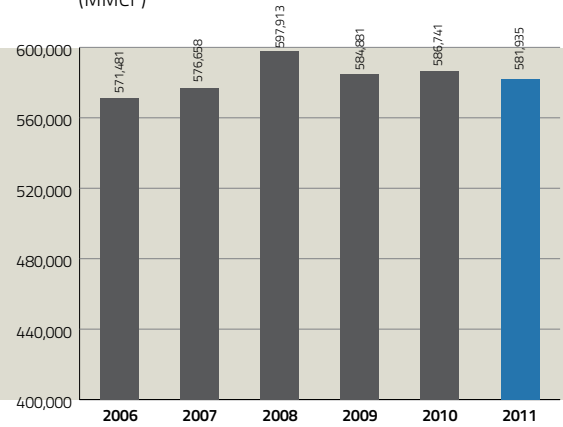
### Reserves

(Rupees in Million)



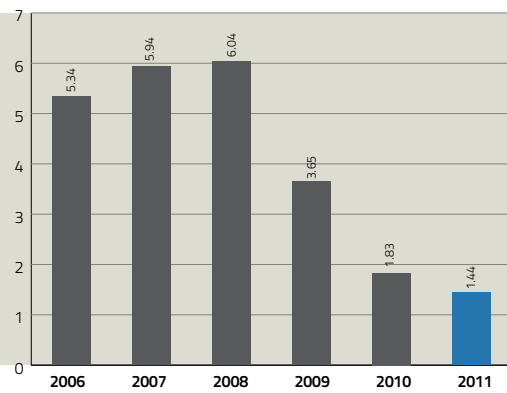
### Gas Sales

(MMCF)



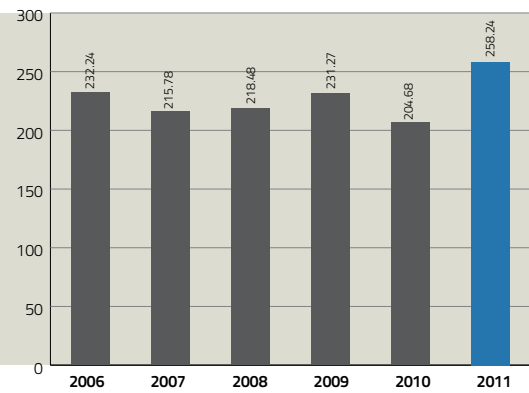
### Interest Cover Ratio

(In Times)



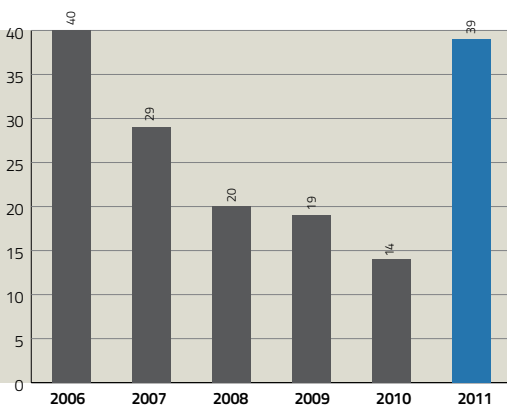
### Inventory Turnover Ratio

(In Times)



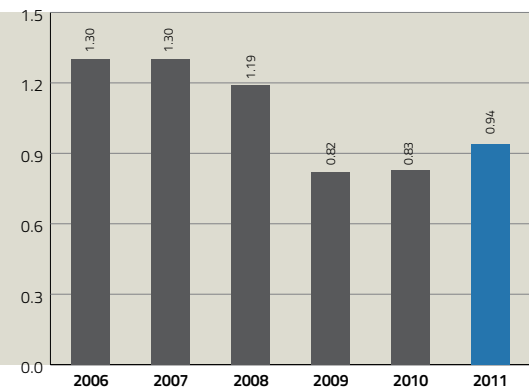
### Debt Equity Ratio

(In Percentage)



### Current Ratio

(In Times)



# Vertical Analysis

	Jun 30, 06	Jun 30, 07	Jun 30, 08	Jun 30, 09	Jun 30, 10	Jun 30, 11
<b>Balance Sheet Items</b>						
<b>Assets</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	56.41	59.79	63.66	63.93	62.03	64.51
Intangible Assets	0.00	0.02	0.03	0.22	0.26	0.17
Investment in Associate	0.01	0.01	0.01	0.00	0.00	0.00
Long Term Loans	0.27	0.27	0.23	0.19	0.16	0.16
Employee Benefits	0.00	0.07	0.37	0.28	0.91	0.93
Long Term Deposits and Prepayments	0.01	0.01	0.01	0.01	0.01	0.00
	56.70	60.16	64.30	64.63	63.37	65.79
<b>Current Assets</b>						
Stores and Spare Parts	1.53	1.30	2.34	1.77	1.20	1.17
Stock in Trade-Gas in Pipelines	0.58	0.57	0.54	0.64	0.53	0.49
Trade Debts	18.80	19.39	19.21	20.98	30.79	26.28
Loans and Advances	0.11	0.22	0.15	0.11	0.16	0.13
Trade Deposits and Short Term Prepayments	0.04	0.04	0.10	0.08	0.07	0.10
Interest Accrued	0.08	0.09	0.04	0.01	0.01	0.01
Other Receivables	1.27	1.58	2.29	9.29	1.56	4.23
Income Tax Recoverable - Net	0.00	0.16	0.78	1.06	0.85	0.40
Sales Tax Recoverable	0.96	0.31	1.39	0.35	0.00	0.00
Short Term Investments	0.00	0.00	0.52	0.00	0.00	0.00
Cash and Bank Balances	19.94	16.19	8.33	1.07	1.44	1.41
	43.30	39.84	35.70	35.37	36.63	34.21
<b>Total Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Equity and Liabilities</b>						
<b>Share Capital and Reserves</b>						
Authorized Share Capital						
(1,500,000,000 Ordinary Shares of Rs 10 each)						
Issued, Subscribed and Paid Up Share Capital	6.46	6.56	5.62	4.48	3.94	3.96
Revenue Reserves	13.10	12.90	11.93	8.70	9.49	9.54
<b>Total Equity</b>	<b>19.56</b>	<b>19.47</b>	<b>17.55</b>	<b>13.18</b>	<b>13.43</b>	<b>13.50</b>
<b>Non-Current Liabilities</b>						
Long Term Financing:						
- Secured	2.52	0.79	0.06	0.00	0.00	6.85
- Unsecured	7.09	4.43	2.78	1.47	0.90	0.95
Security Deposits	7.59	8.69	9.29	9.33	10.70	11.88
Deferred Credit	21.57	27.61	32.14	26.11	23.71	23.62
Deferred Tax	7.83	8.07	7.74	6.67	6.29	6.03
Employee Benefits	0.40	0.40	0.34	0.32	0.88	0.82
	47.01	49.99	52.37	43.91	42.49	50.15
<b>Current Liabilities</b>						
Trade and Other Payables	28.52	27.26	28.08	40.79	39.56	29.70
Interest / Mark Up Accrued	0.71	0.56	0.41	0.45	3.28	5.76
Current Portion of Long Term Financing	3.31	2.73	1.60	0.78	0.72	0.72
Taxation - Net	0.88	0.00	0.00	0.90	0.53	0.17
	33.42	30.54	30.08	42.92	44.08	36.35
<b>Total Liabilities</b>	<b>80.44</b>	<b>80.53</b>	<b>82.45</b>	<b>86.82</b>	<b>86.57</b>	<b>86.50</b>
Contingencies and Commitments	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Equity and Liabilities</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Profit &amp; Loss Items</b>						
Gas Sales	100.00	100.00	100.00	100.00	100.00	100.00
Add / (Less): Differential Margin / (Gas Development Surcharge)	(1.90)	(7.79)	0.61	5.11	(6.57)	1.50
	98.10	92.21	100.61	105.11	93.43	101.50
Cost of Gas Sold	85.25	81.22	88.41	94.17	82.85	92.15
Gross Profit	12.85	10.98	12.19	10.95	10.58	9.35
Other Operating Income	3.32	3.23	3.13	2.80	4.49	4.68
	16.17	14.22	15.32	13.75	15.07	14.03
Less: Operating Expenses						
Distribution Cost	8.92	8.76	9.56	9.34	8.54	9.36
Administrative Expenses	1.09	1.08	1.12	1.07	1.24	1.57
	10.01	9.83	10.68	10.41	9.78	10.93
Other Operating Expenses	6.16	4.38	4.64	3.33	5.29	3.10
	0.32	0.20	0.78	1.85	0.36	0.11
<b>Operating Profit</b>	<b>5.84</b>	<b>4.19</b>	<b>3.87</b>	<b>1.48</b>	<b>4.93</b>	<b>2.99</b>
Finance Cost	1.09	0.70	0.64	0.41	2.69	2.10
<b>Profit Before Taxation and Share from Associate</b>	<b>4.74</b>	<b>3.48</b>	<b>3.23</b>	<b>1.08</b>	<b>2.24</b>	<b>0.90</b>
Share in Profit of Associate - Before Tax	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit Before Taxation</b>	<b>4.74</b>	<b>3.48</b>	<b>3.23</b>	<b>1.08</b>	<b>2.24</b>	<b>0.90</b>
Taxation	1.29	1.29	1.20	0.50	0.77	0.30
<b>Profit After Taxation</b>	<b>3.45</b>	<b>2.19</b>	<b>2.02</b>	<b>0.58</b>	<b>1.48</b>	<b>0.59</b>

# Horizontal Analysis

	Jun 30, 06	Jun 30, 07	Jun 30, 08	Jun 30, 09	Jun 30, 10	Jun 30, 11
<b>Balance Sheet Items</b>						
<b>Assets</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	100	115	143	180	198	205
Intangible Assets	100	264	438	4030	5287	100
Investment in Associate	100	102	100	100	100	100
Long Term Loans	100	106	107	112	109	107
Employee Benefits	0	100	100	100	100	100
Long Term Deposits and Prepayments	100	91	101	106	127	92
	100	115	143	181	202	208
<b>Current Assets</b>						
Stores and Spare Parts	100	92	193	183	141	137
Stock in Trade-Gas in Pipelines	100	106	118	176	166	154
Trade Debts	100	112	129	177	295	251
Loans and Advances	100	221	181	167	279	215
Trade Deposits and Short Term Prepayments	100	104	299	293	322	450
Interest Accrued	100	120	67	22	12	16
Other Receivables	100	135	228	1161	222	598
Income Tax Recoverable - Net	0	100	100	100	100	100
Sales Tax Recoverable	100	35	182	58	0	0
Short Term Investments	0	0	100	0	0	0
Cash and Bank Balances	100	88	53	9	13	13
	100	100	104	130	152	142
<b>Total Assets</b>	100	108	126	159	180	180
<b>Equity and Liabilities</b>						
<b>Share capital and reserves</b>						
Authorized Share Capital						
(1,500,000,000 Ordinary Shares of Rs 10 each)	100	100	100	100	100	100
Issued, Subscribed and Paid Up Share Capital	100	110	110	110	110	110
Revenue Reserves	100	107	115	105	131	131
Total Equity	100	108	113	107	124	124
<b>Non-Current Liabilities</b>						
Long Term Financing:						
- Secured	100	34	3	0	0	487
- Unsecured	100	68	50	33	23	24
Security Deposits	100	124	155	195	254	281
Deferred Credit	100	139	188	192	198	197
Deferred Tax	100	112	125	135	145	138
Employee Benefits	100	106	108	125	394	363
	100	115	141	148	163	192
<b>Current Liabilities</b>						
Trade and Other Payables	100	104	124	227	250	187
Interest / Mark Up Accrued	100	85	72	101	832	1458
Short Term Borrowings	0	0	0	100	100	100
Current Portion of Long Term Financing	100	89	61	43	29	9
Taxation - Net	100	0	0	0	0	0
	100	99	114	204	238	195
Total Liabilities	100	108	130	171	194	193
<b>Total Equity and Liabilities</b>	100	108	126	159	180	180
<b>Profit &amp; Loss Items</b>						
Gas Sales	100	113	114	149	160	172
Add / (Less): Differential Margin / (Gas Development Surcharge)	100	465	(37)	(402)	555	(136)
	100	106	117	160	153	177
Cost of Gas Sold	100	108	119	165	156	185
Gross Profit	100	97	109	127	132	125
Other Operating Income	100	110	108	126	217	242
	100	99	108	127	149	149
Less: Operating Expenses						
Distribution Cost	100	111	123	156	153	180
Administrative Expenses	100	112	118	147	183	248
	100	111	122	155	157	187
	100	81	86	81	138	86
Other Operating Expenses	100	70	276	859	178	60
	100	81	76	38	135	88
Other Operating Income						
Operating Profit	100	81	76	38	135	88
Finance Cost	100	73	67	55	394	329
Profit Before Taxation and Share from Associate	100	83	78	34	76	32
Share in Profit of Associate - Before Tax						
Profit Before Taxation	100	83	78	34	76	32
Share in Profit of Associate - Before Tax						
Taxation	100	113	106	57	95	40
Profit After Taxation	100	72	67	25	69	29
Earnings Per Share - Basic and Diluted (Rupees)	100	72	67	25	69	30

# Ten Years at a Glance

	2011	2010	2009	2008
		(Rupees in thousand)		
Balance Sheet - Summary				
Paid Up Share Capital	5,491,053	5,491,053	5,491,053	5,491,053
Revenue Reserves	13,237,836	13,211,026	10,656,463	11,647,796
Deferred Credit	32,768,270	33,017,791	32,000,133	31,386,548
Non-Current Liabilities				
Long Term Loans Outstanding				
- Local	10,824,177	1,251,220	1,471,659	1,774,432
- Foreign	-	-	326,653	943,531
- Banking Companies	-	-	-	62,500
Long Term Security Deposits	16,477,801	14,899,244	11,439,969	9,068,102
Deferred Liabilities - Taxation	8,369,991	8,758,231	8,178,211	7,562,412
Deferred Liabilities - Others	1,134,352	1,232,171	392,249	336,667
Current Liabilities	50,431,414	61,376,573	52,391,734	29,374,602
	138,734,894	139,237,309	122,348,124	97,647,643
Represented By:				
- Non-Current Assets	91,267,530	88,240,778	79,211,266	62,788,440
- Current Assets	47,467,364	50,996,531	43,340,696	34,859,203
	138,734,894	139,237,309	122,551,962	97,647,643
Profit and Loss - Summary				
Income				
Sales	185,060,783	172,994,645	160,714,737	123,404,537
Add/(Less) Differential Margin/(Development Surcharge)	2,776,818	(11,364,817)	8,219,094	750,496
Net Sales	187,837,601	161,629,828	168,933,831	124,155,033
Cost of Gas Sold	170,499,741	143,332,938	151,337,339	109,107,461
Gross Profit	17,337,860	18,296,890	17,596,492	15,047,572
Other Operating Income	8,664,184	7,772,320	4,496,964	3,856,536
Operating Profit/(Loss)-LPG	-	-	-	-
Share of Profit from Associate	-	212	-	422
	26,002,044	26,069,422	22,093,456	18,904,530
Expenditure				
Operating Expenses	20,227,485	16,923,837	16,734,729	13,176,858
Finance Cost	3,877,833	4,650,154	653,182	789,247
Other Charges	208,983	615,500	2,975,305	957,194
	24,314,301	22,189,491	20,363,216	14,923,299
Profit Before Taxation	1,687,743	3,879,931	1,730,240	3,981,231
Provision for Taxation	562,722	1,325,368	799,704	1,484,541
Profit After Taxation	1,125,021	2,554,563	930,536	2,496,690
Earning Per Share (Basic)/(Rupees)				
	2.05	4.65	1.69	4.55
Dividend (%)	10	20	-	35
Bonus Shares (%)	5	-	-	-
Number of employees				
- Operation	7,800	6,774	6,652	6,916
- Project	282	306	342	224
	8,082	7,080	6,994	7,140
Gas Sales (MMCF)				
	581,935	586,741	584,881	597,913
Consumers (in Numbers)	3,964,350	3,706,701	3,451,142	3,190,181
Customers (in Numbers)				
- Industrial	6,606	6,375	5,953	5,442
- Commercial	55,877	54,631	52,242	49,176
- Domestic	3,867,359	3,611,187	3,358,439	3,101,303
	3,929,842	3,672,193	3,416,634	3,155,921
Transmission and Distribution System (in Kilometer)				
Transmission Mains	7,613	7,585	7,347	7,016
Distribution Mains and Services	81,828	75,653	67,449	59,951



	2007	2006	2005	2004	2003	2002
	(Rupees in thousand)					
	5,491,053	4,991,866	4,991,866	4,991,866	4,991,866	4,991,866
	10,798,422	10,116,826	7,892,142	5,861,970	3,564,492	2,648,937
	23,108,412	16,663,770	10,279,438	8,098,044	4,328,300	3,980,851
	2,194,721	3,428,613	4,068,020	3,036,539	3,711,707	4,506,818
	1,515,460	2,045,483	2,536,780	2,992,191	3,414,091	3,805,052
	662,500	1,949,084	3,473,672	5,035,759	5,471,154	4,254,384
	7,270,407	5,865,779	5,279,975	4,441,952	3,744,461	3,301,454
	6,752,570	6,046,992	6,112,252	5,546,779	4,986,297	4,551,906
	331,754	312,654	381,719	1,989,201	1,560,203	1,075,325
	25,559,287	25,815,502	19,998,166	14,930,469	11,528,019	12,511,306
	83,684,586	77,236,569	65,014,030	56,924,770	47,300,590	45,627,899
	50,342,380	43,789,649	40,659,914	37,173,812	33,774,911	30,527,631
	33,342,206	33,446,920	24,354,116	19,750,958	13,525,679	15,100,268
	83,684,586	77,236,569	65,014,030	56,924,770	47,300,590	45,627,899
	122,091,652	107,897,291	84,710,404	64,276,145	45,649,496	42,005,148
	(9,514,600)	(2,046,177)	(1,333,069)	(70,064)	(3,189,416)	(4,084,195)
	112,577,052	105,851,114	83,377,335	64,206,081	42,460,080	37,920,953
	99,168,250	91,986,318	71,192,390	52,627,542	31,349,357	28,549,844
	13,408,802	13,864,796	12,184,945	11,578,539	11,110,723	9,371,109
	3,947,853	3,580,703	2,662,116	1,930,805	1,883,975	1,829,171
	-	-	-	-	-	(3,192)
	485	-	-	-	-	-
	17,357,140	17,445,499	14,847,061	13,509,344	12,994,698	11,197,088
	12,005,044	10,799,936	9,289,124	8,679,258	8,061,605	6,832,948
	860,715	1,180,203	1,054,730	968,918	1,531,471	1,398,174
	241,324	346,300	241,730	196,791	194,555	201,727
	13,107,083	12,326,439	10,585,584	9,844,967	9,787,631	8,432,849
	4,250,057	5,119,060	4,261,477	3,664,377	3,207,067	2,764,239
	1,571,714	1,396,816	1,525,499	1,366,899	1,193,301	877,414
	2,678,343	3,722,244	2,735,978	2,297,478	2,013,766	1,886,825
	4.88	6.78	4.98	4.18	3.67	3.44
	30	30	30	25	22	20
	-	10	-	-	-	-
	6,712	6,852	6,904	7,070	7,240	7,417
	209	249	264	259	208	182
	6,921	7,101	7,168	7,329	7,448	7,599
	576,658	571,481	537,086	452,338	341,643	321,957
	2,953,818	2,723,225	2,516,795	2,340,872	2,208,968	2,113,847
	4,425	3,773	3,271	2,881	2,669	2,548
	45,925	43,919	41,358	38,842	37,471	37,622
	2,869,208	2,641,273	2,437,541	2,263,875	2,133,554	2,038,403
	2,919,558	2,688,965	2,482,170	2,305,598	2,173,694	2,078,573
	6,625	6,195	6,121	5,776	5,759	5,405
	52,394	46,964	42,285	38,284	35,814	34,093

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