



Sui Northern Gas Pipelines Limited

Towards New Goals with New Zeal



Towards New Goals with New Zeal



Sui Northern Gas Pipelines Limited is striving to deliver better results within the socio-economic challenges. We will keep striving to evolve new strategies to deal with national and international challenges the energy sector is facing. The Company has the zeal to look at new ways of doing business which will benefit the Company, the stakeholders and the country.

Our new goals include diversifying business through new strategic alliances, new marketing avenues to tap business with synergy to our resources, simultaneously with strengthening our human capital to successfully execute our stride towards new horizons.

We continue to remain committed to deliver the best results in all operational areas for the Company by deploying well-designed strategies, and cutting-edge technologies. All our advancements will always align with our responsibility toward our stakeholders, our country and the national economy.

آک تو رہ نور و شوق ہے، منزل نہ کر قبول
لیلی بھی ہم نشیں ہو تو محمل نہ کر قبول
اے جوئے آب بڑھ کے ہو دریائے تند و تیز
ساحل تجھے عطا ہو تو ساحل نہ کر قبول

Contents

02	Vision & Mission	
02	Core Values	
04	Corporate Profile	
05	Corporate Information	
06	Code of Conduct	
08	Present Board of Directors	
16	Corporate Governance	
28	Statement of Compliance	
34	Notice of 57th Annual General Meeting	
38	Transmission System and Network	
40	Chairperson's Review and Directors' Report	
66	Milestones	
68	Pattern of Shareholding	
72	Categories of Shareholders	
74	Summary of Six Years	
76	Graphical Presentation	
78	Horizontal Analysis	
79	Vertical Analysis	
80	Ten Years at a Glance	
82	Organizational Structure	
84	Head Office & Regional Offices	
	Audited Financial Statements	
87	Independent Auditor's Review Report	
88	Independent Auditor's Report	
94	Statement of Financial Position	
96	Statement of Profit or Loss	
97	Statement of Comprehensive Income	
98	Statement of Changes in Equity	
99	Statement of Cash Flows	
100	Notes to the Financial Statements	
204	Chairperson's Review and Directors' Report (Urdu)	
205	Form of Proxy (English)	
207	Form of Proxy (Urdu)	



Vision and Mission

Vision

To be the leading integrated natural gas provider in the region seeking to improve the quality of life of our customers and achieve maximum benefit for our stakeholders by providing an uninterrupted and environment friendly energy resource.

Mission

A commitment to deliver natural gas to all doorsteps in our chosen areas through continuous expansion of our network, by optimally employing technological, human and organizational resources, best practices and high ethical standards.

Core Values

Commitment

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

Courtesy

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

Competence

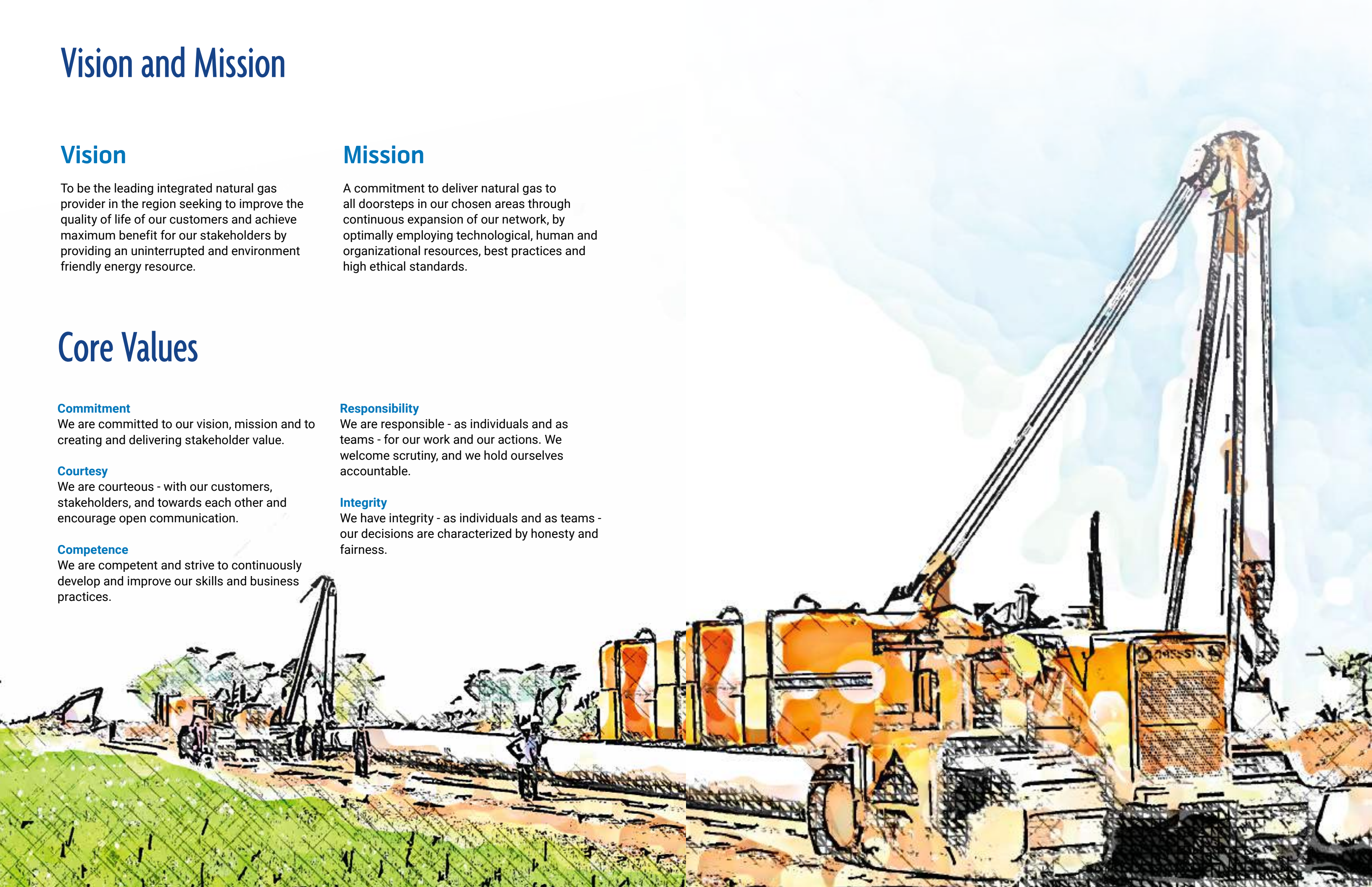
We are competent and strive to continuously develop and improve our skills and business practices.

Responsibility

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

Integrity

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





Sui Northern Gas Pipelines Limited (SNGPL) was incorporated as a private limited company in 1963 and converted into a public limited company in January 1964 under the Companies Act 1913, now the Companies Act, 2017 and is listed on Pakistan Stock Exchange Limited.

The Company took over the existing Sui – Multan System (217 miles of 16 inch and 80 miles of 10 inch diameter pipelines) from Pakistan Industrial Development Corporation

(PIDC) and Dhulian – Rawalpindi – Wah system (82 miles of 6 inch diameter pipeline) from Attock Oil Company Limited. The Company’s commercial operations commenced by selling an average of 47 MMCFD gas in two regions viz. Multan and Rawalpindi, serving a total number of 67 consumers.

SNGPL is the largest integrated gas company serving more than 7.3 million consumers in North Central Pakistan through an

extensive network in Punjab, Khyber Pakhtunkhwa and Azad Jammu & Kashmir. The Company has over 58 years of experience in operation and maintenance of high-pressure gas transmission and distribution system. It has also expanded its activities as Engineering, Procurement and Construction (EPC) Contractor to undertake the planning, designing and construction of pipelines, both for itself and other organization.

Chairperson
Ms. Roohi Raees Khan

Managing Director
Mr. Ali J. Hamdani

Company Secretary
Mr. Imtiaz Mehmood

Auditors
M/s. Yousuf Adil
Chartered Accountants

Legal Advisor
M/s. Surridge & Beecheno

Share Registrar
CDC Share Registrar Services Limited (CDCSRSL)
Mezzanine Floor,
South Tower, LSE Plaza,
19-Khayaban-e-Aiwan-e-Iqbal,
Lahore, Pakistan.
Tel: +92-42-36362061-66
Fax: +92-42-36300072
Website: www.cdcsrsl.com

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

Code of Conduct



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

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

Following are certain specific guidelines in respect of the above.

Conflict of interest

Each staff member has a prime responsibility to the Company and is expected to avoid any activity that could interfere with that responsibility. Staff should not engage in activities or transactions which may give rise to, or which may be seen to be giving rise to conflict between their personal interests and the interest of Company. Such conflict could arise in a number of ways and a number of situations. The following paragraph outlines some specifically forbidden situations. This list is, however not exhaustive. In case of doubt the advice of the Managements should be sought:

- SNGPL purchase equipment, material and services for various aspects of its operations. SNGPL staff members are forbidden from holding any financial interest, directly or indirectly

- in any organization supplying goods or services to the Company;
- SNGPL staff should not participate in any external activity that competes, directly or indirectly, with the Company;
- SNGPL staff should not participate in any outside business or activity that might interfere with their duties and responsibilities to the Company;
- No staff member should sell, lease or buy equipment, material or services to or from the Company except when as an employee it may be necessary in the normal course of his/her duties;
- Staff members are not permitted to conduct personal business activities on the Company's premises or to use Company facilities for such purpose;
- If a staff member has direct interest, indirect interest or family connections, with an external organization that has business dealings with SNGPL, details of such connections and interest should be fully disclosed to the Management;
- Staff members should disclose to the Management the details in respect of any relationship (s) with other staff members; and
- Staff members shall not perform any act or get involved in any situation that potentially could conflict with the principles outlined above.

Confidentiality

Staff members should not keep or make copies of correspondence, documents, papers and records, list of suppliers or consumers without the consent of the Company. Company's information and records should be kept on Company premises only and unpublished information may be

disclosed to external organization/ individuals only on "need to know" basis. In case of doubt in this regard, the Management's advice should be sought.

Contributions

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

Inducement Payments

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

Proper record of funds, assets, receipts and disbursements

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

Relationships and dealings with Government Officials, Media, Suppliers, Consultants and other parties

SNGPL's relationships and dealings with Government officials, external

agencies, parties and individuals should, at all times, be such the SNGPL's integrity and its reputation would not be damaged if details of the relationship or dealings were to become public knowledge. It is the responsibility of each SNGPL staff member to exercise good judgment so as to act in a manner that will reflect favorably on the Company and the individual. Staff member should only make statements to the media, speeches in public forums, or publish articles in newspapers etc. with prior authorization. In a personal capacity also, due care should be taken while discussing the Company performance or plans with outsiders. Staff members having questions on how to comply with this requirement should consult with the Management.

Health and Safety

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

Environment

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

- Design and operate the Company's facilities and processes so as to ensure the trust of adjoining communities;
- Promote resource conservations, waste minimization and the minimization of the release of chemicals/gas into the environment;
- Provide employees customers, supplies, public authorities and communities with appropriate

information for informed decision making; and

- Strive continuously to improve environmental awareness and protection.

Alcohol, Drugs and Gambling

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

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

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

Receiving gifts

No employee shall seek accept or permit himself/herself or any member of his/her family to accept any gift or favor, the receipt of which will place him/her under form of official obligation to the donor. As part of building relationship with consumers, suppliers, etc. staff members may receive occasional gifts provided that the gift is of nominal value (e.g. pen, Notepads, calendars, diaries, key chains or such promotional material) and the gift is neither intended nor perceived by others to be intended to improperly influence business decision.

Work Place Harassment

SNGPL staff will maintain an environment that is free from harassment and in which all employees are equally respected. Workplace harassment is defined as any action that creates an intimidating, hostile or offensive work environment. Such actions



include, but are not limited to, sexual harassment, disparaging comments based on gender, religion race or ethnicity.

Regulatory Compliance and Corporate Governance

SNGPL co-operates fully with all governmental and regulatory bodies and is committed to high standards of corporate governance. We comply fully with our obligations under the Listing Rules of the Pakistan Stock Exchange Limited (PSX).

General

- All information and explanations supplied to the auditors must be complete and not misleading;
- SNGPL will not knowingly assist in fraudulent activities (e.g. tax evasion, etc.). If one has any reason to believe that fraudulent activities are taking place (whether within the Company or by others with whom the Company has business), one must report it to the concerned departmental head immediately;
- All the financial transactions will remain within the ambit of Memorandum of Association and Articles of Association of the Company.

Present Board of Directors



Ms. Roohi Raees Khan
Chairperson

Ms. Roohi R. Khan is an MBA from IBA, Karachi. She completed her B.A. (Economics & Mathematics) from Punjab University. She has over 38 years of experience in various banking segments like Development Banking, Lease Financing, Housing Finance, SME Financing, Islamic Banking & Investment Banking etc. She has more than 22 years of experience at senior management level, as well as Chief Executive and Chief Operating Officer and Director on the Boards of various Financial Institutions having dealt with policy making, strategic planning and systems refinement, implementation of control functions, revamping / restructuring and mergers. She has dealt with international lending Institutions like World Bank, Asian Development Bank, Islamic Development Bank and other multilateral lenders. She represented NDFC for successful negotiation of credit line to financial sector from Asian Development Bank.

Ms. Khan is also an independent Director on the Board of Atlas Insurance Limited. She has served on the Boards of Asian Leasing, Lahore Stock Exchange, International Housing Finance Limited, Mashreq Bank (now Samba Bank), PICIC etc. She was also the Chairperson of an Investment Bank before it was merged with a local commercial Bank. She has also served at senior management level in various organizations. She has been Group Head, Textiles, in National Development Finance Corporation, Chief Executive Officer of Asian Leasing, Chief Operating Officer of Trust Investment Bank and Zarai Taraqiati Bank Limited (ZTBL). She had also been acting President of ZTBL during 2011 / 2012 when she was instrumental in bringing about many changes with positive impact on its profitability.

She has constantly devoted time over the past 32 years to various social sector institutions working for the betterment of women and downtrodden and deprived strata of the society and is an advocate of improving the fate of the deprived mainly by catering to the basic right to health, education and equal opportunity to all.



Mr. Ali J. Hamdani
Managing Director / CEO

Ali J. Hamdani has been at the helm as MD/CEO and Board Member of SNGPL since 31st December 2020. During this period of over 18 months he has been able to instill international best practices including operational excellence, transformation in customer services, employee motivation and improved the overall market perception of SNGPL. The results of fiscal year 2021 are a true reflection of the direction the Company has taken with profitable growth, single digit UFG and other KPI's moving in a positive direction. He firmly believes there remains room for improvement and optimization, with a focus on transforming the Company to true competitive market based setup. He is a firm believer in motivating the resources of the Company to make SNGPL an employer of choice.

A visionary executive and transformational leader with foresight and imagination with 30 years' experience, Ali J. Hamdani has an impressive history of surpassing ambitious business goals and creating revolutionary technical solutions across industries. He has a proven record of positioning organizations for success, spurring billion-dollar sales growth, leading global initiatives, and demonstrating a profound dedication to client satisfaction. In addition, he has a robust personal/professional network of contacts through multinational energy and industrial firms.

Ali J. Hamdani headed the Middle East Region, sat on the Board of Directors, and served as Managing Director at Linde Healthcare Middle East LLC (a subsidiary of The Linde Group.) For the preceding 21 years, Ali J. Hamdani ascended the ranks at Siemens AG, ultimately holding the roles of CEO, Managing Director, and Board Member of operations in Karachi, Pakistan. Building the new Oil and Gas division headquarters in Abu Dhabi from the ground up, he led Siemens AG's first attempt to move their headquarters out of Germany.



Mr. Ahmad Aqeel
Director

Mr. Ahmad Aqeel is a business professional and a qualified lawyer with over 15 years of diverse experience in Oil & Gas, Petroleum, Power and Financial Sectors, with a longstanding record of serving as a Director on the Boards of Public Listed/ Unlisted Companies.

Currently serving as a Director on the Board of Sui Northern Gas Pipelines Limited (SNGPL), a Director on the Board of National Investment Trust Limited (NITL) and an Independent Director on the Board of Nishat Power Limited (NPL).

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

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

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



Syed Akhtar Ali
Director

Syed Akhtar Ali is an eminent energy expert and consultant. His last appointment was as Member Energy, Planning Commission and earlier one as CEO of Karachi Pipe Mill (KPM), a public sector enterprise. He has held other senior management appointments in Pakistan's public and private sector companies. He has B.E. & M.S. in Mechanical Engineering and was Research Fellow at Harvard University in Energy Policy.

He was earlier on the Board of SSGC, ISGS, PPIB and AEDB. His expertise and experience has been in the area of Energy Policy Planning, Energy economics, pricing and tariff, Energy projects development, Power plants, pipelines and Renewable Energy; Environment, sustainability and conservation, Climate Change issues, Project development, monitoring and evaluation. He has taught Energy Management at Institute of Business Management. He has written a number of books on Pakistan's energy issues. Presently, he is also Chairman of Board Audit Committee of SNGPL.

Present Board of Directors



Mr. Hamed Yaqoob Sheikh
Director

Mr. Hamed Yaqoob Sheikh is a PAS officer from 20th CTP. He has more than 29 years of experience of working in a broad range of organisations both within the public sector as well as outside. Hamed has served in three provinces (Sindh, Khyber Pakhtunkhwa and Punjab) and Federal Government in various positions. He has extensive experience of working in the realm of public finance. His last assignment was Secretary, Planning Development and Special Initiatives, Government of Pakistan.

Mr. Hamed Yaqoob Sheikh has also served at key positions in the provincial hierarchy both at the provincial level as well as in the field including Chairman Planning and Development, Secretary Finance, Commissioner Bahawalpur, Secretary Livestock & Dairy Development Department Punjab, Special Secretary Finance, Chief Economist at Planning & Development Department, etc. In his assignment as Finance Secretary Punjab, he saw through transitions of elected governments as well as local government system.

He has worked with international development partners as advisor and consultant in the realm of policy and governance reforms especially relating to public finance. He headed DFID/UK aid funded governance reform programme, titled Sub–National Governance Programme, in Punjab under which support was provided to Punjab government for transition to new local government system, PFM reforms besides running an innovation fund to test several service delivery models.

Mr. Hamed earned MBA from IBA Karachi and MSc Development Studies from School of Oriental & African Studies (SOAS), United Kingdom, on Chevening Scholarship. He was awarded Hubert Humphery Fellowship in 2013.



Mr. Manzoor Ahmed
Director

Mr. Manzoor Ahmed is Chief Operating Officer (COO) of National Investment Trust Limited (NIT). As COO, he has been successfully managing the operations and investment portfolio worth over Rs.165 bn. He has experience of over 32 years of the Mutual Fund industry and has been placed at many key positions within NIT that includes capital market operations, investment management, research and liaising with the regulatory authorities. He has also served NIT as its Managing Director (Acting) twice from May 2013 to May 2014 and September 2017 to February 2019. He is M.B.A. and also holds D.A.I.B.P. He has also been the Council Member of The Institute of Bankers Pakistan. Presently, he is pursuing Chartered Financial Analyst (CFA) level III.

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

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

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

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



Mr. Mohammad Haroon
Director

Mr. Mohammad Haroon brings with him over two and half decades of diverse experience in two of the most dynamic and vibrant industries, i.e. Oil and Telecommunications.

A Certified Director from Pakistan Institute of Corporate Governance, currently, he is serving as an Independent Director on the Boards of two prestigious Listed Companies:

1. Sui Northern Gas Pipelines Limited (Ministry of Energy, Petroleum Division).
2. Attock Cement Pakistan Limited (Attock Group of Companies).

Earlier, he had a long prolific association with the “Attock Group”, a fully integrated Group of Companies covering all segments of Oil and Gas industry from exploration, production and refining to marketing of a wide range of petroleum products. The Group also owns and operates a 165 MW (gross capacity) Power Plant and a premium brand Cement manufacturing factory.

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

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

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

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

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

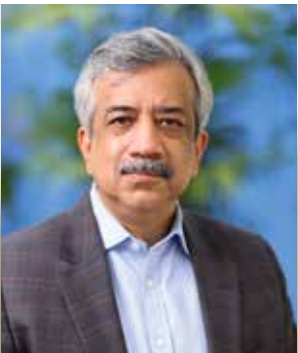


Mr. Muhammad Haroon-ur-Rafique
Director

Mr. Haroon Rafique is currently serving as Additional Secretary Policy in Petroleum Division. He holds a diversified experience of more than 25 years at local provincial and federal levels. His areas of interests are policy making, implementation, governance, HRM, Project management & evaluation. He worked at different positions in the public sector as Assistant Commissioner, Deputy Commissioner and Secretary to the provincial government in the areas of health, education, agriculture development planning, governance, forest, tourism and transportation sectors, among others. His last assignment was at the PM office as Joint Secretary. He also had the experience of working for UNDP & ADB and had exposure of working with DFID, World Bank, WHO & UNICEF and other donors.

In academics he has completed his PhD related to social policy and governance. He also has post graduate degrees in Economics, Development Studies, Law and Civil Engineering. Besides, he has done a diploma in Project Management and international human rights law. He was also awarded international fellowships at Central European University, Hungary and Utah University USA for research. He was also awarded Ausaid and Fulbright Scholarships. He has contributed to various policy and research papers at local and international level as well. He earned many distinctions and merit scholarships during the course of his studies.

Present Board of Directors



Mr. Muhammad Sualeh Ahmed Faruqui
Director

Mr. Muhammad Sualeh Ahmad Faruqui is an officer of Pakistan Administrative Services (PAS) who joined the Civil Service in 1990. Before joining as Secretary Commerce, he has remained posted as Secretary, Trade Development Authority of Pakistan and Chief Executive Officer, Sindh Infrastructure Development Company. Besides, he held various positions at Federal, Provincial and Divisional/District administration levels.

He earned his Master’s degree from London School of Economics, UK. He is a Britannia Chevening Scholar and also a lead International fellow in the field of sustainable development. Further to this, he has been particularly associated with economic, financial and structural reforms initiatives at various levels. During the span of his service, he has widely travelled and represented Pakistan at various international forums.



Dr. Sohail Razi Khan
Director

Dr. Sohail R. Khan is a corporate Strategy, Oil and Gas business development management consultant with record of achievement in planning, development and growth of oil & gas industry. A highly motivated individual with successful working experience in Oil & Gas and service industries across the world. He has a solid track record working for Total (E&P) providing corporate strategy, improving the development of business by deploying oil and gas processes and implementing & coordinating efficiency improvement techniques with Affiliate management teams across the operations in Total (E&P) U.K, and Qatar. His entrepreneurial spirit and relationship building skills have allowed him to achieve career growth and a special talent for transmitting strategy into action and achievement. As a change management consultant; successfully secured contracts directly and through consultancy organizations. Contracts fulfilled across U.K according to the client requirements and International standards. He worked as a Management consultant and Training Development Manager responsible for implementing Focused Operational Improvement (FOI) programmes within Exploration and Production to implement and improve processes across the Affiliate. He was also responsible for determining competency requirements for all functions and staff, against the competency standards, and successfully delivered the annual training plan, within budget and on time. He has extensive experience of policy formation, development and execution of IT strategy to support operation by deploying Artificial Intelligence (AI), Big Data Analytics, Cyber Threat Intelligence and Cloud Computing to optimize production, efficiency and improve business processes across the operation. Working for I.P.S.G (U.K) he has managed I.T projects exceeding £10 Million budget, including software development, business process reengineering, processes development, implementation, audit, managing multiple departments and compliance with ISO and European standards. He has valuable company turnaround experience, having used leading management tools and techniques such as Lean Process, Change Management, Outsourcing strategies, I.T Project Management methodologies, Kanban, SDLC, PRINCE 2, PMP, E-business, JDE, ERP and BPM to bring companies from loss to profit and improved the growth in small duration of time. He has a PHD Doctor of Philosophy (Portugal), MBA, MSc and M.A from England which gives him unique skills and advanced subject knowledge how to promote, market an organization to achieve its strategic goals.



Syed Zakria Ali Shah
Director

Syed Zakria Ali Shah, a Civil Engineer by profession has almost Twenty Nine (29) years of experience working in the private, public and development sector. He is currently serving as Joint Secretary, Ministry of Energy (Petroleum Division).

He joined the Office Management Group of Pakistan Civil Services in 1998 and has served in various capacities in a number of institutions and ministries, including President Secretariat, Establishment division, Economic Affairs Division, Embassy of Pakistan, Morocco, FATA Development Authority, USAID etc.

Earlier, he served as the first Chief Executive Officer of China Pakistan Economic Corridor Authority (CPEC-A), Director General at the President Secretariat, Joint Secretary (Discipline & Litigation), Establishment Division, Deputy Secretary (United Nation) Economic Affairs Division, Commercial Counselor, Embassy of Pakistan Morocco, General Manager Planning & Development, and initially as Manager (Monitoring & Evaluation) in FATA Development Authority, District Administrator Afghan Refugees at Dir, KPK and various other government offices. He also worked as Team Leader (Infrastructure) for two years in the \$150 million USAID FATA Livelihood Development Program.

He did Bachelors of Science in Civil Engineering from NWFP University of Engineering & Technology, Peshawar in 1993. Being a Civil Engineer, he worked as Project Director at various projects of national importance like Extension of Northern Bypass up to Indus Highway including Construction of Interchange at Chamkani at Peshawar end of Islamabad - Peshawar Motorway M-1, Rehabilitation of Existing Carriageway of Indus Highway from Rajanpur to DG Khan, Construction of full cloverleaf Interchange at Faizabad, Islamabad, Islamabad Airport runway strengthening and extension project etc.





Mr. Faisal Iqbal
Chief Financial Officer

A Chartered Accountant from Institute of Chartered Accountants of Pakistan carries over 27 years of diversified experience at various senior management positions. Prior to becoming Chief Financial officer, he was working as Senior General Manager (Audit). Faisal has demonstrated remarkable leadership skills as well as new initiatives to manage number of difficult challenges bringing tangible improvements in the business processes. Over a period of more than 14 years in SNGPL, headed different departments including Audit, Finance, Regulatory Affairs, IT/ MIS and Billing where he introduced new business processes or re-engineered them with an objective to bring efficiency improvement in the control environment.

Prior to joining SNGPL, Faisal was in Kohinoor Group, as General Manager Finance. Prior to Kohinoor, he worked as a Senior Manager in A.F Ferguson & Co, member firm of Price Waterhouse Coopers (PWC) for nearly 13 years wherein he participated and led large number of projects in and outside Pakistan and gained substantial expertise in the implementation and review of accounting, internal control procedures and operations of public and private sector organizations.



Mr. Imtiaz Mehmood
Company Secretary

Mr. Imtiaz Mehmood has over 27 years experience in the field of Audit, Accounts, Finance, Corporate and Media Affairs. Before taking the charge of Company Secretary, Mr. Mehmood served as Chief Accountant (HO), Secretary Funds and Deputy Company Secretary besides heading the Media Affairs department for one and a half year.

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

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



Corporate Governance

The prime objective of the Company is to protect the interest of all stakeholders through fair, ethical and transparent business practices. The Board has ensured compliance to Code of Corporate Governance by adopting transparent procedures and methodologies which are constantly being monitored and reviewed through better internal controls. The Company also ensures compliance to the Companies Act, 2017, Public Sector Companies (Corporate Governance) Rules, 2013, Listed Companies (Code of Corporate Governance) Regulations, 2019 of Pakistan Stock Exchange Limited and Financial Reporting Framework of Securities and Exchange Commission of Pakistan. The Board of Directors provides strategic guidance for sustainable growth alongwith effective management oversight in respect of comprehensive corporate governance.

All periodic financial statements and working papers for consideration of the Board and its committees are circulated to the Directors well before the meetings (i.e. at least seven days before the meeting) except in case of an emergent meeting, in order to give sufficient time for informed and prudent decision making. The minutes of the meetings are circulated within fourteen days from the date of meetings, after due clarification from respective Chairperson of the Board and its committees.

Board of Directors

The Chairperson of the Board and Board Audit Committee are Independent/Non Executive Directors. The Board members bring with them a wide range of relevant business, financial and international experience which carries significant weight while decision-making and managerial suggestions who fulfill a vital role of corporate accountability through the advocacy of fairness and transparency within all independent decisions. The Board has formed five committees viz Board Audit, Finance and Procurement, Human Resource and Remuneration, Risk Management & Un-accounted for Gas (UFG) Control and Nomination Committee comprising different Board Members, based on their areas of expertise. The Board committees give their best input and expert opinion on different strategic issues, for final approval by the Board as per its mandate.

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

Board Meetings					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Ms. Roohi Raees Khan	Chairperson	Independent / Non-Executive	18	18
02	Mr. Ali J. Hamdani	MD / CEO	Executive	7	7
03	Mr. Amer Tufail	MD / CEO	Executive	11	9
04	Mr. Afan Aziz	Director	Independent / Non-Executive	17	12
05	Mr. Ahmad Aqeel	Director	Non-Executive	18	18
06	Syed Akhtar Ali	Director	Independent / Non-Executive	16	16
07	Mr. Himayat Ullah Khan	Director	Independent / Non-Executive	1	1
08	Mr. Kamran Ali Afzal	Director	Non-Executive	6	3
09	Mirza Mahmood Ahmed	Director	Non-Executive	1	1
10	Mr. Manzoor Ahmed	Director	Non-Executive	18	17
11	Mr. Mohammad Haroon	Director	Independent / Non-Executive	17	16
12	Mr. Muhammad Ayub Chaudhry	Director	Non-Executive	8	8
13	Mr. Muhammad Haroon-ur-Rafique	Director	Non-Executive	2	2
14	Mr. Muhammad Sualeh Ahmad Faruqui	Director	Non-Executive	13	13
15	Mr. Mustafa Ahmad Khan	Director	Independent / Non-Executive	1	1
16	Mr. Naveed Kamran Baloch	Director	Non-Executive	12	12
17	Mr. Rizwan Ullah Khan	Director	Independent/Non-Executive	1	0
18	Mr. Sajid Mehmood Qazi	Director	Non-Executive	18	18
19	Mr. Shabbir Hussain Hashmi	Director	Independent / Non-Executive	1	1
20	Dr. Sohail Razi Khan	Director	Independent / Non-Executive	18	18
21	Mr. Yousaf Naseem Khokhar	Director	Non-Executive	2	2

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



Board Audit Committee

The procedure alongwith objectives & responsibilities of the Board Audit Committee would be as follows:

Procedure:

1. Number of Members 07
2. Quorum will be three members.
3. The Board Audit Committee shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of interim results of the Company by its Board and after completion of external audit;
4. A meeting of the Board Audit Committee shall also be held, if requested by the external auditors, head of internal audit or by chairman of the Board Audit Committee;
5. The Chief Executive Officer and the Chief Financial Officer shall not be members of the Board Audit Committee but should be available to attend its meetings at the invitation of the Chairman of the Board Audit Committee.
6. The Secretary of the Board Audit Committee will circulate

the agenda and relevant working papers, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

7. The Chief Financial Officer, the Head of Internal Audit and a representative of the external auditors shall attend all meetings of the Board Audit Committee at which issues relating to accounts and audit are discussed.
8. The Head of Internal Audit and external auditors represented by engagement partner or in his absence any other partner designated by the audit firm shall attend meetings of the Board Audit Committee at which issues, if any, relating to accounts and audit are discussed.
9. At least once a year, the committee shall meet the external auditors without the presence of the Chief Financial Officer, the Head of Internal Audit and other executives being present, to ensure independent communication between the external auditors and the Board Audit Committee.

10. At least once a year, the Board Audit Committee shall meet Head of Internal Audit and other members of the internal audit function without the Chief Financial Officer and the external auditors being present.

Objectives & Responsibilities:

1. The Board Audit Committee shall support the Board in performing its functions efficiently and assist in the decision making process, for an efficient and effective internal and external financial reporting mechanism.
2. The Board Audit Committee shall, among other things, be responsible for recommending to the Board the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board shall give due consideration to the recommendations of the



- Board Audit Committee and where it acts otherwise it shall record the reasons thereof.
3. In the absence of strong grounds to proceed otherwise, the Board of Directors shall act in accordance with the recommendations of the Board Audit Committee in all those matters. However, the Board shall not be deemed to absolve itself of its overall responsibility for the functions delegated to the audit committee. The Board Audit Committee shall have full and explicit authority to investigate any matter and shall be provided with adequate resources and access to all relevant information. The terms of reference of Board Audit Committee shall also include the followings:
- a) determination of appropriate measures to safeguard the Company's assets;
 - b) review of preliminary announcements of results prior to external communication and publication.
 - c) The Board Audit Committee shall review the related party transactions as an additional agenda item as required under rule 9 of the Public Sector Companies (Code of Corporate Governance) Rules, 2013 and regulation 15 of the Listed Companies (Corporate Governance) Regulations, 2019

- on periodical basis apart from reviewing the related party transactions submitted by the management along with quarterly /half yearly/annual accounts in line with the procedure defined in the Companies (Related Party Transactions & Maintenance of Related Records) Regulations, 2018;
- d) review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
- i. major judgment areas;
 - ii. significant adjustments resulting from the audit;
 - iii. the going-concern assumption;
 - iv. any changes in accounting policies and practices;
 - v. compliance with applicable accounting standards;
 - vi. compliance with listing regulations and other statutory and regulatory requirements; and
 - vii. all related party transactions. Provided that the Company shall not circulate its financial statements unless the chief executive officer and the chief financial officer, present the financial statements, duly certified under their respective signatures, for consideration and approval of the audit committee and the Board. The Board shall, after consideration and approval, authorize the signing of financial statements for issuance and circulation.
- e) 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);
- f) review of management letter issued by external auditors and management's response thereto;
 - g) ensuring coordination between the internal and external auditors of the Company;
 - h) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
 - i) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
 - j) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
 - k) review of the Company's statement on internal control systems and Internal audit reports prior to endorsement by the Board;
 - l) recommending or approving the hiring or removal of the Head of Internal Audit;
 - m) 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 Officer and to consider remittance of any matter to the external auditors or to any other external body;

- n) determination of compliance with relevant statutory requirements;
 - o) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
 - p) Overseeing whistle-blowing policy and protection mechanism;
 - q) review of arrangement for staff and management to report to Board Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures; and
 - r) consideration of any other issue or matter as may be assigned by the Board of Directors.
4. The Board Audit Committee shall be responsible for managing the relationship of the Company with the external auditors, in managing the Company's relationship with the external auditors on behalf of the Board, the Board Audit Committee's responsibilities include:-
- a) suggesting the appointment of the external auditor to the

- Board, the audit fee, and any questions of resignation or dismissal;
- b) considering the objectives and scope of any non-financial audit or consultancy work proposed to be undertaken by the external auditors, and reviewing the remuneration for this work;
 - c) discussing with the external auditors before the audit commences the scope of the audit and the extent of reliance on internal audit and other review agencies;
 - d) discussing with the external auditors any significant issues from the review of the financial statements by the Management, and any other work undertaken or overseen by the Board Audit Committee;
 - e) reviewing and considering the external auditors' communication with Management and Management's response thereto; and
 - f) reviewing progress on accepted recommendations from the external auditors.



5. The Board Audit Committee shall ensure that the appointment of external auditors is made in line with Chapter XI "External Audit" of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other relevant rules and laws.
6. Where there is a perceived overlap of responsibilities between the Finance & Procurement Committee, Risk Management& UFG Control Committee and the Board Audit Committee, the respective Committee Chairperson shall have the discretion to agree the most appropriate Committee to fulfill any obligation.

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

BOARD AUDIT COMMITTEE					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Mr. Afan Aziz	Chairman/Member	Independent / Non-Executive	9	9
02	Dr. Sohail Razi Khan	Chairman/Member	Independent / Non-Executive	9	9
03	Syed Akhtar Ali	Member	Independent / Non-Executive	7	7
04	Mr. Kamran Ali Afzal	Member	Non-Executive	1	0
05	Mr. Manzoor Ahmed	Member	Non-Executive	9	9
06	Mr. Mohammad Haroon	Member	Independent / Non-Executive	9	9
07	Mr. Naveed Kamran Baloch	Member	Non-Executive	7	7
08	Mr. Sajid Mehmood Qazi	Member	Non-Executive	9	9

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



Finance and Procurement Committee

The procedure alongwith objectives & responsibilities of the Finance and Procurement Committee would be as follows:

Procedure:

- 1. Number of Members 07
- 2. Quorum will be three members.
- 3. The Committee shall meet as frequently as required.
- 4. The Secretary of the Finance and Procurement Committee will circulate the agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

Objectives & Responsibilities:

The Purpose of the Finance and Procurement Committee is to have an oversight function with respect to financial operations by balancing short- and long-term obligations and goals and to oversee transparency in financial & procurement transactions including compliance with policies and procedure as well as dealing with the suppliers. The scope shall inter alia include:

- a) To review the Strategic Business Plan, investment proposals, policies prepared in pursuit of the corporate objective of the Company and make recommendations to the Board for approval.
- b) To review contracts of strategic nature that may have a material impact on the Company's operations and sustainability and make recommendations to the Board for approval.

- c) To review the financial position of the Company and apprise the Board of Directors in the matters which may significantly impact the financial condition or operations of the Company.
- d) To review the Operating and Capital Budgets, Revenue Requirements and recommend to the Board of Directors for approval including performance evaluation of its utilization.
- e) To examine the Budgetary and Operating limits of authority and recommend to the Board any deviation or any enhancement thereof.
- f) To review the contracts or purchase orders including civil works and purchase of land alongwith cost benefit analysis exceeding the financial authority of the Managing Director and make recommendations to the Board for approval.
- g) To review and recommend to the Board procurement timelines for goods and services including practices, and strategies to strengthen, streamline and speed-up the procurement

process and ensure that the procurement process achieves value for money in delivering the corporate strategy and strategic priorities.

- h) To review the financing strategies including borrowing plans by assessing the requirements with respect to various available options and make recommendations to the Board for approval.
- i) To review the Company's policies and procedures for the procurement of goods, and services on the recommendations of the management for bringing improvement thereof.
- j) Re-appropriation of Capital and Revenue Budget as proposed by the Management.
- k) Where there is a perceived overlap of responsibilities between the Finance and Procurement Committee, the Risk Management & UFG Control Committee and the Board Audit Committee, the respective Committee Chairmen shall have the discretion to agree the most

- appropriate Committee to fulfill any obligation.
- l) Any other matter entrusted by the Board of Directors.



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

FINANCE AND PROCUREMENT COMMITTEE					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Mr. Manzoor Ahmed	Chairman	Non-Executive	8	8
02	Mr. Afan Aziz	Member	Independent / Non-Executive	6	0
03	Mr. Ahmad Aqeel**	Member	Non-Executive	4	4
04	Syed Akhtar Ali	Member	Independent / Non-Executive	7	7
05	Mr. Kamran Ali Afzal	Member	Non-Executive	3	0
06	Mr. Mohammad Haroon	Member	Independent / Non-Executive	2	2
07	Mr. Muhammad Ayub Chaudhry	Member	Non-Executive	3	3
08	Mr. Muhammad Haroon-ur-Rafique	Member	Independent / Non-Executive	2	2
09	Mr. Naveed Kamran Baloch	Member	Non-Executive	4	4
10	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	8	8

* Held during the period the concerned Director was member of the Finance and Procurement Committee.
**The membership of worthy director was suspended till the conclusion of Related Party Transaction investigation.

Human Resource & Remuneration Committee

The procedures alongwith objectives & responsibilities of the Human Resource and Remuneration Committee would be as follows:

Procedure:

- 1. Number of Members 05
- 2. Committee will meet at least once in a quarter.
- 3. Quorum will be three members.
- 4. The Secretary of the Human Resource & Remuneration 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.

Objective & Responsibilities:

The Committee will be responsible for making recommendations to the

Board for maintaining:

- 1. Sound human resource management policies;
- 2. Effective employees development policies;
- 3. Sound compensation and benefit, policies and practices, designed to attract and retain talent needed to manage the business effectively.

- a. Review organization structure periodically to:
 - i. 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;
 - ii. Determine appropriate limits of authority and approval procedures for personnel matters requiring decision at different level of Management.

- b. Review the employees development system to ensure that it:
 - i. Foresees the Company's Senior Management requirement;
 - ii. Succession policy for Senior Management positions;
 - iii. Training and development policies.
- c. Compensation and Benefits to ensure talent retention:
 - i. Review data of competitive compensation practices and review and evaluate policies and programs through which the corporation/ company compensates its employees;
 - ii. Review salary ranges, compensation for MD/CEO and Senior Management reporting to the MD/CEO.
- d. To recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include to the level of SGM below the chief executive officer level;

- e. To undertake, annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing therein name and qualifications of such consultant and major terms of his / its appointment;
- f. To recommend to the Board the selection, evaluation, development, compensation (including retirement benefits) of MD/CEO , Chief Financial Officer, Company Secretary, and Head of Internal Audit and up to GMs;
- g. To consider and accord approval on recommendations of MD/chief executive officer on such matters for key management positions who report directly to MD/chief executive officer or chief operating officer;
- h. where human resource and remuneration consultants are appointed, they shall disclose to the committee, their credentials and as to whether they have any other connection with the Company.



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

Human Resource & Remuneration Committee					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Ms. Roohi Raees Khan	Chairperson	Independent / Non-Executive	10	10
02	Mr. Muhammad Ayub Chaudhry	Chairman	Non-Executive	1	1
03	Mr. Manzoor Ahmed	Member	Non-Executive	11	11
04	Mr. Mohammad Haroon	Member	Independent / Non-Executive	11	11
05	Mr. Muhammad Haroon-ur-Rafique	Member	Non-Executive	2	2
06	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	11	11
07	Mr. Afan Aziz	Co-opted	Independent / Non-Executive	1	1
08	Mr. Muhammad Sualah Ahmad Faruqui	Co-opted	Non-Executive	3	3
09	Mr. Sajid Mehmood Qazi	Co-opted	Non-Executive	1	1

* Held during the period the concerned Director was member of the Human Resource and Remuneration Committee.

Risk Management & UFG Control Committee

The procedure alongwith objectives & responsibilities of the Risk Management and UFG Control Committee would be as follows:

Procedure:

- 1. There shall be minimum five (5) and maximum eight (8) members of the Risk Management and UFG Control Committee.
- 2. Quorum will be three members.
- 3. The Committee shall meet as frequently as required.
- 4. The Secretary of the Risk Management and UFG Control Committee will circulate the

agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

Objective & Responsibilities:

A. The Risk Management related responsibilities:

The Committee is entrusted to carry out a review of effectiveness of risk management procedures and present a report to the Board. The scope shall inter alia include:

- 1. To review and approve the procedures laid down by the Management about risk

assessment and the Company's capability to identify and manage current and new Principal Risk Categories.

- 2. To review and approve the identification of Strategic; Compliance; Operational and Financial Risks (Principal Risks)to the Company by the Management and approve the strategy devised by the Management to mitigate the Principal Risks.
- 3. To identify internal and external risk trends and concentrations and to consider reports on the nature and extent of the risks being faced by the Company, likelihood of their recurrence and

their individual and cumulative impact on the Company's key performance matrix.

- 4. To assess whether the Company's current exposure to the risks it faces is acceptable and, if not, the ability to reduce such exposure by reference to risk treatment and mitigation options.
- 5. To review and approve the statements included in the Company's Annual Report and Accounts in relation to the Company's "Principal risks and uncertainties" and the internal controls and assurance in place within the Company for the identification and management of risk.
- 6. To advise the Board on the Company's overall risk appetite and tolerance/resilience within and outside Principal Risk Categories, taking account of the current and prospective macro-economic, financial, political, business and sector environments.
- 7. To oversee and advise the Board on the current risk exposures of the Company within and outside the Principal Risk Categories and

advise on the Company's future risk strategy.

- 8. To provide appropriate extent of disclosure of Company's risk framework and internal control system in Directors report.
- 9. Where there is a perceived overlap of responsibilities between other sub-committees of the Board, the respective Committees' Chairmen shall have the discretion to agree the most appropriate Committee to fulfill any obligation.

B. The UFG Control related responsibilities:

The scope shall inter alia include:

- 1. Review the Management's plan to minimize the UFG losses on periodic basis and present the same to the Board for approval along with its recommendations.
- 2. Monitor the performance of Management in reduction of UFG.
- 3. Review status of UFG of the Company.
- 4. Recommend Company's position vis a vis Government and the Authority regarding different issues.



- 5. Recommend incentive schemes, policies etc. for reduction of UFG.
- 6. To review issues pertaining to UFG and Key Monitoring Indicators (KMIs) set by OGRA and guide the Management.

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

Risk Management & UFG Control Committee					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Ms. Roohi Raees Khan	Chairperson	Independent / Non-Executive	10	10
02	Syed Akhtar Ali	Member	Independent / Non-Executive	10	10
03	Mr. Mohammad Haroon	Member	Independent / Non-Executive	10	10
04	Mr. Muhammad Sualeh Ahmad Faruqi	Member	Non-Executive	9	8
05	Mr. Sajid Mehmood Qazi	Member	Non-Executive	10	10
06	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	10	10

* Held during the period the concerned Director was member of the Risk Management and UFG Control Committee.

Nomination Committee

The procedure alongwith objectives & responsibilities of the Nomination Committee would be as follows:

Procedure:

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

Objective & Responsibilities:

The Nomination Committee shall be responsible for:

- 1. Considering and making recommendations to the Board in respect of the Board's Committees and the

chairmanship of the Board's Committees; and keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary;

- 2. To identify, evaluate and recommend candidates for vacant positions, including casual vacancies, on the Board, including the candidates recommended by the Government for consideration of shareholders or in case of casual vacancy to the board of directors after examining their skills and characteristics that are needed in such candidates;

Provided that the Nomination Committee shall submit its proposal within thirty days of a vacancy arising or on a recommendation made by the Government as the case may be.

- 3. To facilitate the Board in making appointment of the Chief Executive Officer/ Managing Director in accordance with rule 5 of the PSC Rules-2013; and
- 4. Where there is a perceived overlap of responsibilities between Human Resource & Remuneration Committee and Nomination Committee, the respective Committees' Chairmen shall have the discretion to agree the most appropriate Committee to fulfill any obligation.

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

Nomination Committee					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Mr. Sajid Mehmood Qazi	Chairman	Non-Executive	5	5
02	Mr. Afan Aziz	Member	Independent / Non-Executive	5	5
03	Mr. Ahmad Aqeel**	Member	Non-Executive	3	3
04	Syed Akhtar Ali	Member	Independent / Non-Executive	3	3
05	Mr. Mohammad Haroon	Member	Independent / Non-Executive	5	5
06	Mr. Muhammad Sualeh Ahmad Faruqi	Member	Non-Executive	3	3

* Held during the period the concerned Director was member of the Nomination Committee.
**The membership of worthy director was suspended till the conclusion of Related Party Transaction investigation.



Statement of Compliance

With the Public Sector Companies (Corporate Governance) Rules, 2013 and Listed Companies (Code of Corporate Governance) Regulations, 2019

SCHEDULE-I

Name of Company: Sui Northern Gas Pipelines Limited
Name of the line Ministry: Ministry of Energy (Petroleum Division)
For the year ended: June 30, 2021

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance as well as Listed Companies (Code of Corporate Governance) Regulations, 2019.

II. The Company has complied with the provisions of the Rules in the following manner:

Sr. No.	Provision of the Rules	Rule No.	Yes	No																																							
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																																								
2.	<div>The Board has at least one-third of its total members as independent directors. As at June 30, 2021 the Board includes:</div> <table><tr><th>Names</th><th>Category</th><th>Date of appointment</th></tr><tr><td>1. Ms. Roohi Raees Khan</td><td>Independent/Non-Executive</td><td>06/07/2020</td></tr><tr><td>2. Mr. Ali J. Hamdani*</td><td>Executive</td><td>31/12/2020</td></tr><tr><td>3. Dr. Sohail Razi Khan</td><td>Independent/Non-Executive</td><td>06/07/2020</td></tr><tr><td>4. Mr. Mohammad Haroon</td><td>Independent/Non-Executive</td><td>06/07/2020</td></tr><tr><td>5. Mr. Afan Aziz</td><td>Independent/Non-Executive</td><td>06/07/2020</td></tr><tr><td>6. Syed Akhtar Ali</td><td>Independent/Non-Executive</td><td>21/07/2020</td></tr><tr><td>7. Mr. Manzoor Ahmed</td><td>Non-Executive</td><td>06/07/2020</td></tr><tr><td>8. Mr. Ahmad Aqeel</td><td>Non-Executive</td><td>06/07/2020</td></tr><tr><td>9. Mr. Sajid Mehmood Qazi</td><td>Non-Executive</td><td>06/07/2020</td></tr><tr><td>10. Mr. Sualeh Ahmed Faruqui</td><td>Non-Executive</td><td>24/08/2020</td></tr><tr><td>11. Mr. Kamran Ali Afzal</td><td>Non-Executive</td><td>14/01/2021</td></tr><tr><td>12. Mr. Muhammad Haroon-ur-Rafique</td><td>Non-Executive</td><td>05/05/2021</td></tr></table> <div>*The number of elected directors on the Board is Eleven (11) whereas the Managing Director is a “deemed director” under section 188(3) of the Companies Act, 2017.</div>	Names	Category	Date of appointment	1. Ms. Roohi Raees Khan	Independent/Non-Executive	06/07/2020	2. Mr. Ali J. Hamdani*	Executive	31/12/2020	3. Dr. Sohail Razi Khan	Independent/Non-Executive	06/07/2020	4. Mr. Mohammad Haroon	Independent/Non-Executive	06/07/2020	5. Mr. Afan Aziz	Independent/Non-Executive	06/07/2020	6. Syed Akhtar Ali	Independent/Non-Executive	21/07/2020	7. Mr. Manzoor Ahmed	Non-Executive	06/07/2020	8. Mr. Ahmad Aqeel	Non-Executive	06/07/2020	9. Mr. Sajid Mehmood Qazi	Non-Executive	06/07/2020	10. Mr. Sualeh Ahmed Faruqui	Non-Executive	24/08/2020	11. Mr. Kamran Ali Afzal	Non-Executive	14/01/2021	12. Mr. Muhammad Haroon-ur-Rafique	Non-Executive	05/05/2021	3(2)	✓	
Names	Category	Date of appointment																																									
1. Ms. Roohi Raees Khan	Independent/Non-Executive	06/07/2020																																									
2. Mr. Ali J. Hamdani*	Executive	31/12/2020																																									
3. Dr. Sohail Razi Khan	Independent/Non-Executive	06/07/2020																																									
4. Mr. Mohammad Haroon	Independent/Non-Executive	06/07/2020																																									
5. Mr. Afan Aziz	Independent/Non-Executive	06/07/2020																																									
6. Syed Akhtar Ali	Independent/Non-Executive	21/07/2020																																									
7. Mr. Manzoor Ahmed	Non-Executive	06/07/2020																																									
8. Mr. Ahmad Aqeel	Non-Executive	06/07/2020																																									
9. Mr. Sajid Mehmood Qazi	Non-Executive	06/07/2020																																									
10. Mr. Sualeh Ahmed Faruqui	Non-Executive	24/08/2020																																									
11. Mr. Kamran Ali Afzal	Non-Executive	14/01/2021																																									
12. Mr. Muhammad Haroon-ur-Rafique	Non-Executive	05/05/2021																																									
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓																																								
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as board members under the provisions of the Act.	3(7)	✓																																								
5.	The Chairperson of the Board is working separately from the Chief Executive of the Company.	4(1)	✓																																								
6.	The Chairperson has been elected by the Board of Directors except where Chairperson of the Board has been appointed by the Government.	4(4)	✓																																								
7.	The Board has evaluated the candidates for the position of the Chief Executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission, except where Chief Executive has been nominated by the Government.	5(2)	✓																																								

Sr. No.	Provision of the Rules	Rule No.	Yes	No
8.	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the Company's website: www.sngpl.com.pk (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	✓	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b)(vi)	✓	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)	✓	
13.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c)(iii)	✓	
14.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	✓	
15.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	Not Applicable	
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓	
18.	(a) The board has met at least four times during the year. (b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✓ ✓ ✓	

Sr. No.	Provision of the Rules	Rule No.	Yes	No																		
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓																			
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓																			
21.	(a) The Board has approved the profit or loss account for, and Statement of Financial Position as at the end of, the first, second and third quarter of the year as well as the financial year end. (b) In case of Listed Public Sector Company, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors. (c) The Board has placed the annual financial statements on the Company's website.	10	✓ ✓ ✓																			
22.	All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules.	11	✓																			
23.	a) The Board has formed the requisite committees, as specified in the Rules. b) The committees were provided with written term of reference defining their duties, authority and composition. c) The minutes of the meetings of the committees were circulated to all the Board members. d) The committees were chaired by the following non-executive directors: <table border="1"><thead><tr><th>Committee</th><th>Number of Members</th><th>Name of Chair</th></tr></thead><tbody><tr><td>1. Board Audit Committee</td><td>07</td><td>Mr. Afan Aziz</td></tr><tr><td>2. Human Resource & Remuneration Committee</td><td>05</td><td>Ms. Roohi Raees Khan</td></tr><tr><td>3. Finance & Procurement Committee</td><td>07</td><td>Mr. Manzoor Ahmed</td></tr><tr><td>4. Risk Management & UFG Control Committee</td><td>06</td><td>Ms. Roohi Raees Khan</td></tr><tr><td>5. Nomination Committee</td><td>06</td><td>Mr. Sajid Mehmood Qazi</td></tr></tbody></table>	Committee	Number of Members	Name of Chair	1. Board Audit Committee	07	Mr. Afan Aziz	2. Human Resource & Remuneration Committee	05	Ms. Roohi Raees Khan	3. Finance & Procurement Committee	07	Mr. Manzoor Ahmed	4. Risk Management & UFG Control Committee	06	Ms. Roohi Raees Khan	5. Nomination Committee	06	Mr. Sajid Mehmood Qazi	12	✓ ✓ ✓ ✓	
Committee	Number of Members	Name of Chair																				
1. Board Audit Committee	07	Mr. Afan Aziz																				
2. Human Resource & Remuneration Committee	05	Ms. Roohi Raees Khan																				
3. Finance & Procurement Committee	07	Mr. Manzoor Ahmed																				
4. Risk Management & UFG Control Committee	06	Ms. Roohi Raees Khan																				
5. Nomination Committee	06	Mr. Sajid Mehmood Qazi																				
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment.	13	✓																			
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓																			

Sr. No.	Provision of the Rules	Rule No.	Yes	No																								
26.	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓																									
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓																									
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.	18	✓																									
29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.	19	✓																									
	(b) The annual report of the Company contains criteria and details of remuneration of each director.		✓																									
30.	The Financial Statements of the Company were duly endorsed by the Chief Executive and Chief Financial Officer before consideration and approval of the Board Audit Committee and the Board.	20	✓																									
31.	The Board has formed Board Audit Committee, with defined and written terms of reference, and having the following members:	21(1) and 21(2)	✓																									
	<table><tr><th>Name of Member</th><th>Category</th><th>Professional Background</th></tr><tr><td>Mr. Afan Aziz</td><td>Independent/Non-Executive</td><td>Industrialist</td></tr><tr><td>Syed Akhtar Ali</td><td>Independent/Non-Executive</td><td>Engineer</td></tr><tr><td>Mr. Kamran Ali Afzal</td><td>Non-Executive</td><td>Govt. Servant</td></tr><tr><td>Mr. Manzoor Ahmed</td><td>Non-Executive</td><td>COO(NIT)</td></tr><tr><td>Mr. Mohammad Haroon</td><td>Independent/Non-Executive</td><td>Consultant</td></tr><tr><td>Mr. Sajid Mehmood Qazi</td><td>Non-Executive</td><td>Govt. Servant</td></tr><tr><td>Dr. Sohail Razi Khan</td><td>Independent/Non-Executive</td><td>Consultant</td></tr></table>				Name of Member	Category	Professional Background	Mr. Afan Aziz	Independent/Non-Executive	Industrialist	Syed Akhtar Ali	Independent/Non-Executive	Engineer	Mr. Kamran Ali Afzal	Non-Executive	Govt. Servant	Mr. Manzoor Ahmed	Non-Executive	COO(NIT)	Mr. Mohammad Haroon	Independent/Non-Executive	Consultant	Mr. Sajid Mehmood Qazi	Non-Executive	Govt. Servant	Dr. Sohail Razi Khan	Independent/Non-Executive	Consultant
	Name of Member				Category	Professional Background																						
	Mr. Afan Aziz				Independent/Non-Executive	Industrialist																						
	Syed Akhtar Ali				Independent/Non-Executive	Engineer																						
	Mr. Kamran Ali Afzal				Non-Executive	Govt. Servant																						
	Mr. Manzoor Ahmed				Non-Executive	COO(NIT)																						
	Mr. Mohammad Haroon				Independent/Non-Executive	Consultant																						
	Mr. Sajid Mehmood Qazi				Non-Executive	Govt. Servant																						
Dr. Sohail Razi Khan	Independent/Non-Executive	Consultant																										
The Chief Executive and Chairperson of the Board are not members of the Board Audit Committee.																												
32.	(a) The Chief Financial Officer, the Chief Internal Auditor, and a representative of the external auditors attended all meetings of the Audit Committee at which issues relating to accounts and audit were discussed.	21(3)	✓																									
	(b) The Board Audit Committee met the external auditors, at least once a year, without the presence of the Chief Financial Officer, the Chief Internal Auditor and other executives.		✓																									
	(c) The Board Audit Committee met the Chief Internal Auditor and other members of the internal audit function, at least once a year, without the presence of Chief Financial Officer and the external auditors.		✓																									

Sr. No.	Provision of the Rules	Rule No.	Yes	No
33.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the Board Audit Committee.	22	✓	
	(b) The Chief Internal Auditor has requisite qualification and experience prescribed in the Rules.		✓	
	(c) The internal audit reports have been provided to the external auditors for their review.		✓	
34.	The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓	
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓	

SCHEDULE-II

Explanation for Non-Compliance

of the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the Company to seek compliance by the end of next accounting year:

Sr. No.	Rule / Sub-rule No.	Reason for non-compliance	Future course of action
1.	10(a)	Due to delay in holding of the Annual General Meeting for the year 2019–20, the quarterly and half yearly financial statements were delayed.	----

Additional disclosures as required under Listed Companies (Code of Corporate Governance) Regulations, 2019:

- a. The total number of directors are 12 including Chief Executive Officer as per the following:

i) Male: 11 membersii) Female: 1 member
- b. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and Regulations.
- c. The Company is complying with Code of Corporate Governance regarding Directors Training Program.
- d. The meetings of the Board Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
- e. The meetings of the Board were presided over by the Chairperson and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulation of minutes of meeting of Board.

f. The Board has formed committees comprising members given below:

Board Audit Committee	Human Resource and Remuneration Committee	Finance and Procurement Committee	Risk Management & UFG Control Committee	Nomination Committee
Mr. Afan Aziz, Chairman	Ms. Roohi Raees Khan, Chairperson	Mr. Manzoor Ahmed, Chairman	Ms. Roohi Raees Khan, Chairperson	Mr. Sajid Mehmood Qazi, Chairman
Syed Akhtar Ali	Mr. Manzoor Ahmed	Syed Akhtar Ali	Syed Akhtar Ali	Mr. Afan Aziz
Mr. Kamran Ali Afzal	Mr. Mohammad Haroon	Mr. Mohammad Haroon	Mr. Mohammad Haroon	Syed Akhtar Ali
Mr. Manzoor Ahmed	Mr. Muhammad Haroon-ur-Rafique	Mr. Muhammad Haroon-ur-Rafique	Mr. Muhammad Sualeh Ahmed Faruqui	Mr. Mohammad Haroon
Mr. Mohammad Haroon	Dr. Sohail Razi Khan	Dr. Sohail Razi Khan	Mr. Sajid Mehmood Qazi	Mr. Muhammad Sualeh Ahmed Faruqui
Mr. Sajid Mehmood Qazi		*Mr. Ahmad Aqeel	Dr. Sohail Razi Khan	*Mr. Ahmad Aqeel
Dr. Sohail Razi Khan				

* The membership of worthy director on the sub-committees of the Board was suspended till the conclusion of Related Party Transaction investigation.

g. The frequency of committees meetings (yearly) were as under:

Committee’s Name	Frequency of Meetings (Yearly)
Board Audit Committee	9
Human Resource & Remuneration Committee	11
Finance and Procurement Committee	8
Risk Management & UFG Control Committee	10
Nomination Committee	5

- h. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- i. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- j. We confirm that all other material principles enshrined in the CCG have been complied with.


Ali J. Hamdani
Managing Director/CEO

Islamabad
July 2, 2022.


Roohi Raees Khan
Chairperson - BOD

Notice of 57th Annual General Meeting



The Notice is hereby given that the 57th Annual General Meeting of the Company will be held on July 29, 2022 at 10:30 a.m. at Pearl Continental Hotel, Palace Hall, Lahore for the purpose of transacting the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 56th Annual General Meeting held on July 29, 2021.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2021 together with the Directors' and Auditors' Reports thereon.
3. To consider and approve payment of cash dividend to the shareholders at the rate of Rs. 7.00 per share of Rs. 10/- each i.e. 70% for the year ended June 30, 2021, as recommended by the Board of Directors. This is inclusive of interim cash dividend at the rate of Rs. 2.00 per share of Rs. 10/- each i.e. 20% already paid during FY 2020-21.
4. To appoint External Auditors for the year ended June 30, 2022 and to fix their remuneration.
5. To transact any other ordinary business of the Company with the permission of the Chairperson.

The share transfer books of the Company will remain close from Tuesday, July 26, 2022 to Friday, July 29, 2022 (both days inclusive). The members whose names appear in the register of members as at the close of business on Monday, July 25, 2022 will qualify for the payment of dividend.

Islamabad.
July 02, 2022

By order of the Board


Imtiaz Mehmood
Company Secretary

NOTES:

- 1. Participation in General Meeting**
- i. Through Electronic Means (Optional/Recommended Via Video Conferencing)**
- In the light of the relevant guidelines issued by Securities & Exchange Commission of Pakistan (SECP) from time to time latest vide Circular No 4 dated February 15, 2021 and Circular No. 6 dated March 03, 2021, the shareholders are encouraged to participate in the General Meeting through electronic facility organized by the Company. In order to attend the General Meeting through electronic facility, the shareholders are requested to get themselves registered with CDC Share Registrar Services Limited at least 48 hours before the time of General Meeting at cdcsr@cdcsrsl.com or at WhatsApp number +92-321-8200864.

The entitled shareholders whose name appear on the Books of the Company by close of Business on Monday, July 25, 2022 will be treated in time for the purpose of attending the meeting and those shareholders are requested to provide the information as per below format:

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

The details of the electronic facility will be sent to the Shareholders on the email addresses provided by them. The login facility will be opened at 10:00 a.m. on July 29, 2022 enabling the participants to join the proceedings after identification and verification process which will start at 10:30 a.m. sharp.

- ii) Attending Meeting in Person or through Proxies**
- a. All members, entitled to attend and vote at the General Meeting, are entitled to appoint any person in writing as their proxy to attend and vote on their behalf. A legal entity, being a member, may also appoint any person as proxy. However, in case of legal entities, a resolution of the Board of Directors' / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the legal entity shall be submitted to the Company. The proxy holders are required to produce their original CNIC or original Passport at the time of the meeting.

- b. The proxy instrument must be completed in all respects and in order to be effective should be deposited at the Office of the Company Secretary but not later than 48 hours before the time of holding the meeting.
- c. If any member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.

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

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



signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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

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

In case of non-availability of CNIC/NTN of shareholders, the Company will be constrained to withhold payment of dividend to shareholders as per Section 243 of the Companies Act, 2017 and Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017.

Physical shareholders are also requested to please update their other particulars i.e. Contact number, email address, residential addresses etc. through letter appending their signatures.

3. Deduction of Income Tax from Dividend:

Pursuant to the provision of Finance Act the income tax from dividend payment under section 150 of the Income Tax Ordinance, 2001 shall be deducted as per applicable rates for Filers and Non Filers.

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

Please note that the Shares Registrar will check status of the members (Filer or Non Filer) from the Active Tax Payers list on the basis of valid CNIC/NTN numbers and would deduct tax as per provisions of the law. Furthermore, in case of Joint holder(s) according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions. In this regard all shareholders who hold shares jointly are requested to provide shareholding

proportions of Principal shareholder and Joint holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Sui Northern Gas Pipelines Limited		
Folio /CDC Account No.		
Total No. of Shares held		
Principal Shareholder	Name & CNIC No.	
	Shareholding Proportion (No. of Shares)	
Joint Shareholder	Name & CNIC No.	
	Shareholding Proportion (No. of Shares)	

The above information must reach our Share Registrar by the close of business on Monday, July 25, 2022; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

4. Mandatory requirement of Bank Account Details for Electronic Credit of Cash Dividend Payment:

Section 242 of the Companies Act, 2017 stipulates that in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. It is requested to provide the information on following format duly signed along with a copy of valid CNIC to your respective CDC Participant / CDC Investor Account Services in case of Book Entry Form or to our Shares Registrar, in case of Physical Form at the earliest.

[illegible]

The e-dividend mandate form is also available on the Company's website: www.sngpl.com.pk.

5. Dissemination of Annual Audited Accounts for the year ended June 30, 2021 through CD/DVD/USB:

The Securities and Exchange Commission of Pakistan

vide SRO No. 470(I)/2016 dated May 31, 2016, has allowed listed companies to disseminate their Annual Audited Accounts to its members through CD/DVD/USB at their registered address instead of sending them in hard copy.

Pursuant to the approval of shareholders, the Annual Audited Financial statements of the Company for the year ended June 30, 2021, are being circulated to the members through CD/DVD. However, shareholder may request to provide a hard copy of Annual Accounts.

6. Availability of Annual Audited Financial Statements on the Company's website:

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2021 are available on the Company's website i.e. www.sngpl.com.pk.

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

In pursuance of the direction, Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive the Company's Annual Audited Financial Statements and Annual General Meeting Notices through e-mail are requested to fill the requisite form available on Company's website i.e. www.sngpl.com.pk.

8. Conversion of Physical shareholding in Book-Entry Form:

Securities and Exchange Commission of Pakistan has issued directions vide letter No. CSD/ED/Misc./2016/639-640 dated March 26, 2021 in the light of Section 72 of Companies Act, 2017 that every existing listed company shall be required to replace its physical shares with Book-Entry Form within the period not exceeding four years from the promulgation of the Act i.e. May 30, 2017. In order to ensure compliance with the aforesaid provision and to be benefited of the holding of shares in Book-Entry Form, all shareholders who still hold shares in physical form are encouraged to open CDC sub-Account with any of broker or investor account directly with CDC to convert their shares in Book-Entry Form. This will benefits the valued shareholders in many ways, including safe custody/online trading of shares, easy transfer of

ownership, no risk of damage/lost/duplicate shares,
instant credit of entitlements (bonus/right issue).

9. Unclaimed Dividends and Shares:

As per the provisions of Section 242 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/ unpaid after having completed the stipulated procedure, of three (3) years and more from the date on which it was due and payable, shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to SECP after issuance of notices to the shareholders to file their claim. Shareholders of the Company are hereby informed that as per our record there are some unclaimed/uncollected / unpaid dividends and shares. Shareholders who could not collect their dividends/shares are advised to contact the Share Registrar to enquire/ collect about their unclaimed dividend or shares, if any. In case, no claim is lodged, the Company shall proceed to deposit the unclaimed/ unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of Companies Act, 2017.

Registered Office

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

Share Registrar

CDC Share Registrar Services Limited

Lahore Office:

Mezzanine Floor, South Tower, LSE Plaza,
19-Khayaban-e-Aiwan-e-Iqbal, Lahore (Pakistan)
Tel: +92-42-36362061-66
Fax: +92-42-36300072

Karachi Office:

CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi (Pakistan).
Tel: +92-21-111-111-500
Fax: +92-21-34326053
Website: www.cdcsrsl.com

Transmission System and Network

As at June 30, 2021



Chairperson's Review and Directors' Report



Roohi Raees Khan
Chairperson

The Board of Directors presents the 58th Annual Report and the Audited Financial Statements of your Company for the Financial Year ended June 30, 2021 along with the Auditors' Report thereon.

Energy Overview

The energy sector is facing challenges globally in relation to sustainability, economics, and the environment. The energy crisis in Pakistan deepened presenting anomalous situation; the major causes include debt recycling, financial conditions, and energy supplies. The increase in demand for natural gas and decline in gas supplies due to depleting indigenous gas reserves has resulted in an increase in the demand of liquefied natural gas (LNG) to meet the surging demand of the country. The natural gas in the overall energy mix is on the decline. This has widened the gap in demand and supply of gas and being a gas distribution Company, there was no other option except to bridge this gap through effective gas load management, minimizing

Un-Accounted for Gas (UFG) losses and arrange conservancy campaigns to consume gas prudently. Reliance of SNGPL, to meet customer demand on imported gas has therefore increased and our efforts to diversify our portfolio is the need of hour.

Financial Review

We are pleased to present the audited financial statements of your Company for the Year ended June 30, 2021, after incorporating the determination of Final Revenue Requirements (FRR) of the Company for the year 2020-21 by Oil and Gas Regulatory Authority (OGRA).Your Company during the year earned a record profit before tax of Rs. 15,842 million in the history of the Company. Profit after tax for the year was recorded at Rs.10,986 million and EPS as Rs.17.32 per share as compared to a profit after tax of Rs. 5,998 million and EPS of Rs. 9.46 per share during the corresponding period of last year. Your Company is pleased to announce a final cash dividend of Rs.5 per share in addition to interim cash dividend of Rs. 2 per share.

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

	(Rs. in million)
Profit before taxation	15,842
Provision for taxation	(4,856)
Profit after taxation	10,986

Some of the significant factors which helped your Company achieve the results are set out below:

- a) Decrease in UFG percentage from 12.32% to 8.60% reducing UFG disallowance from Rs 11,742 million in prior year to Rs 3,426 million during the current year. The substantial reduction in UFG was made



Ali J. Hamdani
Managing Director / CEO

possible due to concerted efforts of the Board in setting an ambitious target for UFG reduction and continuous observance thereof. The Management worked rigorously and reduction of gas losses in Karak was focused upon. Meetings of the Board of Directors were convened in Peshawar, Khyber Pakhtunkhwa in order to focus and control UFG losses in high UFG areas and motivate the regional team(s) for the very purpose. Board members and the Management also met dignitaries of the Federal Govt. and Provincial Govt. of Khyber Pakhtunkhwa, including the Chief Minister of Khyber Pakhtunkhwa, who extended their full cooperation for curbing the

UFG in high UFG loss areas of Khyber Pakhtunkhwa. Moreover, the support of law enforcement agencies also played a pivotal role in arresting the increasing trend. With the concerted efforts of the Company, UFG of all regions was reduced substantially bringing down the gas losses to a single digit.

- b) During the year the Company’s UFG benchmark was set by the regulator at 6.98% (1.98%+5.0%) based on achievement of 76.23% key monitoring indicators (KMI) as determined in FRR for FY 2020-21 by OGRA. Company however considers that the efforts made by the Company have not been reflected duly in

the determination of KMI score and is filing review petition with the Regulator.

- c) Re-negotiation of rates of mark up on the borrowing facilities of the Company coupled with reduction in interest rates by SBP helped Company reduce the finance cost substantially.

The Company operates under license issued by OGRA under which return on assets is provided under a WACC model based on which the rate of return for the year was 17.43%. The effective rate of return for the year comes out to be 12.64% as against 9.50% in the corresponding year. OGRA vide its decision dated June 03, 2022 for determination of final revenue requirement has either deferred/

disallowed certain items on various grounds having financial impact of Rs 29,028 million but the Company has not recognized the amount of such deferment / disallowances in these financial statements as the Company is of the view that OGRA in its various determinations had consistently been allowing such expenses and the instant decision is a major diversion from the consistent regulatory practice. The detailed explanation in this regard is mentioned in note 31.2 to 31.3 of these financial statements. The Company is in the process of filing an appeal against the decision of OGRA and is confident of the favorable outcome.

OGRA in its decision of Estimated Revenue Requirement (‘ERR’) of

the Company for FY 2021-22 dated August 17, 2021, in line with the tariff regime in vogue, has reworked the Rate of Return on Average Net Assets (ROA) for the year 2021-22 and for a further period of two years at 16.60% as compared to the previous ROA rate of 17.43% determined upto 2020-21. Through the same decision, OGRA has revised depreciation rates of various operating assets particularly transmission and distribution network and allied facilities of the Company from present rates of about 6% per annum to the rates ranging from 2.5% to 5% per annum. The reduction in the rate of ROA for three years period starting from FY 2021-22 will have an adverse impact on the profitability of the Company, however, such an impact will largely be offset by the increase in the asset

base of the Company consequent to the aforementioned reduction in depreciation rates.

Significant Challenges faced by the Company

Rapid Depletion of Indigenous Gas Sources:

Your Company is facing a peculiar situation at this time owing to depleting local gas supplies every year and increasing demand as a consequence of new development schemes and new economic zones, in line with Socio-Economic Agenda of the Government. The situation has increased SNGPL’s dependence on RLNG while its share has now exceeded more than 50% of the total supplies. The continuous increase in domestic Annual



demand is now being met through RLNG diversion to the domestic sector.



LNG infrastructure - Challenges.
The gap between demand and supply is to be bridged through import of RLNG. Currently, two (2) terminals with total capacity of regasification of 1200 MMCFD are operative. We need maximum RLNG during peak demand periods, while upstream imports if not arranged due to any reason, deteriorates demand supply position. It is pertinent to add that throughout this winter we have been getting a little over 925 MMCFD RLNG in December and only 850 MMCFD in January as PLL could not procure its 3 cargoes and one PLL firm cargo was not delivered in Jan 2021 which has led to severe shortfalls. Your Company is facing financial and operational constraints during last couple of years as a consequence of retention of RLNG by SSGC, unpredictable demand of RLNG supplies to fertilizer sector and unforeseen fluctuation of Power Sector demand. The Company is constrained to procure G to G RLNG to the tune of 1,000 MMCFD by 2024 on 100% TOP basis. SNGPL demand for RLNG exceeds 1200 MMCFD for around 9 months a year particularly during peak summer and winters. Domestic demand increases manifolds in winters (i.e. 450 to 1200 MMCFD).

Elimination of Minimum 66% Take-or-Pay Commitment of 3 GPPs
SNGPL is constrained to procure & sell G to G arranged RLNG on 100% Take-or-Pay basis. Elimination of

Take or Pay from downstream GPP consumers poses a challenge for the Company whereby unutilized RLNG of GPPs will be consumed in domestic sector at local sale prices resulting in accumulation of price differential for the Company. In order to manage the resultant differential, the support of the Government through ECC of the Cabinet has been provided. However the approved the mechanism is yet to be implemented.



New Connections - Pending Applications:
Presently over 3 million applications for gas connections are pending at various stages. Installation of connections depends upon availability of gas and capacity of the Company for installation of meters remaining within the quota sanctioned by OGRA.

The Company has been installing approx. 400,000 connections (at average per year) while approx. 800,000 new applications are received each year, resulting in accumulation of pending applications and longer waiting period for provision of new gas connections. Owing to depleting trend of local gas, provision of new domestic connection against local gas is further deteriorating the demand supply position.

RLNG Diversion to Domestic & Commercial
Owing to increasing gap between demand and supply coupled with depleting indigenous gas resources,

your Company is constrained to supply RLNG to domestic sector at highly subsidized domestic gas prices. This is resulting in accumulation of price differential between RLNG price and subsidized indigenous gas prices.

Circular Debt
Your Company is part of Gas sector circular debt mainly due to accumulation of tariff adjustment of Rs 446 billion in indigenous gas and RLNG segments and retainage of certain volumes of RLNG by SSGC. The recoverability of these amounts is dependent upon settlement by the Government of Pakistan directly or indirectly inter alia including increase in future gas prices and settlement of account with SSGC.



Subsequent to the year end, certain steps have been taken by the Government for resolution of Circular debt issue which included amendment in section 8 of Oil and Gas Regulatory Authority Ordinance, 2002 making mandatory for the Federal Government to ensure that the Sales price so advised are not less than the revenue requirement determined by the Regulator. This Amendment if followed in letter and spirit would help reduce accumulation of circular debt in future. Moreover, the Government has recently paid over Rs 60 billion as subsidy to the Company for financing deficit created due to diversion of RLNG to domestic sector. The practice if continued will help the Company to

reduce Circular debt substantially. The Company is facing challenges relating to circular debt arising mainly due to delay in increase of domestic gas price. The tariff adjustments have accumulated to Rs. 454 billion in indigenous gas and RLNG segments by the year ended June 30, 2021 and the same had already exceeded Rs. 500 billion by December 31, 2021. The recoverability of these amounts is dependent upon settlement by the Government of Pakistan directly or indirectly inter alia including increase in future gas prices, subsidy, and / or other mechanism.

The Company has taken up the issue with the Federal Government and is hopeful for the resolution of the circular debt in the coming years.



Unaccounted for Gas (UFG) Losses
Unaccounted for Gas (UFG) loss remains one of the major challenge for the Company. This does not only adversely impact the profitability of the Company but also results in wastage of natural gas resources of the Country. Your Company is taking several steps including but not limited to, increased surveillance, monitoring of areas susceptible to gas pilferage, timely leakage detection and its rectification and continuous checking and up gradation of measurement facilities etc.



Health and Safety Risk of Employees Amid Covid-19
The outbreak of a COVID-19 has adversely affected the business of your Company including the health of employees who were exposed to COVID-19. To alleviate the adverse impact of the COVID-19 pandemic, Your Company has taken number of measures and issued directives to support departments at large, facilitating continuity of business process.

During the peak of the second, third and fourth waves, the line departments of your Company worked from home on rotation basis and smooth operations were continued during the pandemic. Social distancing and proactive measures were taken within Company premises by employees and Standard Operating Procedures (SOPs) were devised in line with directions issued by the Ministry of National Health Services. Employees and their families were encouraged to get vaccinated by facilitating the vaccination process and creating awareness campaigns.

Customer Services
Your Company is efficiently managing a large consumer base of over 7.3 million consumers with limited gas supplies coupled with inadequate resources posing a significant challenge to address the consumer complaints in a timely manner. Each complaint is logged, actioned and monitored through online systems and unaddressed complaints are escalated at appropriate levels for timely action.

Operational Review
The transmission network of your Company has extended to 9175 KMs high pressure pipelines, ranging from 6 inches to 42 inches diameter, across its area of franchise. During the year, 317 new towns, villages were connected with the existing system by laying 6,078 KMs of distribution mains and service lines. A total of 5,223 towns, villages, District Head Quarters and Tehsil Head Quarters now exist on the Company's network. The Company in line with its Vision and Mission Statements has improved the quality of life of its consumers by providing 371,991 new gas connections during the year under review.



Customer Services

Customer satisfaction has always been a core value in SNGPL policies and decision making which is amply reflected in our Vision and Mission. SNGPL has 16 Regional Offices, 35 Sub-regional Offices, 41 Customer Services Centers and 87 Complaint Centers, across Punjab, Khyber Pakhtunkhwa, Islamabad Capital Territory and Azad Jammu & Kashmir to receive and rectify the complaints from more than 7.3 million consumers. Our Complaint Centers operate round the clock on 365 days of the year to handle emergencies. Besides these offices, SNGPL has made arrangements for Call Center to receive all types of complaints and to forward them to concerned offices for redressal. The Call Center can be accessed through a short code number 1199 from mobile or landline number within Company’s area of operation. To improve services of the Company, SMS feedback from all the complainants is also solicited. Furthermore, complaints can also be lodged round the clock 365 days of the year on following:

- Walk-in customers at Complaint Centers (CCs)
- Landline number mentioned on top right of customer’s monthly gas bill
- Company’s website: “www.sngpl.com.pk”
- Company’s Facebook account: “www.facebook.com/SNGPLofficial”
- Company’s Twitter account: “www.twitter.com/SNGPLofficial”
- Company’s YouTube account: “www.youtube.com/SNGPLofficial”
- Company’s Instagram account: “www.instagram.com/sngplofficial”
- Mobile application (“SNGPL BILL” available at Google Play Store for Android Cell Phones)
- Prime Minister’s Delivery Unit (PMDU)

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

Projects

Your Company has laid 168.30 KMs Transmission Lines with diameters ranging from 8” to 24”. In addition to Transmission Lines, 995.57 KMs of Distribution mains were laid during this fiscal year 2020-21 for improving pressure and supplying gas to new towns which has enhanced customer satisfaction level.

Augmentation of Distribution Network

In order to improve the gas supply and network pressure specially at tail end, your Company has undertaken a comprehensive project for augmentation of gas network at various cities.

Business Development

Your Company is engaged in various pipeline construction projects with national and multinational companies. In view of the credentials and performance of the Company, a number of organizations are reaching out to SNGPL to develop business relationship and entrustment of their work. Most of the jobs have been awarded to SNGPL on negotiations or single bid basis which shows trust in the high standards of construction maintained by us. The Company has proved its expertise and established that it is second to none in terms of

fulfilling its commitment and work quality. The challenges in the market continue but we look at them as opportunity to make ourselves better.

Unaccounted for Gas Control

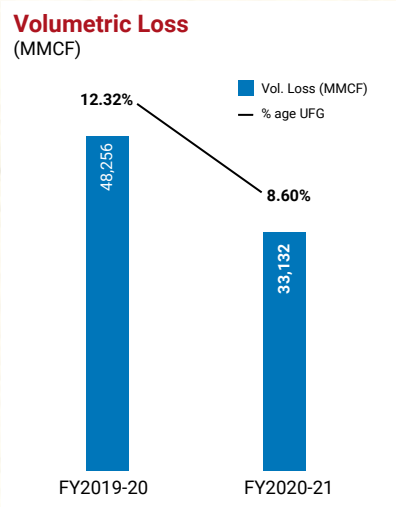
Your Company is pursuing 3 Years UFG Reduction Plan w.e.f. FY 2019-20 to FY 2021-22, duly approved by Company’s Board and submitted to MOE, under macroeconomic commitments of GOP with IMF. The Plan comprises of two components:

- **Component-1:** Accumulated reduction to be collectively achieved by 16 Nos. Distribution Regions through execution of 30 Nos. Key Monitoring Indicators (KMIs) advised by OGRA
- **Component-2:** Reduction in T&D Losses in High UFG Areas of KPK through close liaison and essentially required administrative support of law enforcement agencies

In addition to the ECC approved UFG reduction targets, the Board assigned ambitious UFG reduction targets by enhancing volumetric reduction target to 12,591 MMCF and %age reduction target to 3.21%. Accordingly, stringent targets were assigned to all Distribution Regions and Transmission Department for achieving overall UFG reduction.

As a result of guidance, monitoring and periodic performance review by the Management and untiring efforts by field teams, the Company has exceeded the ambitious UFG reduction targets assigned by Board. The overall reduction achieved in volumetric reduction loss is 15,094 MMCF and %age UFG is 3.72% compared to past year. This reduction in volumetric loss translates into financial saving of over Rs. 7,500

Million. The results achieved by Company have been acknowledged and appreciated by all stakeholders including Board as well as Ministry of Energy (Petroleum Division) at all forums.



Following efforts were made during FY 2020-21:

A. COMPONENT-1 (collective efforts by 16 Distribution Regions, other than Karak etc.):
Apart from the Company’s efforts in Karak, UFG has been reduced in all regions of the Company.

- a) Increased Focus on Gas Theft Control**
The objective is creating deterrence and apprehending gas pilferers for which following measures have been taken:
- i. Real time monitoring of 1,839 Industrial consumers through Supervisory Control and Data Acquisition (SCADA) and generation of alarms against anomalies for prompt detection of gas theft, measurement errors and load enhancement cases.

- ii. **Physical Vigilance of:**
 - 3,659 Industrial consumers on monthly basis
 - 61,641 commercial consumers on quarterly basis
 - Vigilance of 20% domestic consumers i.e. 1,318,662
- iii. Frequent checking of suspected consumers
- iv. Special checking of areas/ localities, that are prone for illegal gas networks and illegal gas connections, unauthorized extensions etc.
- v. Apprehending the gas pilferers, registration of 377 FIRs and follow up of criminal proceedings. Following results have been achieved:
 - Theft cases detected = 83,904
 - Volume booked = 1,604 MMCF
 - Volume Recovered = 1,019 MMCF
 - Amount Booked = Rs. 1,350 Millions
 - Amount Recovered = Rs. 560 Millions

- b) Increased Focus on Leakage Control:**
The objective is to reduce impact of leakage loss for which following measures have been taken:
- i. Intelligent scanning of 20% of total Underground network i.e. 35,311 Km to for identification and rectify of 39,554 leakages
 - ii. Fast Track Scanning of network of Lahore & Peshawar Regions i.e. 11,009 Km for identification and rectification of leakages
 - iii. Heat Maps generated by mapping gas leakage complaints on the

- Geographical Information System (GIS) to identify potential leakage prone areas/localities for planning Underground Leakage Rectification (UGLR) & System Rehabilitation Program (SRP)

iv. Replacement of 892 Km leaking lines under System Rehabilitation Program (SRP)

v. Identification of Pipelines in Sewerage manholes causing current & leakage loss

vi. Inspection of 20% Domestic consumers and rectification of 967,463 leakage

vii. Inspection and Maintenance of all 6,478 TBSs
- c) Increased Focus on Measurement Errors Control:**
The objective is to ensure measurement accuracy for which following measures have been taken:

i. Replacement of around 563,068 (i.e. Suspected, Defective & scheduled), generation of Meter Inspection Reports

ii. Booking of 8,083 MMCF against under billing charges

iii. Installation of EVC Meters on 484 High Pressure Commercial & Special Domestic connections
- d) Digitization/Automation:**
The objective of Digitization/automation is to improve response time for different corrective measures, availability of information for data analytics, trend analysis and planning remedial measures.

i. Monitoring of approx. 1,800
- Industrial connections through SCADA Dashboard

ii. Modules for preparation of system generated reports of ‘Sale Meter Station (SMS) Wise Reconciliation’ and ‘Town Boarder Station (TBS) wise Reconciliation’ for monitoring of losses

iii. GIS mapping of Distribution network has been started in phases

iv. Mapping data on GIS (Gas Theft Cases, Leakage Complaints, Underground Leakages, Defaulters, Network Aging data) for data analytics

v. Development of computer based modules for:

a. Monitoring of vigilance activities

b. Leakage Rectification activities

c. Meter Replacement activities

vi. Monitoring through DASHBOARD regarding different anomalies extracted from CC&B data to identify Direct use, New Meter Found, Dom to Commercial use cases DR, Sticky Meters, Repeated Minimum, BSE, Provisional

vii. Dashboard for Pressure Monitoring of Distribution network for optimum operation of network
- e) Monitoring of losses:**

i. Monitoring of gas losses at all 425 SMSs

ii. Micro monitoring of gas losses through monthly reconciliation at 823 isolated TBSs

B. COMPONENT-2:

Losses in Karak etc. Areas of KPK province are major challenge for Company. The losses in these areas were increasing rapidly until FY 2019-20 and contributed approximately 34% of total volumetric loss of Company in FY 2019-20. The main reason of losses in these areas was illegal tapping and illegal gas connections.

All the stake holders including Federal Govt., MOE, Company's BOD, OGRA and the Provincial Govt. were sensitized about the issue. Series of meeting were held by the Management of Company at highest level and with the support of the Federal Govt., Provincial Govt. of Khyber Pakhtunkhwa, Local Administration and law enforcement agencies, two prong strategy was adopted i.e. laying of legal gas network & provision of gas connections and removal of illegal tapping/gas connections.

Project for extension/ rehabilitation of gas network under 14 SMSs of Karak etc. Areas at total cost of Rs. 9.039 Billion was approved by Company's Board.

■ Phase-1 of this project:

- Phase-1 amounting to Rs. 1.945 Billion (having share of Rs.0.694 Billion from Government of Khyber Pakhtunkhwa) under four SMSs (Shakardara, Chokara, Karak and Hangu) was approved by ECC and ratified by Federal Cabinet.





- Execution against this project was carried out and more than 440 Km network has been laid/ commissioned.
- So far 4,131 applications have been received for provision of gas connections and 2,075 gas connections have been installed on priority basis against deposited Demand Notices

This has created a hope among general public that they will get legal gas connections.

Efforts made to control UFG losses in Karak etc. Areas of KPK Province:

- Seeking support of public representatives to discourage the illegal usage of gas
- Round the Clock Patrolling along affected portion of Transmission line and Deployment of 337 FC personnel to avoid illegal tapings
- A total of 6,682 illegal taps

were removed and 91 FIRs have been lodged against gas pilferers

- In addition to above, establishment of 02 dedicated Police Stations to apprehend gas pilferers is in final stages.
- As a result of efforts against illegal gas usage, the losses of Karak etc. Areas have been reduced from 16,176 MMCF in FY 2019-20 to 10,068 MMCF in FY 2020-21 i.e. 38% reduction.

Phase-2 of Project:

- Govt. of Khyber Pakhtunkhwa has been continuously followed up for provision of funds for extension/ Rehabilitation of gas network under remaining 10 SMSs. Funds amounting to Rs. 1 Billion has been received.
- Phase-2 has been approved by DWP, BOD and ECC and ratified by the Federal Cabinet.
- Execution against this Phase-2 will be commence shortly.

Liquefied Petroleum Gas

Your Company is installing first ever LPG Air Mix Plant at Gilgit in its history. The capacity of the plant is 300 mmbtu/hr and it will supply LPG Air mix or Synthetic Natural Gas (SNG) to the consumers of the Gilgit city in the first phase. This project will not only help in meeting the energy requirements of the people of Gilgit city, but it will also reduce the deforestation which is the main reason of climatic change in the country resulting in land sliding and flash floods thus posing danger to the locality.

Compression of Gas

Your Company owns the largest fleet of gas turbines in the region, operating 69 Turbo-machinery packages with total installed horsepower of 226,200 Hp at Company-wide 11 compressor stations, to power National Gas grid sustainably. During the last three years, the Company compressed more than 1,095 BCF RLNG & Indigenous gas at different Compressor Stations through 122,983 cumulative operating hours of gas turbine compressor packages, in order to transmit low & variable pressure gases from different

sources, including depleting sources, into Company’s Transmission network and maintain stability and uniform system operations amid large swings in demands & supplies. In addition to optimized operations, the Company also achieved various milestones in line with its focus on continuous improvement and technological advancement for improved efficiency and deliverability.

Certification & Implementation of ISO 9001:2015 Quality Management System



The Company has the distinction of acquiring the status of ISO 9001:2015 certification from M/s. DAS International (The international Certifying Body), in order to upgrade the processes and activities for the achievements of the quality goals in all of its operations. In this respect, your Company has formulated a Quality Policy ensuring the laid down Objectives & Targets in line with international codes & standards, ISO-9001:2015 and ISO-14001:2015 & OHSAS 45001:2018. Your Company has successfully re-certified for the year 2021-22 by certifying body after thorough auditing of all the systems for implementation.

Your Company has got the technology & experience and today we are more committed in increasing our technological bench mark through continual process of measuring and improving.

Corrosion Control

Your Company is fully committed to the protection of underground precious steel pipeline network from attack of corrosion by applying

Cathodic Protection (CP) technique through 1,845 CP Stations for MS Network being monitored through 32,801 and 6,609 test points in Distribution and Transmission Departments respectively. During the fiscal year 2020-21, 21 new CP Stations were added to the system while 71 exhausted ground beds of existing CP System were replaced. Implementation of Integrity Management Program on Transmission Pipeline Network as per requirements of ASME B31.8S is in progress and Integrity Assessment of ~289 Kms of Transmission Lines through Direct Assessment methodology is under progress as per NACE Standards. The Company has also been able to successfully scan 35,433 Kms of gas network and detect / identify 40,116 Nos. of underground leaks by using laser based detection equipment during the year against KMLs set by OGRA for UFG Reduction. Replacement of 904 Kms of various diameter pipeline was proposed after necessary surveys.

Coating repair works have been carried out on 13,734 feet of Transmission Lines during fiscal year 2020-21 in all Transmission Sections including repairing of hot spots detected during integrity assessment surveys. Carbonaceous backfill material (463 M. Ton) has been prepared for Deep Well / Horizontal Ground beds covering screening, mixing & packing. The fabrication of Air Cooled T/R Units (80 Nos.) along with repairing of T/R Units (187 Nos.) was carried out at T/R Workshop and Material Testing of 132 Nos. samples was performed at Material Testing Laboratory, Corrosion Control Centre.

As part of Research & Development, GSM Based Remote Monitoring Units had been developed for monitoring



the output of CP Stations and 1,323 Nos. Remote Monitoring Units (GSM Based) have been successfully installed at CP Stations throughout the network. The hardware for 350 Nos. Remote Monitoring Units (GSM Based) has been procured during fiscal year 2020-21 and installation is in progress. An in house customization of data management software is under progress.

Furthermore, carpet probe has been designed & developed at Corrosion Control Centre for increased survey of underground gas leakage detection in all Distribution Regions and Pole Mounted CP System with MMO Anodes has also been designed, fabricated & commissioned at Faisalabad Region, by employing our in-house resources.

Metering

Meters and Electronic Volume Correctors (EVCs) are not only cash registers of the Company but also play a vital role in detection of pilferage of gas to curb UFG losses of the Company. The revenue generation of the Company through billing depends upon accurate working of measurement gadgets. Your Company is putting all out efforts to

maintain accuracy of measurement gadgets through specialized nature of activities such as Inspection, flow proving, calibration of meters / EVCs and configuration of measurement parameters in EVCs in accordance with international practices. The Company is saving revenue by repairing / maintenance of Domestic, Commercial & Industrial meters / EVCs, critical inspection of these meters / EVCs for detection of tampering by the consumers.

During year under review, Domestic Meter Inspection Shops Multan, Faisalabad, Sahiwal and Lahore have been certified against the latest Quality Management System (QMS) i.e. ISO 9001:2015. Furthermore, Accreditation of Central Meter Shop Lahore & Regional Meter Shops (Islamabad, Faisalabad, and Multan) for Testing and Inspection based on ISO 17025: 2005 & ISO 17020:2012 through Pakistan National Accreditation Council (PNAC) is under process.

Meter Shops are also complying with Organization’s Health, Safety and Environmental Management Systems

and has got certifications of OHSAS 45001:2018 & ISO 14001:2015 respectively.

Your Company is striving hard for improvement in gas metering through induction of latest measurement techniques complying International Standards and also by improving specifications of measurement gadgets through continuous research and development. During fiscal year 2020-21, we have introduced following state of the art equipment to improve productivity / quality of work for various activities carried out at Central / Regional Meter Shops:

- Installation and commissioning of Heavy Duty Bench Operated Drill Machine for smashing of Industrial/High Pressure Commercial Meters at Central Meter Shop, Lahore.
- Installation of Under Water leak Test Machine for Domestic Gas

Meters leak test at Regional Meter Shop, Islamabad.

- Power tools has been procured and are being used for meter repairing at Central Meter Shop, Lahore.

Meter Inspection Report (MIR) archiving module for saving of scanned copies of MIRs as well as all documents attached with MIRs have been successfully developed in coordination with IT/MIS, it will help to maintain safe record of MIRs. Moreover, Shared drive has been arranged by IT/MIS to save all retrieved EVC data logs.

Around 50% Industrial consumers with GPRS based communication system have been integrated with SCADA system during the FY- 2020-21. Approximately, 1800 Nos. Gas

Meters were provided to Distribution Regions to accomplish the said task. Communication of industrial consumers through SCADA system for efficient and effective metering and monitoring. In addition to aforesaid, EVCs with built-in GPRS Modems have been introduced in the Company for the first time and 450 Nos. Gas Meters equipped with EVCs having built-in GPRS Modems were provided to Distribution Regions for installation at Sites. Trainings are being imparted by the Company on regular basis to executives and staff of Regions on different topics, for better understanding of measurement techniques / gadgets.

In addition to above, 16 Nos. Domestic Meter Inspection Shops (DMISs) established in Regions are operational. Construction of separate buildings for Domestic Meter Inspection Shop Multan, Gujranwala & Faisalabad is also under process.

Quality Assurance

Your Company is ISO 9001:2015 certified for Quality Assurance which generally covers implementation of relevant standards especially ASME and API Standards, National and international codes and practices, relevant departmental manuals, approved procedures, and specifications at all engineering departments for construction, operations and maintenance of transmission and distribution gas network, training and qualification of personnel performing work at Company’s installation. During FY-2020-21, a total of 2728 KMs of Main line both MS and PE was inspected.

The integrity of weld joints is checked by using Non-Destructive Testing techniques i.e. Radiography, Ultrasonic Testing & Dye Penetration Testing by Third Party NDT firms. Moreover, 100% visual inspection

of all the welded joints is also being carried out to ensure pipe line network’s integrity. During FY 2020-21, 153744 Nos. of weld joints were inspected out of which 21280 weld joint of TBS along with mainline joints were checked by radiography.

The process of Three layer Polyethylene coating of Mild Steel line pipe conducted at Coating Plant Uch Sharif is strictly monitored and inspected along with application of heat shrinkable sleeves in the field. During the last fiscal year a total of 70037 Nos. of bare pipes along with 69608 Nos. of coated pipes were checked out of which 429 bare pipes and 250 coated pipes were rejected. Tape coating of the MS line pipe (below 4”Ø) is arranged at Regional coating yards.

Regional Quality Assurance teams are performing Special Inspection





activities to cross check the site activities and prepare inspection reports. These reports reflect the pointed out anomalies of above ground and underground leakages and their consequent rectification which helps in reduction of Company’s UFG losses.

Routine QA Audits of Customer Service, Material Inspection Shop & Domestic Meter Inspection Shop are also in place for stringent monitoring of implementation of applicable standards.

Billing

Your Company is committed to its mission regarding timely provision of gas bills to all categories of consumer ensuring transparency in Meter Reading and error free billing. Special emphasis is being given on expeditious redressal of grievances of our valued consumers to achieve their entire satisfaction.

The Company is taking into consideration all possible steps so that visual observations noted at site should be reported in prompt manner and communicated to concerned departments for their expeditious remedial measures. This has not only reduced consumers’ complaints but also contributed towards reduction in UFG of the Company through timely replacement of meter and charging of adjustment thereto if any.

Accordingly, all out efforts are being carried out to ensure processing of Meter Inspection Reports and 600,000 detection cases were finalized in F.Y. 2020-21. All cases requiring charging of theft/non-theft volumes are processed expeditiously and same are incorporated in system so that timely recovery could be ensured. Your Company has achieved 91 % of desired targets against KMI based UFG benchmark introduced by OGRA related to disconnection/recovery from consumers involved in pilferage/ theft of gas.

Recovery of outstanding dues from defaulting consumers is another vital aspect and accordingly effective and extensive recovery campaign has been launched against active and litigant consumers to maximize recoveries against outstanding dues. In order to maximize recovery from disconnected defaulted consumers, high value consumers are given priority and special emphasis is on these cases to devise some effective mechanism so that recoveries against these consumers could be materialized. The decreed cases are being referred to respective Revenue Authorities, under Section 27 (2) of Gas (Theft Control and Recovery) Act, 2016. Accordingly, for recovery as arrears of land revenue 5,520 cases of defaulted disconnected consumers are filed with respective District Collector. In decreed cases winding

up notices to listed companies/ industries and blockage of CNIC through NADRA after seeking directions of the courts, are also being exercised.

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

Digitizing The Processes
Digitization is changing the way an organization operates. Your Company is transforming the business processes, workflows and culture by introducing digitization across the Company.

Delivering a strategic advantage by fostering creative and innovative use of technology to achieve the Organization’s objectives is hallmark of your Company. SNGPL promotes effective management of information assets and provides a secure, highly reliable technology infrastructure along with high quality, customer-oriented services and support, so as to meet the ever-changing needs of its business users.

COVID 19, the pandemic, challenged us to do more than the planned activities last year. Your Company ensured provision of continuous IT services to the business departments as well as the consumers during the challenging times of the pandemic. Noteworthy accomplishments during the last year include:

- **Enterprise Systems**
 - Enterprise Systems, i.e CC&B and ERP, digitize and integrate the core business processes of SNGPL. These systems are being continually enhanced by your Company to meet the emerging requirements of the business.
- **Accomplishments in CC&B and ERP:**
 - Introduction of SMS Alerts and Feedback from consumers;
 - Various Automation in Billing Processes such as GIDC installment, Dispensation Calculation and Subsidy, recovery and installments, etc.
 - Improvement in several functionalities in ERP modules such as Enterprise

Asset Management (eAM) in Compression and Projects Departments, Performance Management System in HR, Payment of Children Scholarship (to Subordinates) and PF Loan payment through payroll.

- **Accomplishments in Web / Mobile Apps:**
 - Improvement in functionality for Domestic consumer’s new gas application
 - Preferred Services for Industrial and Commercial consumer’s applications for new connection, Re-Connection, Load Enhancement, etc.
 - Transfer of Gas Connection Facility through Company Website.

- Mobile Apps availability on Google Play Store and Apple App Store

- **ISO 27001 Certification:**
ISO/IEC 27001 is the international standard for information security. It sets out the specification for an Information Security Management System (ISMS).

Your Company has implemented the recommended controls and processes to secure its IT assets and has initiated the process for ISO-27001 certification and is hopeful to achieve the certification this year.

- In addition to the above following projects are in pipeline;
- GIS and SCADA integration;
 - Enhancement of Infrastructure;
 - Continuous Improvement in Information Security;
 - Email Migration.



Telecommunication

Your Company is maintaining a wireless telecommunication network along Company’s Transmission right-of-way (ROW) since the inception of the Company in 1963. The Company is operating dedicated Digital Microwave Radio Communication System along high pressure gas pipeline network from Sui & Sawan to Peshawar facilitating Voice, Data, Video and SCADA services.

During the year under review, your Company ensured uninterrupted operations relating to Microwave, SCADA, IP and Telephone network without any downtime in all of its services. The Company also worked extensively on planning and procurement for expansion of SCADA System facilities on 350-nos. Custody Transfer Points of Transmission Network under different projects.

GPRS based SCADA Communication of Industrial CMSs of Distribution Network was enabled on 1359-nos. sites during year under review. Total 1839-nos. industrial consumer meter stations (CMSs) of Distribution Network are now being monitored on real-time basis through SCADA System. An application interface has been developed between SCADA Host System and Central Oracle based CC&B System for automated definition of alarm limits for sanctioned load and installed meter-capacity. Internal Video Conferencing facility was extended to 11-nos. new Company Locations over Company’s own Microwave Backbone Network. 200-nos. Cyber Locks for Industrial CMS Sites have been procured to restrict the unauthorized access to these sites through use of electronic key based latest technology. Electrical Surge Protection System has been deployed at 12-nos. Microwave Repeater Stations.



SCADA System was deployed for the first time in 2020-21 at the gas injection and delivery points under “Third Party Access” (TPA) Rules. Real-time SCADA monitoring was enabled at Injection point from Mari Gas Company at Ghotki, Sindh and Consumer Meter Station of Pak Arab Fertilizer at Multan for real-time reconciliation of supplied gas under TPA agreement.

Due to growing Cyber Security concerns all over the world, your Company has initiated the process of obtaining the ISO-27001 Certification for establishment of certified “Information Security Management System (ISMS)” for the Company’s SCADA System Data Center. The Certification process shall be completed by December 2021.

Video Conferencing System has been extended to all regions with in SNGPL on SNGPL’s dedicated microwave network. The same has also been integrated with 3rd party video conferencing applications for virtual meetings with external bodies, which has been very useful during the Covid-19 pandemic for virtual meetings.

Health Safety Environment Infrastructure

An Integrated HSE Management System (IMS) based upon ISO 14001:2015 and ISO 45001:2018 standards is in place for systematic implementation of best practices for all operations of the Company.

Your Company has recently upgraded from OHSAS 18001:2007 to ISO 45001: 2018 utilizing in-house resources. Compliance of ISO 14001:2015 / ISO 45001:2018 Standards, and industry best practices is monitored through a system of Surveillance audits by third party on bi-annual basis. Successful execution of these audits demonstrates the effectiveness of HSE Management System.

Your Company is a member of ‘National Safety Council’, which is a non-profit organization with mission of saving lives by preventing injuries and deaths at work, in homes and communities. In addition to this, HSE Engineers are the International Member of American Society of Safety Professionals (ASSP).



Occupational Health

HSE initiative of on spot health screening of employees through usage of Occupational Health Mobile Unit is available.

SNGPL as responsible corporate entity has responded in an effective manner to COVID-19 management in line with compliance to instructions communicated by NCOC, Pakistan and guidelines issued by Ministry of National Health Services Regulation and Coordination, Islamabad. As per direction of NCOC, your Company arranged 28 Nos. vaccination camps at far flang areas of Punjab and Khyber Pakhtunkhwa in which 4188 Nos. general public was vaccinated.

Your Company developed 50 MVTs (Mobile Vaccination Teams) for vaccination against Covid 19 in various cities.

In order to avoid any behavior shift among employees related to physical distancing, continuous monitoring with respect to wearing of face mask, social/ physical distancing behavior and contact tracing of COVID-19 positive cases is being observed to avoid transmission of COVID-19.

HSE Alert related to daily COVID-19 Cases update and awareness is being shared with all levels of employees.

Fire Prevention

SNGPL emphasizes fire safety to ensure mitigation arrangement in case of any fire related emergency through introduction of Fire Extinguishers, Fire Hydrant Systems, Fire Trucks, Fire Alarm and Smoke Detection Systems at all Company offices.

Personal Protective Equipment

To protect its employees from potential injuries, your Company provides PPEs including safety helmet, coverall, shoes, gloves, face shields etc. During 2021, approximately 65,058 PPEs were procured and distributed among the staff.

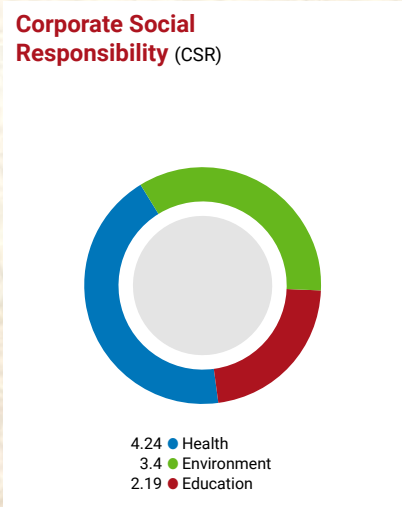
Your Company is committed to conservation of environment. Conservation of environment is also a major part of Corporate Social Responsibility policy. Your Company is effectively running tree plantation campaign to faster the vision of the government for a clean and green Pakistan.



Corporate Social Responsibility

Corporate Social Responsibility function in the Company was formally started in 2013. CSR initiatives are mainly focused in the areas of Health, Education and Environment as per Company’s CSR Policy approved by Board.

Your Company’s Corporate Social Responsibility policy is based on global best practices envisaging management of the business processes by producing an overall positive impact on society and the



environment. CSR policy comply with the guidelines provided by Securities and Exchange Commission of Pakistan (SECP) 2013, new tariff regime for regulated gas sector in Pakistan by OGRA, Principles of United Nations Global Compact (UNGC) - relevant Sustainable Development Goals (SDG’s) and Company’s vision, mission and business code of conduct.

Your Company believes in business that should be both profitable and beneficial to the society. Stringent efforts are made for improving the quality of life of the communities under developed / under privileged/ gas producing areas with priority to community residing in 15 Km radius of gas fields. Your Company also ensures harmonious relations with stakeholders, by working in partnership with the community, the Government and NGOs through the principles of Sustainable Development.

SNGPL carried out the following projects under Corporate Social Responsibility in FY 2020-21:

- Health:**
- Installation of 01 No. RO Plant along with shed at DHQ Hospital-Hangu
 - Installation of 2 Nos. RO Plant along with shed in Karak
 - Provision of Stretchers and Wheel Chairs 10 Nos. each for DHQ Teaching Hospital Kohat

- Environment:**
- Tree Plantation at Changa Manga (26000 Nos.) in collaboration with WWF
 - Tree Plantation in collaboration with Forest Department Khyber PakhtunKhwa (45,000 Nos.)

- Education:**
- Award of Merit Scholarship (9 Nos.) to Students of Government Technical College Karak
 - Award of 01 gold medal to Students of Ghulam Ishaq Khan Institute of Engineering Science and Technology
 - Computer Lab up-gradation at Government College of Technology Kohat

- Award**
- National Forum for Environment & Health (NFEH) Corporate Social Responsibility Award 2021 for remarkable efforts and initiatives under CSR.
 - National Forum for Environment & Health (NFEH) 18thAnnual Environment Excellence Award 2021.



Your Company is committed to conservation of environment and is a corporate partner of World Wide Fund (WWF) for this purpose. We are certain that all our efforts during the year have made us more strengthened to work in challenging environment in order to achieve our goal. We wish for a safe year ahead, with the promise of continual improvement.

Human Resource Development

Your Company continued its endeavors to transform its culture and review its policies to align its human resource with changing business needs due to global pandemic and to keep its human resource motivated and engaged.

We believe that gender diversity and equal employment opportunity are the keys to success of the Company, therefore, the Company has clearly defined policies and procedures to ensure that all decisions made in relation to appointments, promotions, transfers, training opportunities and performance assessments are made entirely on merit. Women are provided equal opportunity for promotion at all levels including senior management positions to achieve diversity essential for organizational growth. To address the issues of harassment, a committee comprising three members is in place in compliance to provisions of Protection

against Harassment of Women at Workplace Act, 2010. In addition, the Company has a zero tolerance policy towards harassment and victimization to protect rights of all employees.

The strength of Executives & Non-Executives, both Operations wise and Projects wise, as on June 30, 2021 is as under:-

	Executive	Non-Executive	Total
Operations	1466	6998	8464
Projects	97	150	247
Total	1563	7148	8711

Industrial Relations

Your Company maintains cordial relationship with CBA to ensure industrial peace within the organization. During the period, CBA Agreement for the period 2019-2021 was finalized between the Management and CBA.

A total of 36 persons were recruited under the Deceased Quota against Blood Relation Quota whereas 80 scholarships were awarded to children of serving employees for pursuing professional qualification.

Employment of Persons with Disabilities (PWDs)

Being a socially responsible Company, your Company provides the due opportunity and supportive environment for differently-abled employees that enables them to achieve their true potential. The Company has defined 2% quota in compliance with Disabled Persons (Employment & Rehabilitation) Ordinance, 1981.

Business Ethics and Anti Corruption Measures

The Company follows highest standards of discipline, moral guidelines and good corporate governance policies & procedures to be complied with by all employees for an environment which is conducive to productivity. The Company has a well defined Disciplinary Framework and Whistle Blowing Policy which serve as preventive and detective controls to eliminate corruption or any other form of misconduct. These policies help mitigate risks associated with misconduct and achieve high standards of integrity.

Training and Development

Your Company through its state of the art training institute i.e. Sui Northern Gas Training Institute (SNGTI) is imparting technical and soft skills training throughout the year. The rapid evolution of digital technology is having a significant impact on industries. To provide exciting new opportunities with maximum efficiencies with reduced costs, your Company has taken an initiative to increase capacity building of the employees during pandemic situation as well. Resultantly, Virtual Learning Platform namely “Sui Northern Gas Virtual Learning Platform” (SNGVLP) was initiated in 2020. Since then 70 online courses have been designed, recorded and uploaded so far.



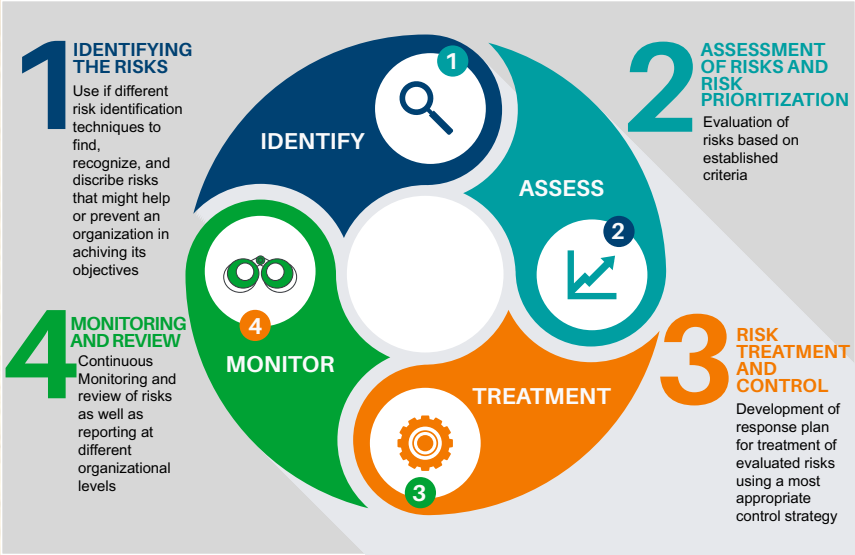
Risk Management

Your Company is committed to incorporate Enterprise Risk Management (ERM) concepts at the center of the strategic decision-making process through Annual Risk Management Plan.

ERM framework at SNGPL is based on the best international practices and framework of Committee of Sponsoring Organizations (COSO) & ISO-31000 guidelines is in place to provide an organized and comprehensive risk management approach to manage risks for all activities across the Company. At the department level, risk registers have been prepared to identify key departmental risks. Control systems are regularly evaluated and upgraded to mitigate these risks.

- At the organizational level, risks have been identified, assessed, and periodically monitored & reviewed by the Management and reported to the Risk Management & UFGC Committee.

A concept of Risk Profile Index (RPI) has been introduced that helps monitor the top inherent risks of the Company by comparing actual values of the risk against pre-defined risk



appetites. External and Internal risks, being faced by the Company, are reviewed by the management and strategies are implemented to mitigate these risks and are monitored regularly.

Risk Management Framework

Risk Management framework focuses on policies, procedures and practices and consists of four (04) phases; Risk Identification, Risk Assessment & Prioritization, Risk Treatment, and Risk Monitoring & Review. Risk Awareness is a pre-requisite of Risk Management framework and these awareness activities are extensively carried out across all the departments and functions of the organization.

Internal Control System

Responsibility: The Board assumes the overall responsibility to ensure that a system of sound internal control is in place, which is effectively implemented and maintained at all levels within the Company. Internal control processes are designed to safeguard the Company’s assets and to appropriately address and/ or mitigate emerging risks being faced by the Company.

The Board, whilst maintaining its overall responsibility through Board Audit Committee for governance, risks and controls, has delegated their detailed design, implementation and monitoring to the Management. The role of the Board Audit Committee is to assist the Board in fulfilling its oversight responsibilities regarding the integrity of internal controls, compliance with legal and regulatory requirements and the performance of the Internal Audit Department.

Framework: The Company maintains an established control framework comprising of following:

- i. Clear structures for reporting lines (Organogram),
- ii. Authority limits (Financial and Administrative powers),

- iii. Well communicated and understood policies / procedures (approved departmental manuals); and
- iv. Monitoring mechanism.

These policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to rules & regulations safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

Internal Audit Function: The Internal Audit function is an integral part of the Company’s governance structure. Head of Internal Audit is functionally reportable to the Board Audit Committee and administratively to Managing Director. This reporting structure ensures independence and objectivity of Internal Audit function.

The purpose, role, authority and responsibilities of Internal Audit function has been approved by the Board Audit Committee through the Internal Audit Charter, which includes applying a systematic and disciplined approach to evaluate and improve the effectiveness of Company’s strategy, governance, risk management and internal controls. Internal Audit Department has unrestricted access to all records and information so as to effectively perform its duties and functions.

Internal Audit is independent from the Management in setting the scope of audit engagements, selection of business departments for audits and their frequency. Based on an annual risk assessment of the business departments, Board Audit Committee approves the Annual Audit Plan.

The role of Internal Audit also corresponds to the functions described for the internal audit under the Companies Act, 2017, Public Sector Companies (Corporate Governance) Rules, 2013 and Listed Companies (Code of Corporate Governance) Regulations, 2019 as well as best practices envisaged by the Institute of Internal Auditors (IIA).

During the year; Board Audit Committee established Technical and Digital Audit wings in the Internal Audit function with the

objective to further enhance the capability of internal audit to carry out independent evaluation of the Company’s operations from a technical standpoint.

During the year; Board Audit Committee arranged an independent External Assessment of Internal Audit’s conformance to IIA standards and best practices. The external assessment report reflected a satisfactory level of conformance to the IIA standards.

Future Projects
Special Economic Zones
The development of Special Economic Zones to support industrialization and business development is the priority of Government of Pakistan. Your Company is actively engaged in taking all necessary measures to support the smooth and timely supply of natural gas to SEZs.





Election of the Board of Directors

An Extraordinary General Meeting (EOGM) of the shareholders was held on July 06, 2020, wherein election of the Board of Directors was held, and a new Board comprising Ms. Roohi Raees Khan-Chairperson, Mr. Ahmad Aqeel, Mr. Manzoor Ahmed, Mr. Rizwanullah Khan, Dr. Sohail Razi Khan, Mr. Mohammad Haroon, Mr. Muhammad Ayub Chaudhry, Mr. Sajid Mehmood Qazi, Mr. Naveed Kamran Baloch, Mr. Yousaf Naseem Khokhar and Mr. Afan Aziz was elected by the shareholders in place of retiring Directors for the term of three years.

Changes in the Board

During the year Syed Akhtar Ali, Mr. Muhammad Sualeh Ahmed Faruqui, Mr. Kamran Ali Afzal and Mr. Muhammad Haroon-ur-Rafique were appointed as Directors in place of Mr. Rizwanullah Khan, Mr. Yousaf Naseem Khokhar, Mr. Naveed Kamran Baloch and Mr. Muhammad Ayub Chaudhry. Mr. Ali J. Hamdani was appointed as Managing Director on December 31, 2020 in place of Mr. Amer Tufail. The Board of Directors would like to place on record their appreciation and gratitude to the outgoing Members of the Board for their hard work, guidance and support during their tenure as Directors of the Company.

Composition of the Board

During the year under review Ms. Roohi Raees Khan, Mr. Rizwanullah Khan, Mr. Afan Aziz, Mr. Ahmad Aqeel, Mr. Manzoor Ahmed, Mr. Mohammad Haroon, Muhammad Ayub Chaudhry, Mr. Naveed Kamran Baloch, Mr. Sajid Mehmood Qazi, Dr. Sohail Razi Khan, Syed Akhtar Ali, Mr. Muhammad Sualeh Ahmed Faruqui, Mr. Kamran Ali Afzal, Mr. Muhammad Haroon-ur-Rafique, Mr. Shabbir Hussain Hashmi, Mr. Himayatullah Khan, Mr. Yousaf Naseem Khokhar, Mirza Mahmood Ahmad, Mr. Mustafa Ahmad Khan Mr. Amer Tufail and Mr. Ali J. Hamdani remained on the Board of the Company.

At present the Board consists of Ms. Roohi Raees Khan-Chairperson, Mr. Ali J. Hamdani, Managing Director, Mr. Ahmad Aqeel, Dr. Sohail Razi Khan, Mr. Manzoor Ahmed, Mr. Mohammad Haroon, Syed Akhtar Ali, Mr. Muhammad Sualeh Ahmed Faruqui, Mr. Muhammad Haroon-ur-Rafique, Syed Zakria Ali Shah and Mr. Hamed Yaqoob Sheikh.

Orientation Programme for the Directors

The elected and appointed directors were given briefing during the year on the business, operations and environment of the Company as well as the duties of directors.

Performance Evaluation of Board, Managing Director/ CEO and Senior Management

In accordance with the requirements of the Public Sector Companies (Corporate Governance) Rules, 2013 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the evaluation of performance of the Board and its Committees was carried out under self-evaluation mode through third party i.e. Pakistan Institute of Corporate Governance (PICG), an accredited institution by Securities & Exchange Commission of Pakistan (SECP) whereby an online questionnaire is disseminated amongst the Board members for the assessment of their performance. The evaluation exercise is undertaken on annual basis to enhance effectiveness and better understanding of the roles and responsibilities of the Board.

Directors’ Remuneration

The board of directors has a transparent procedure for the remuneration of directors in accordance with the Act and Regulations. The directors’ fees amounting to Rs. 100,000 per meeting is paid to the non-executive directors apart from entitlement of business class/ club class return airfare from the venue of the meeting to his/ her usual place of residence in Pakistan along with traveling, boarding and lodging facilities. In addition to the aforesaid, the Chairperson is also entitled a monthly honorarium of Rs. 100,000/- with Company maintained car with fuel and free medical cover for self and spouse. The details of fees paid to the Directors and the remuneration of the CEO are disclosed in Note 46 to the financial statements.

Post Balance Sheet Events

The Directors have not received, as at July 2, 2022 being the date on which these financial statements were approved, any information concerning significant conditions in existence at the balance sheet date, other than those disclosed in the financial statements, which affects the financial statements as presented.

Corporate Governance

The Board of Directors has complied with the relevant principles of corporate governance as envisaged in the Public Sector Companies (Corporate Governance) Rules, 2013 and Listed Companies (Code of Corporate Governance) Regulations, 2019.

Statement on Corporate and Financial Reporting Framework

The Board of Directors hereby declares that for the year ended June 30, 2021:

- a. The financial statements, together with the notes thereon have been drawn up in conformity with the Fourth Schedule of the Companies Act, 2017. These statements present fairly the Company’s state of affairs, result of its operations, cash flows and changes in equity;
- b. Proper Books of Accounts of the Company have been maintained;
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures there from has been adequately disclosed and explained;
- e. The system of internal control is sound in design and has been effectively implemented and monitored;
- f. The appointment of Chairperson and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Company as well as in line with the best practices;



- g. There are no significant doubts upon the Company’s ability to continue as a going concern. The Board of Directors has satisfied itself that the Company has adequate resources to continue its operations in the foreseeable future. The Company’s Financial Statements have accordingly been prepared on a ‘going concern’ basis;
- h. Significant deviations from last year’s operating results have been disclosed as deemed appropriate in this Chairperson’s Review & Directors’ Report and in the notes to the accounts, annexed to this report;
- i. Key operating and financial data of the last six years in summarized form is a part of this Annual Report;
- j. All statutory payments on account of taxes, duties, levies and charges in the normal course of business, payable as on June 30, 2021 have been cleared subsequent to the year end;
- k. Value of investment in employee’s retirement funds based on audited accounts of the funds for the year ended June 30, 2021 is as follows:

	(Rs. in ‘000)
1. SN Senior Staff Pension Fund	4,531,022
2. SN Junior Staff Pension Fund	24,547,298
3. SN Executive Staff Gratuity Fund	240,007
4. SN Non Executive Staff Gratuity Fund	7,576,904
5. SNGPL Trustees Provident Fund	17,157,662
6. SNGPL Superannuation Free Gas Executives Fund	170,379
7. SNGPL Superannuation Free Gas Subordinates Fund	7,443,449
8. SNGPL Superannuation Compensated Absences Executives Fund	923,171
9. SNGPL Superannuation Compensated Absences Subordinates Fund.	1,730,573
10. SNGPL Superannuation Medical Executives Fund	5,671,295
11. SNGPL Superannuation Medical Subordinates Fund	10,889,984
12. SNGPL Employees Accidental Death Endowment Fund	10,980
Total	80,892,724

- l. The number of Board of Directors and Committees meetings held during the year and attendance by each has been disclosed in Corporate Governance section of this report;
- m. The name of directors on the Board and its committees as well as disclosures as to number of male and female directors, executive, non-executive & independent directors have been made in Statement of Compliance of this report;
- n. The Company is fully compliant with the Public Sector Companies (Corporate Governance) Rules, 2013 & Listed Companies (Code of

Corporate Governance) Regulations, 2019 regarding Directors Training Program.

- o. The pattern and categories of share holding as on June 30, 2021 has been given in a separate section of this Annual Report;
- p. There was no default or likelihood of default in respect of any loan / debt instruments;
- q. No trading of shares by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Executives (Chief & above), their spouses and minor children has been carried out, other than the transactions disclosed as per statute. The number of shares, if any, held by them have been disclosed in categories of shareholders of this report.

Auditors

M/s. Yousuf Adil, Chartered Accountants were appointed as External Auditors of the Company for conducting audit for Financial Year 2020-21 in the Annual General Meeting held on July 29, 2021. They have also given their consent to act as the Auditors of the Company for financial year 2021-22. The Board proposes the appointment of M/s. Yousuf Adil, Chartered Accountants as Auditors for the Financial Year 2021-22 on the recommendation of the Board Audit Committee.

Share Watch

The Company’s share opened at Rs 55.00 on July 01, 2020 and closed at Rs. 48.58 on June 30, 2021. During the period under review, the highest price of the share was Rs. 69.35 and the lowest was Rs. 36.00. The market capitalization as on June 30, 2021 was Rs. 30,810 million.

Future Outlook

Your Company is taking number of steps to improve supply of gas to the consumers by taking appropriate steps as under:-

- Concerted efforts to bring down the UFG at an acceptable level by specifically targeting areas of high UFG both technically and functionally.
- Actively pursue other avenues of profitability including pipeline engineering and construction work for E&P companies. Management of your Company is confident that with the action plan brief of which is set out above, your Company will be able to show promising results in the future.
- Your Company is working on the project of developing digital maps of Transmission and Distribution systems through utilization of Geographic Information System (GIS) technology. GIS maps are helping the management and users to visualize the pipeline network and customers related information through interactive Web-Apps and GIS Dashboards. So far, Distribution pipeline network (4"-24" dia) of five cities, whole Transmission pipeline network, all customer locations, customer complaints, leakage detection points and TBS service area boundaries are mapped and available through GIS portal across Company.
- SNGPL is looking forward to Third party access contracts to ensure Gas supply to maximum number of consumers.



Acknowledgements

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

Your Directors wish to place on record their appreciation for the continued support and patronage received from shareholders and its valued consumers. We also wish to acknowledge the dedication and commitment of all the employees who contributed valuable services, to sustain all operations of the Company. We acknowledge and appreciate the continued guidance and support received from the Government of Pakistan, Ministry of Energy (Petroleum Division) and Oil & Gas Regulatory Authority (OGRA).

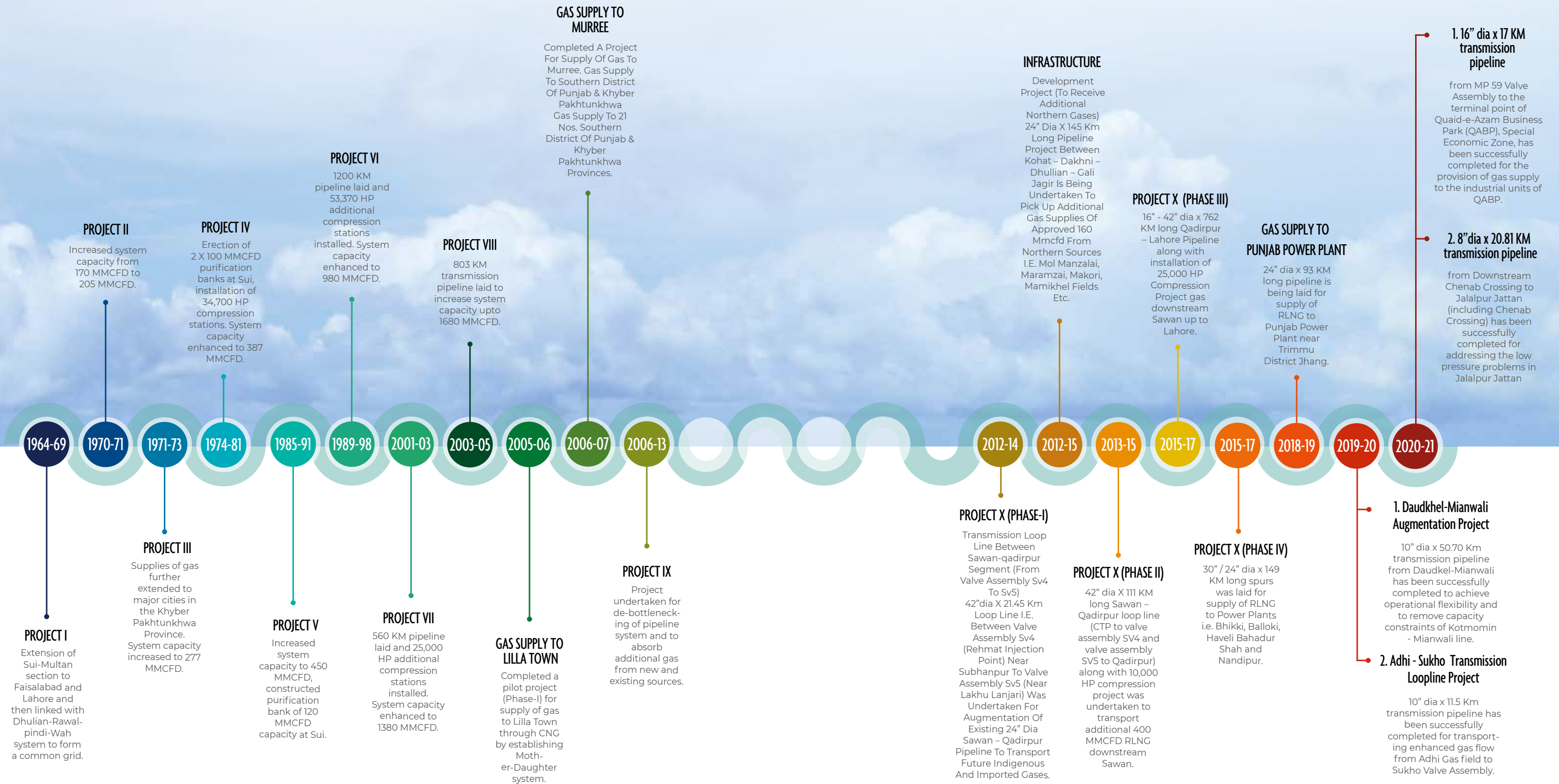
On behalf of the Board,

Ali J. Hamdani
Managing Director

Islamabad.
July 2, 2022

Roohi Raees Khan
Chairperson-BOD

Milestones



Pattern of Shareholding

As at June 30, 2021

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
	3,614	1	100	160,613
	4,469	101	500	1,325,929
	4,853	501	1,000	3,789,638
	3,995	1,001	5,000	10,277,002
	953	5,001	10,000	7,388,907
	310	10,001	15,000	3,951,041
	206	15,001	20,000	3,777,062
	115	20,001	25,000	2,685,465
	74	25,001	30,000	2,097,883
	49	30,001	35,000	1,637,505
	56	35,001	40,000	2,158,678
	27	40,001	45,000	1,170,387
	66	45,001	50,000	3,262,019
	18	50,001	55,000	954,745
	27	55,001	60,000	1,580,092
	10	60,001	65,000	636,543
	12	65,001	70,000	817,421
	13	70,001	75,000	957,474
	13	75,001	80,000	1,013,364
	11	80,001	85,000	921,233
	2	85,001	90,000	172,661
	11	90,001	95,000	1,031,890
	43	95,001	100,000	4,284,724
	3	100,001	105,000	314,500
	6	105,001	110,000	651,000
	3	110,001	115,000	334,640
	6	115,001	120,000	707,878
	4	120,001	125,000	489,852
	2	125,001	130,000	259,900
	2	130,001	135,000	266,500
	2	135,001	140,000	280,000
	3	140,001	145,000	430,000
	12	145,001	150,000	1,784,256
	2	150,001	155,000	310,000
	6	155,001	160,000	942,487
	2	160,001	165,000	325,044
	4	165,001	170,000	669,405
	4	170,001	175,000	700,000
	2	175,001	180,000	356,045
	2	185,001	190,000	378,438
	8	195,001	200,000	1,591,060
	3	200,001	205,000	606,608
	3	205,001	210,000	628,850
	3	210,001	215,000	634,741

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
	2	215,001	220,000	436,968
	3	220,001	225,000	671,000
MUSHTAQ HUSSAIN	1	225,001	230,000	225,500
AMNA HASSAN	1	240,001	245,000	245,000
	3	245,001	250,000	750,000
	4	250,001	255,000	1,013,444
	2	255,001	260,000	518,000
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	1	260,001	265,000	265,000
PARAMETRIC TMEMC FUND LP	1	265,001	270,000	266,000
MASOOD AHMED SHAIKH	1	270,001	275,000	275,000
	3	275,001	280,000	834,600
	4	280,001	285,000	1,133,617
	3	285,001	290,000	864,000
	2	295,001	300,000	595,500
	3	300,001	305,000	910,907
	2	305,001	310,000	617,152
WAQAR AHMED	1	310,001	315,000	315,000
	2	320,001	325,000	646,147
KASHIF MATEEN ANSARI	1	335,001	340,000	338,147
CDC - TRUSTEE NBP STOCK FUND	1	340,001	345,000	342,699
	2	345,001	350,000	697,466
MALIK JAHANZAIB IQBAL	1	355,001	360,000	360,000
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	1	360,001	365,000	361,735
	2	365,001	370,000	736,062
	2	370,001	375,000	746,500
	2	375,001	380,000	757,947
	3	380,001	385,000	1,145,914
AMER ILYAS	1	385,001	390,000	386,010
	2	390,001	395,000	782,500
PAK LIBYA HOLDING COMPANY (PVT.) LIMITED	1	395,001	400,000	400,000
SANA NADEEM	1	405,001	410,000	405,500
MRA SECURITIES LIMITED - MF	1	430,001	435,000	432,500
	2	445,001	450,000	896,917
CDC - TRUSTEE MEEZAN BALANCED FUND	1	455,001	460,000	458,000
CDC - TRUSTEE MEEZAN ENERGY FUND	1	485,001	490,000	487,300
	2	495,001	500,000	996,000
	3	505,001	510,000	1,524,050
CDC - TRUSTEE PAKISTAN INCOME FUND - MT	1	515,001	520,000	519,375
IMRAN	1	520,001	525,000	522,203
	2	525,001	530,000	1,058,717
AITAZAZ AHMAD KHAN	1	555,001	560,000	557,000
	2	570,001	575,000	1,147,573
NOMAN YAKOOB	1	595,001	600,000	600,000
TAURUS SECURITIES LIMITED	1	600,001	605,000	603,500

Pattern of Shareholding as at June 30, 2021

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
SPDR S&P EMERGING MARKETS SMALL CAP ETF	1	605,001	610,000	609,234
MUHAMMAD ZAHID ALI	1	610,001	615,000	612,000
CDC - TRUSTEE NBP ISLAMIC SARMAZA IZAFAT FUND	1	620,001	625,000	623,000
MOHAMMED SHOAIB	1	630,001	635,000	632,100
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	640,001	645,000	641,400
	2	650,001	655,000	1,305,893
CDC - TRUSTEE HBL INCOME FUND - MT	1	655,001	660,000	655,903
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	1	675,001	680,000	679,799
NOMAN ABID HOLDINGS LIMITED	1	680,001	685,000	684,400
	2	695,001	700,000	1,400,000
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	720,001	725,000	722,776
MUHAMMAD SHAHID ALI	1	730,001	735,000	730,012
ASAD UMAR	1	735,001	740,000	740,000
EBRAHIM QASSIM	1	745,001	750,000	750,000
CDC - TRUSTEE ALLIED FINERGY FUND	1	755,001	760,000	758,000
	3	760,001	765,000	2,291,900
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	805,001	810,000	805,007
NOMAN ABID & CO. LTD.	1	950,001	955,000	952,500
FARRUKH SIRAJ	1	955,001	960,000	959,000
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	960,001	965,000	961,201
FAYSAL BANK LIMITED	1	1,025,001	1,030,000	1,025,287
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	1,030,001	1,035,000	1,034,100
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	1,070,001	1,075,000	1,073,000
CDC - TRUSTEE MEEZAN TAHAFUZ PENSION FUND - EQUITY SUB FUND	1	1,110,001	1,115,000	1,110,600
CDC-TRUSTEE UBL INCOME OPPORTUNITY FUND	1	1,225,001	1,230,000	1,225,500
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	1,260,001	1,265,000	1,265,000
CDC - TRUSTEE FAYSAL MTS FUND - MT	1	1,265,001	1,270,000	1,267,762
MEEZAN BANK LIMITED	1	1,295,001	1,300,000	1,300,000
MCB BANK LIMITED - TREASURY	1	1,305,001	1,310,000	1,309,452
VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	1	1,365,001	1,370,000	1,365,443
ZAHEER UL HASSAN	1	1,440,001	1,445,000	1,444,000
SAMBA BANK LIMITED	1	1,520,001	1,525,000	1,524,643
HABIB BANK LIMITED-TREASURY DIVISION	1	1,535,001	1,540,000	1,539,000
VANGUARD FIDUCIARY TRUST CO INST TTL INTL STK MK INDX TRU II	1	1,540,001	1,545,000	1,542,438
MCB ISLAMIC BANK LIMITED	1	1,710,001	1,715,000	1,711,000
SONERI BANK LIMITED - ORDINARY SHARES	1	1,745,001	1,750,000	1,745,275
FREEMEN CORPORATION (PRIVATE) LIMITED	1	1,795,001	1,800,000	1,800,000
EFU LIFE ASSURANCE LIMITED	1	1,850,001	1,855,000	1,850,488
CDC - TRUSTEE UBL GROWTH AND INCOME FUND	1	1,955,001	1,960,000	1,955,500
	2	1,995,001	2,000,000	3,997,449
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	2,095,001	2,100,000	2,099,098
RIFFAT ZAHEER	1	2,200,001	2,205,000	2,203,500
SUI SOUTHERN GAS COMPANY LIMITED	1	2,410,001	2,415,000	2,414,174
PAK QATAR FAMILY TAKAFUL LIMITED	1	2,415,001	2,420,000	2,420,000

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
	2	2,435,001	2,440,000	4,877,726
CDC - TRUSTEE PICIC INVESTMENT FUND	1	2,485,001	2,490,000	2,488,024
SAMBA BANK LIMITED - MT	1	2,680,001	2,685,000	2,684,516
ASKARI BANK LIMITED	1	2,745,001	2,750,000	2,748,000
CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	1	2,895,001	2,900,000	2,895,491
PAK QATAR FAMILY TAKAFUL LIMITED	1	3,020,001	3,025,000	3,025,000
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	1	3,145,001	3,150,000	3,146,208
POLUNIN EMERGING MARKETS SMALL CAP FUND LLC	1	3,200,001	3,205,000	3,202,019
SINDH BANK LIMITED	1	3,230,001	3,235,000	3,231,800
DAWOOD FOUNDATION	1	3,305,001	3,310,000	3,307,845
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	1	3,905,001	3,910,000	3,908,466
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	4,175,001	4,180,000	4,175,800
CDC - TRUSTEE NIT STATE ENTERPRISE FUND	1	5,320,001	5,325,000	5,323,067
VANGUARD EMERGING MARKETS STOCK INDEX FUND	1	5,505,001	5,510,000	5,506,800
ADAMJEE INSURANCE COMPANY LIMITED	1	5,695,001	5,700,000	5,696,595
PAK QATAR FAMILY TAKAFUL LIMITED	1	6,045,001	6,050,000	6,050,000
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	1	6,380,001	6,385,000	6,384,641
PAKISTAN REINSURANCE COMPANY LIMITED	1	8,695,001	8,700,000	8,698,203
JUBILEE LIFE INSURANCE COMPANY LIMITED	1	9,320,001	9,325,000	9,320,835
CDC - TRUSTEE PICIC GROWTH FUND	1	9,910,001	9,915,000	9,911,246
STATE LIFE INSURANCE CORP. OF PAKISTAN	1	10,725,001	10,730,000	10,725,728
Trustee-MCB Employees Pension Fund	1	15,425,001	15,430,000	15,429,000
STATE LIFE INSURANCE CORPN. OF PAKISTAN	1	16,755,001	16,760,000	16,757,409
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	21,185,001	21,190,000	21,187,052
EMPLOYEES OLD AGE BENEFITS INSTITUTION	1	25,220,001	25,225,000	25,224,155
SNGPL EMPLOYEES EMPOWERMENT TRUST	1	27,395,001	27,400,000	27,399,709
NATIONAL BANK OF PAKISTAN	1	27,515,001	27,520,000	27,518,818
PAKISTAN INDUSTRIAL DEVELOPMENT CORP. (PVT) LTD.	1	38,160,001	38,165,000	38,164,538
THE PRESIDENT OF ISLAMIC REPUBLIC OF PAKISTAN	1	200,930,001	200,935,000	200,931,210
	19,186			634,216,665

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

Categories of Shareholders

As of June 30, 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage
Government of Pakistan			
The President of Islamic Republic of Pakistan	1	200,931,210	31.68
Directors and their spouse(s) and minor children			
Mr. Afan Aziz	1	1,000	0.00
Mr. Ahmad Aqeel	1	3,000	0.00
Syed Akhtar Ali	1	500	0.00
Mr. Mohammad Haroon	1	2,500	0.00
Ms. Roohi Raees Khan	1	2,600	0.00
Dr. Sohail Razi Khan	1	2,500	0.00
Associated companies, undertakings and related parties			
	12	29,595,531	4.67
NIT and ICP			
	1	321,147	0.05
Banks, development financial institutions, non-banking financial institutions			
	37	88,669,572	13.98
Insurance companies			
	22	65,949,377	10.40
Modarabas and mutual funds			
	72	45,718,826	7.21
General public			
a. Local	18,187	82,411,070	12.99
b. Foreign	590	1,171,273	0.18
Foreign companies			
	44	19,130,523	3.02
Others			
	214	100,306,036	15.82
TOTAL	19,186	634,216,665	100.00
Share holders holding 10% or more			
The President of Islamic Republic of Pakistan		200,931,210	31.68
All trades in the shares of the Company, carried out by its Directors, CEO, CFO, Company Secretary and their Spouse(s) and minor children during the financial year: (Name-wise detail)			
Mr. Mohammad Haroon			Purchased 2,300

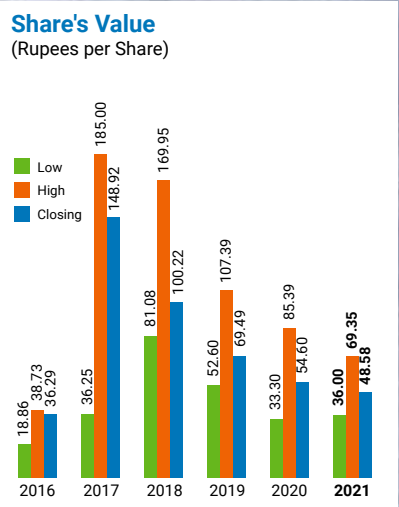
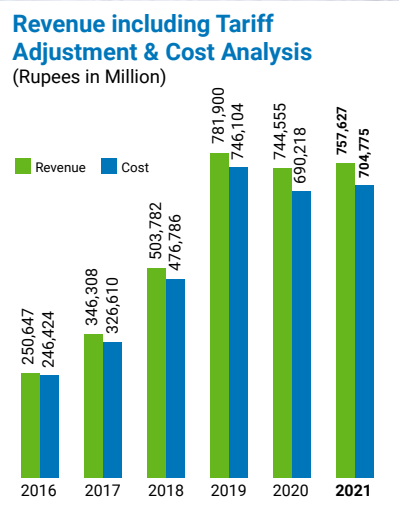
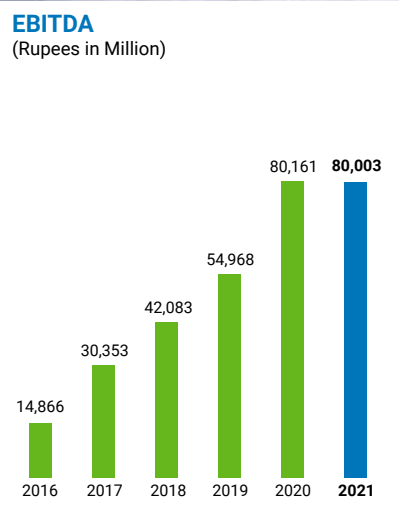
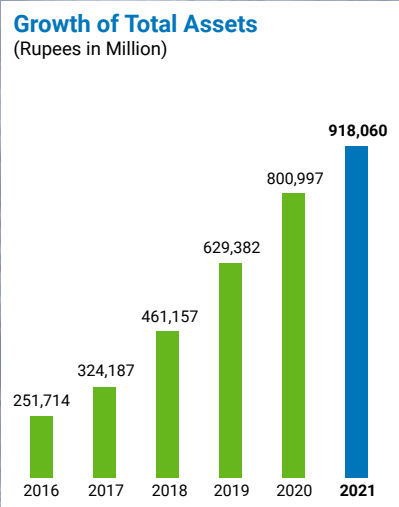
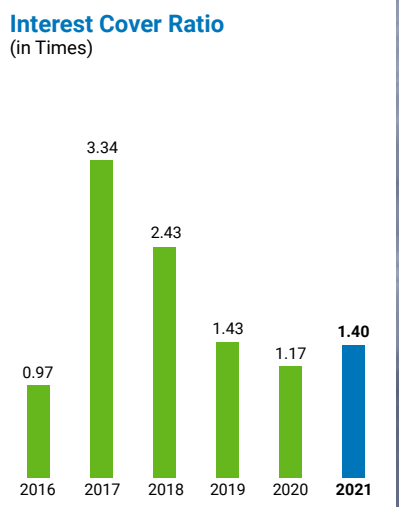
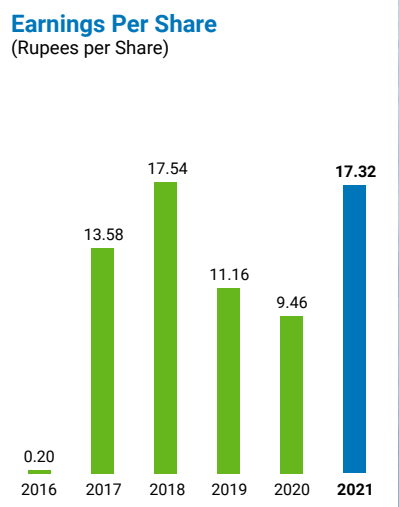
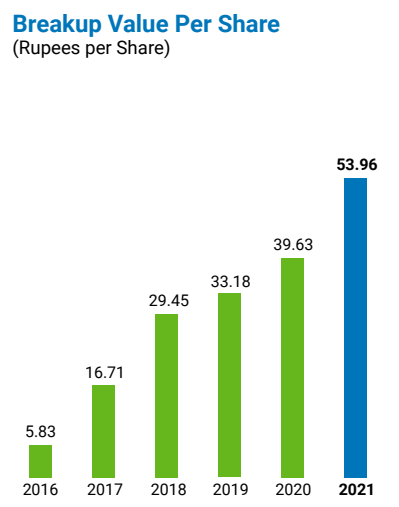
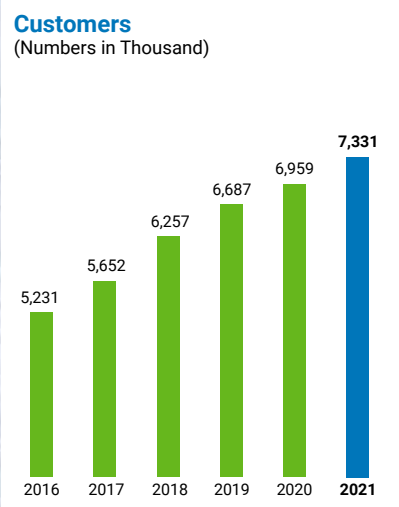
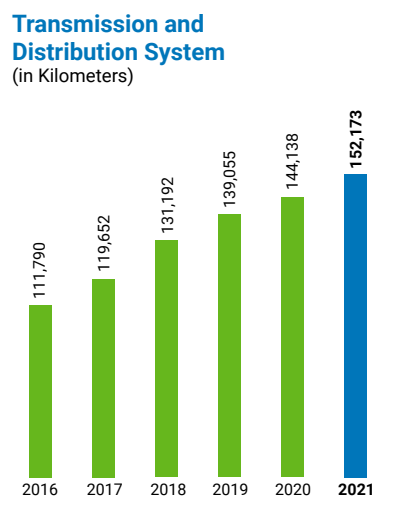
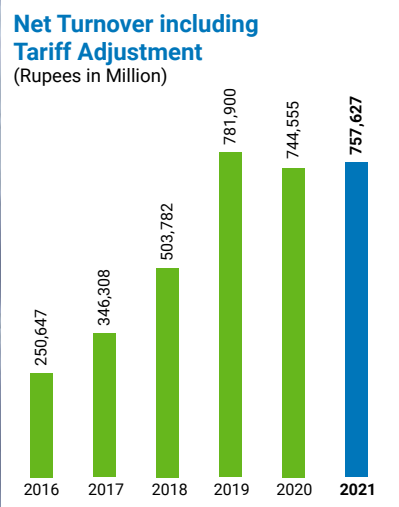
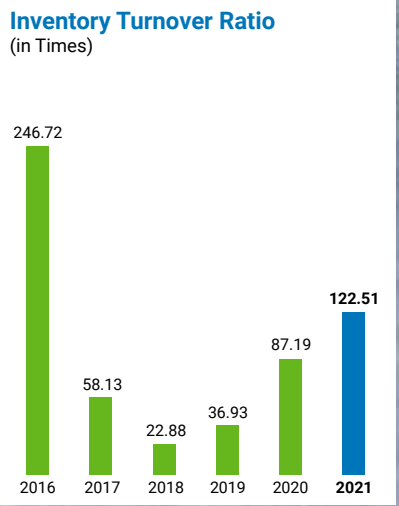
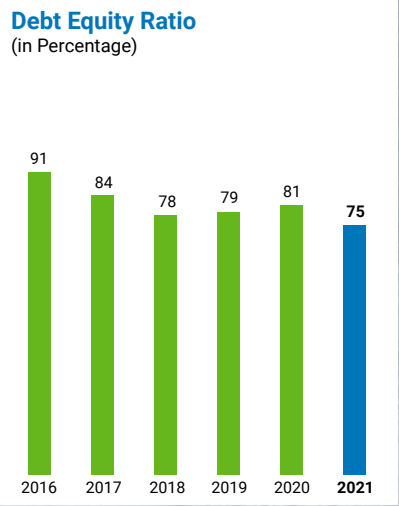
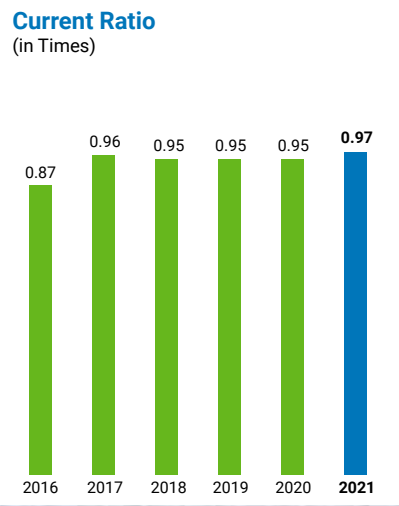
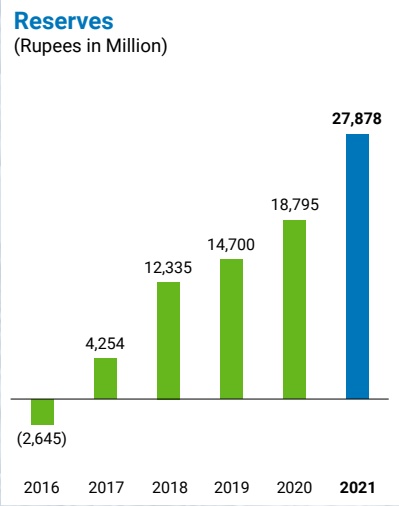
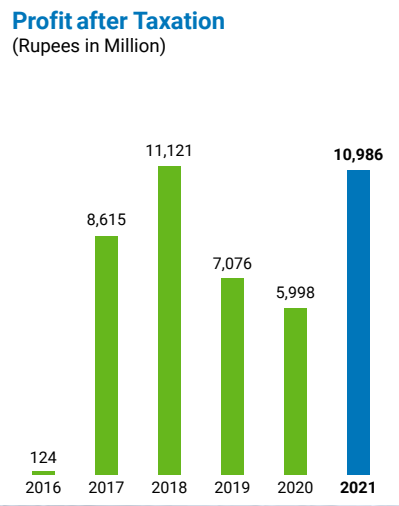
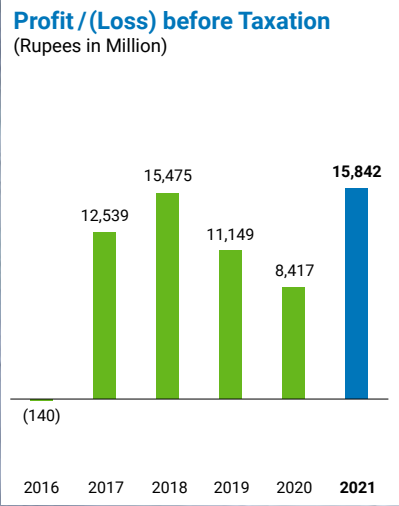


Summary of Six Years

Particulars	Unit	2021	2020	2019	2018	2017	2016
Statement of Profit or Loss							
Net turnover	Rs '000	757,627,055	744,555,413	781,899,964	503,782,390	346,308,284	250,646,588
Gross profit	Rs '000	52,851,737	54,336,916	35,796,009	26,996,739	19,698,652	4,222,419
Operating profit	Rs '000	55,878,729	57,392,621	36,926,064	26,281,556	17,889,719	4,263,133
Profit / (loss) before tax	Rs '000	15,841,904	8,416,931	11,149,217	15,475,401	12,539,199	(139,608)
Profit after tax	Rs '000	10,985,994	5,997,709	7,075,834	11,121,475	8,614,500	124,013
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Rs '000	80,003,424	80,161,381	54,968,097	42,083,377	30,352,804	14,865,666
Statement of financial position							
Share capital	Rs '000	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167
Reserves	Rs '000	27,877,899	18,794,692	14,700,046	12,334,514	4,253,626	(2,644,836)
Property, plant and equipment	Rs '000	214,090,961	205,997,782	200,837,557	190,609,690	164,102,403	136,000,051
Net current liabilities	Rs '000	(22,706,694)	(32,122,169)	(20,896,506)	(13,619,994)	(6,205,190)	(16,713,885)
Long term / deferred liabilities	Rs '000	195,803,286	190,785,806	162,812,183	161,766,344	150,280,396	119,076,582
Summary of cash flows							
Net cash from operating activities	Rs '000	35,740,954	35,320,743	17,339,137	39,589,745	21,876,902	10,954,255
Net cash used in investing activities	Rs '000	(28,132,679)	(23,546,553)	(27,832,011)	(41,582,308)	(38,476,828)	(30,218,519)
Net cash (used in) / from financing activities	Rs '000	(4,667,702)	(11,651,419)	(14,929,727)	2,432,526	18,463,857	19,635,863
Net (decrease) / increase in cash and cash equivalents	Rs '000	2,940,573	122,771	(25,422,601)	439,963	1,863,931	371,599
Investor information for six years							
Profitability ratios:							
Gross profit ratio	%	8.20	8.78	5.23	6.04	6.16	1.76
Net profit to sales	%	1.70	0.97	1.03	2.49	2.69	0.05
EBITDA margin	%	12.41	12.96	8.03	9.42	9.49	6.20
Return on equity	%	37.02	25.98	35.63	75.99	120.54	3.41
Return on capital employed	%	9.67	10.40	8.09	8.90	6.83	1.32
Efficiency ratios							
Operating cycle	Days	98	99	70	67	72	88
Inventory turnover ratio	Times	122.51	87.19	36.93	22.88	58.13	246.72
Debtor turnover ratio	Times	3.82	3.84	6.12	7.20	5.53	4.20
Total asset turnover ratio	Times	0.70	0.77	1.09	0.97	0.99	0.95
Fixed asset turnover ratio	Times	3.01	3.00	3.41	2.34	1.95	1.76
Weighted average cost of debt	%	8.17	9.74	6.96	3.40	2.63	2.67
Investment							
Earnings / (loss) per share (basic and diluted)	Rs/Share	17.32	9.46	11.16	17.54	13.58	0.20
Market value per share	Rs/Share	48.58	54.60	69.49	100.22	148.92	36.29
Share's highest value during the year	Rs/Share	69.35	85.39	107.39	169.95	185.00	38.73
Share's lowest value during the year	Rs/Share	36.00	33.30	52.60	81.08	36.25	18.86
Price earning ratio	Times	2.80	5.77	6.23	5.72	10.96	185.59
Break up value per share	Rs/Share	53.96	39.63	33.18	29.45	16.71	5.83
Cash dividend per share	Rs/Share	7.00	4.00	3.50	7.05	6	-
Leverage							
Debt: equity ratio	%	75	81	79	78	84	91
Dividend yield ratio	%	14.41	7.33	5.04	7.03	4.03	-
Dividend payout ratio	%	40.41	42.30	31.37	40.20	44.17	-
Interest cover ratio	Times	1.40	1.17	1.43	2.43	3.34	0.97
Dividend cover ratio	Times	2.47	2.36	3.19	2.49	2.26	-
Current ratio	Times	0.97	0.95	0.95	0.95	0.96	0.87
Quick / acid test ratio	Times	0.95	0.92	0.92	0.83	0.88	0.84
Statement of value added & how distributed							
Employees as remuneration	Rs '000	21,298,393	18,985,842	17,565,293	17,021,819	15,758,036	11,209,040
Government as taxes	Rs '000	110,074,599	109,460,952	97,627,200	70,710,179	54,395,635	49,800,909
Shareholders as dividends	Rs '000	4,439,517	2,536,867	2,219,758	4,471,227	3,805,300	-
Retained with the business	Rs '000	16,293,834	10,381,711	8,823,931	3,967,856	(4,159,356)	(7,252,518)
Financial charges to providers of finance	Rs '000	40,036,825	48,975,690	25,776,847	10,806,155	5,350,520	4,402,741



Graphical Presentation



Horizontal Analysis

	Jun 30, 16	Jun 30, 17	Jun 30, 18	Jun 30, 19	Jun 30, 20	Jun 30, 21
STATEMENT OF FINANCIAL POSITION ITEMS						
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	100	121	140	148	151	157
Intangible assets	100	75	98	156	82	323
Right of use assets	100	-	-	-	100	100
Deferred taxation	100	59	-	-	-	-
Long term investment	100	100	100	-	-	-
Long term loans	100	114	197	199	204	152
Employee benefits	100	154	352	408	593	599
Long term deposits and prepayments	100	126	271	168	250	367
	100	120	139	147	178	181
CURRENT ASSETS						
Stores and spare parts	100	108	108	141	158	186
Stock in trade-gas in pipelines	100	1062	3247	931	706	484
Trade debts	100	100	115	272	285	298
Loans and advances	100	83	70	118	140	118
Trade deposits and short term prepayments	100	142	199	212	144	87
Interest accrued	100	71	112	215	167	86
Other receivables	100	173	322	535	875	1173
Contract assets	100	-	-	100	-	-
Short term investments	100	100	100	100	100	-
Income tax recoverable - Net	100	78	34	97	79	22
Sales tax recoverable	100	238	702	794	632	467
Cash and bank balances	100	205	397	345	422	580
	100	140	238	378	493	593
TOTAL ASSETS	100	129	183	250	318	365
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Authorized share capital						
(1,500,000,000 ordinary shares of Rs 10 each)	100	100	100	100	100	100
Issued, Subscribed and paid up share capital	100	100	100	100	100	100
Revenue reserves	100	(161)	(466)	(556)	(711)	(1,054)
Total equity	100	287	505	569	680	926
NON-CURRENT LIABILITIES						
Long term financing:						
- Secured	100	143	146	114	89	80
- Unsecured	100	88	73	53	46	32
Lease liability	100	-	-	-	100	100
Security deposits	100	112	127	141	152	161
Deferred Credit	100	126	155	137	133	147
Contract liabilities	100	-	-	100	100	100
Deferred tax	100	-	100	100	100	100
Employee benefits	100	119	62	62	82	92
	100	126	136	137	160	164
CURRENT LIABILITIES						
Trade and other payables	100	127	225	341	435	508
Contract liabilities	100	-	-	100	100	100
Unclaimed dividend	100	-	100	100	100	100
Unpaid dividend	100	-	-	100	-	-
Interest / Mark up accrued	100	114	142	228	380	505
Short term borrowings	100	100	400	2,860	2,984	2,971
Current portion of lease liabilities	100	-	-	-	100	100
Current portion of long term financing	100	292	631	616	501	510
	100	127	218	346	454	534
Total liabilities	100	126	178	245	313	356
TOTAL EQUITY AND LIABILITIES	100	129	183	250	318	365
PROFIT OR LOSS ITEMS						
Gas sales	100	133	186	286	258	269
Add: tariff adjustment	100	242	518	883	1,145	1,027
	100	138	201	312	297	302
Cost of gas sold	100	133	193	303	280	286
Gross profit	100	467	639	848	1,287	1,252
Other operating income	100	92	119	156	161	164
	100	190	255	337	456	449
Less: operating expenses						
- Selling cost	100	82	77	80	92	104
- Administrative expenses	100	135	146	154	152	172
	100	104	105	110	116	132
	100	415	645	925	1,337	1,272
Other operating expenses	100	330	1,189	2,060	1,159	531
Operating profit / (loss)	100	420	616	866	1,346	1,311
Finance cost	100	122	245	585	1,112	909
Profit / (loss) before taxation	100	(8,982)	(11,085)	(7,986)	(6,029)	(11,347)
Taxation	100	(1,489)	(1,652)	(1,545)	(918)	(1,842)
Profit / (loss) after taxation	100	6,946	8,968	5,706	4,836	8,859
Earnings / (loss) per share - basic and diluted (rupees)	100	6,946	8,968	5,706	4,836	8,859

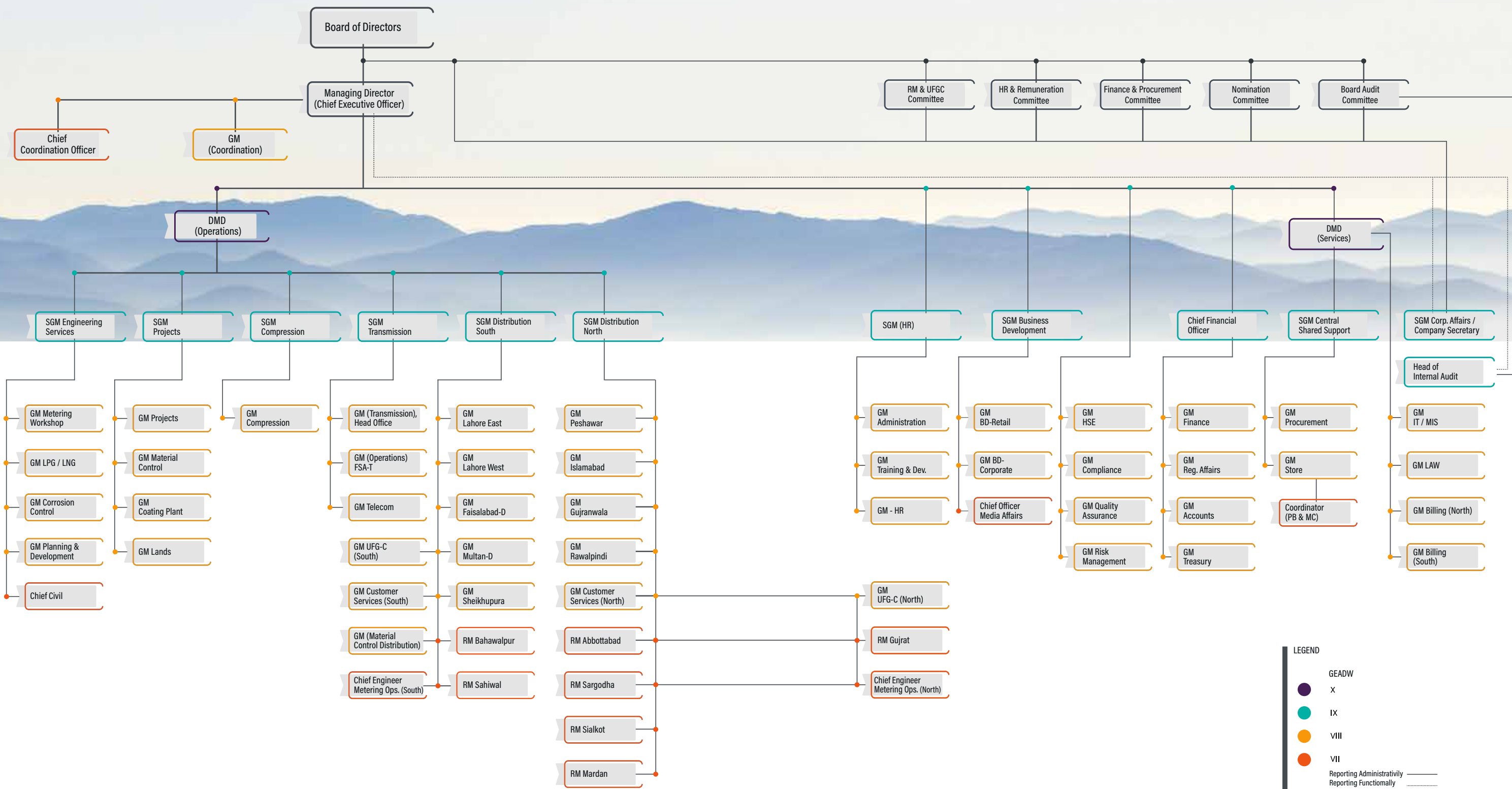
Vertical Analysis

	Jun 30, 16	Jun 30, 17	Jun 30, 18	Jun 30, 19	Jun 30, 20	Jun 30, 21
STATEMENT OF FINANCIAL POSITION ITEMS						
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	54.03	50.62	41.33	31.91	25.72	23.32
Intangible assets	0.05	0.03	0.03	0.03	0.01	0.04
Right of use asset	-	-	-	-	4.61	3.63
Deferred taxation	0.89	0.40	0.00	0.00	0.00	0.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00
Long term loans	0.17	0.15	0.18	0.13	0.11	0.07
Employee benefits	0.28	0.34	0.54	0.46	0.52	0.46
Long term deposits and prepayments	0.00	0.00	0.01	0.00	0.00	0.00
	55.42	51.54	42.08	32.53	30.97	27.53
CURRENT ASSETS						
Stores and spare parts	1.41	1.18	0.83	0.80	0.70	0.72
Stock in trade-gas in pipelines	0.38	3.17	6.81	1.43	0.85	0.51
Trade debts	22.99	17.83	14.38	25.04	20.57	18.76
Loans and advances	0.71	0.46	0.27	0.34	0.32	0.23
Trade deposits and short term prepayments	0.05	0.05	0.05	0.04	0.02	0.01
Interest accrued	0.01	0.00	0.00	0.01	0.00	0.00
Other receivables	15.11	20.33	26.53	32.30	41.54	48.60
Contract assets	0.00	0.00	0.00	0.01	0.00	0.00
Income tax recoverable - Net	1.32	0.80	0.24	0.51	0.33	0.08
Sales tax recoverable	1.90	3.51	7.27	6.03	3.77	2.43
Short term investments	0.00	0.00	0.00	0.00	0.00	0.00
Cash and bank balances	0.71	1.13	1.53	0.98	0.94	1.12
	44.58	48.46	57.92	67.47	69.03	72.47
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Authorized share capital						
(1,500,000,000 ordinary shares of Rs 10 each)						
Issued, Subscribed and paid up share capital	2.52	1.96	1.38	1.01	0.79	0.69
Revenue reserves	(1.05)	1.31	2.67	2.34	2.35	3.04
Total equity	1.47	3.27	4.05	3.34	3.14	3.73
NON-CURRENT LIABILITIES						
Long term financing:						
- Secured	13.68	15.23	10.93	6.25	3.83	2.99
- Unsecured	0.23	0.16	0.09	0.05	0.03	0.02
Lease liability	-	-	-	-	4.20	3.29
Security deposits	13.64	11.90	9.49	7.72	6.53	6.01
Deferred Credit	14.86	14.55	12.55	8.17	6.19	5.98
Contract liabilities	-	-	-	1.76	1.55	1.66
Deferred tax	0.00	0.00	0.36	0.72	0.21	0.14
Employee benefits	4.90	4.53	1.65	1.21	1.27	1.24
	47.31	46.36	35.08	25.87	23.82	21.33
CURRENT LIABILITIES						
Trade and other payables	41.30	40.64	50.67	56.27	56.48	57.55
Contract liabilities	-	-	-	0.04	0.41	0.33
Unclaimed dividend	-	-	0.02	0.02	0.02	0.02
Unpaid dividend	-	-	-	0.12	0.00	0.00
Sales tax Payable	0.00	0.00	0.00	0.00	0.00	0.00
Interest / Mark up accrued	8.80	7.78	6.80	8.02	10.50	12.17
Short term borrowing	0.40	0.31	0.86	4.53	3.71	3.22
Current portion of lease liabilities	-	-	-	0.00	0.77	0.63
Current portion of long term financing	0.73	1.65	2.51	1.79	1.15	1.02
	51.22	50.38	60.87	70.79	73.04	74.94
Total liabilities	98.53	96.73	95.95	96.66	96.86	96.27
TOTAL EQUITY AND LIABILITIES	100.00	100.00	100.00	100.00	100.00	100.00
PROFIT OR LOSS ITEMS						
Gas sales	100.00	100.00	100.00	100.00	100.00	100.00
Add: tariff adjustment	4.59	8.32	12.76	14.21	20.38	17.55
	104.59	108.32	112.76	114.21	120.38	117.55
Cost of gas sold	102.83	102.16	106.72	108.98	111.59	109.35
Gross profit	1.76	6.16	6.04	5.23	8.78	8.20
Other operating income	4.96	3.44	3.17	2.70	3.10	3.03
	6.73	9.60	9.21	7.93	11.88	11.23
Less: operating expenses						
- Selling cost	2.87	1.77	1.18	0.81	1.02	1.11
- Administrative expenses	1.99	2.01	1.56	1.07	1.17	1.27
	4.86	3.78	2.74	1.87	2.19	2.38
	1.87	5.82	6.47	6.06	9.69	8.85
Other operating expenses	0.09	0.23	0.59	0.66	0.41	0.18
Operating profit / (loss)	1.78	5.60	5.88	5.39	9.28	8.67
Finance cost	1.84	1.67	2.42	3.77	7.92	6.21
Profit / (loss) before taxation	(0.06)	3.92	3.46	1.63	1.36	2.46
Taxation	(0.11)	1.23	0.97	0.59	0.39	0.75
Profit / (loss) after taxation	0.05	2.69	2.49	1.03	0.97	1.70

Ten Years at a Glance

(Rupees in thousand)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
STATEMENT OF FINANCIAL POSITION - SUMMARY										
Paid up share capital	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167	5,765,606
Revenue reserves	27,877,899	18,794,692	14,700,046	12,334,514	4,253,626	(2,644,836)	(2,768,849)	(274,130)	3,690,445	15,458,174
Deferred credit	54,873,962	49,568,007	51,390,541	57,854,554	47,168,154	37,405,489	32,142,949	31,168,532	33,118,345	33,315,790
Contract liabilities	15,262,507	12,444,360	11,066,804	-	-	-	-	-	-	-
Non-Current liabilities										
Long term loans outstanding										
- Local	179,775	263,485	303,229	415,232	504,067	569,903	718,778	932,097	1,103,835	1,086,313
- Banking companies	27,455,663	30,700,519	39,330,000	50,420,000	49,359,799	34,425,000	13,500,000	5,500,000	5,000,000	7,500,000
Lease liabilities	30,171,701	33,626,581	-	-	-	-	-	-	-	-
Long term security deposits	55,205,548	52,335,405	48,578,096	43,782,459	38,566,630	34,343,735	32,452,229	29,782,655	22,369,143	20,227,669
Deferred liabilities - taxation	1,266,808	1,678,685	4,503,422	1,676,766	-	-	-	107,968	2,677,154	9,066,835
Employee benefit	11,387,322	10,168,764	7,640,091	7,617,333	14,681,746	12,332,455	9,748,887	6,469,389	5,048,980	3,176,820
Current Liabilities	688,037,096	585,073,938	445,527,126	280,714,218	163,310,619	128,939,602	112,953,347	87,110,028	84,849,817	78,420,597
	918,060,448	800,996,603	629,381,522	461,157,243	324,186,808	251,713,515	205,089,508	167,138,706	164,199,886	174,017,804
Non-Current Assets	252,730,046	248,044,834	204,750,902	194,063,019	167,081,379	139,487,798	116,754,857	106,832,239	100,920,469	95,063,639
Current Assets	665,330,402	552,951,769	424,630,620	267,094,224	157,105,429	112,225,717	88,334,651	60,306,467	63,279,417	78,954,165
	918,060,448	800,996,603	629,381,522	461,157,243	324,186,808	251,713,515	205,089,508	167,138,706	164,199,886	174,017,804
STATEMENT OF PROFIT OR LOSS - SUMMARY										
Sales	644,504,419	618,527,964	684,625,881	446,765,837	319,696,374	239,636,172	190,819,014	206,237,565	224,063,823	230,267,469
Add/(Less) Tariff adjustment/(Gas development surcharge)	113,122,636	126,027,449	97,274,083	57,016,553	26,611,910	11,010,416	21,701,559	14,523,313	(18,401,776)	(13,615,152)
Net Sales	757,627,055	744,555,413	781,899,964	503,782,390	346,308,284	250,646,588	212,520,573	220,760,878	205,662,047	216,652,317
Cost of Gas sold	704,775,318	690,218,497	746,103,955	476,785,651	326,609,632	246,424,169	210,374,232	220,127,339	221,012,785	209,422,514
Gross profit	52,851,737	54,336,916	35,796,009	26,996,739	19,698,652	4,222,419	2,146,341	633,539	(15,350,738)	7,229,803
Other operating income	19,513,400	19,163,723	18,512,175	14,159,487	10,992,947	11,896,988	10,525,247	9,752,046	15,541,298	9,104,253
	72,365,137	73,500,639	54,308,184	41,156,226	30,691,599	16,119,407	12,671,588	10,385,585	190,560	16,334,056
Expenditure										
Operating Expenses	15,314,143	13,547,111	12,833,101	12,248,552	12,072,161	11,635,404	11,630,537	10,774,289	9,324,383	7,243,523
Expected credit loss	370,386	1,853,633	1,505,879	-	-	-	-	-	-	-
Finance Cost	40,036,825	48,975,690	25,776,847	10,806,155	5,350,520	4,402,741	3,982,728	5,005,457	6,100,239	3,412,328
Other charges	801,879	707,274	3,043,140	2,626,118	729,719	220,870	421,332	94,563	500,917	937,320
	56,523,233	65,083,708	43,158,967	25,680,825	18,152,400	16,259,015	16,034,597	15,874,309	15,925,539	11,593,171
Profit / (loss) before taxation	15,841,904	8,416,931	11,149,217	15,475,401	12,539,199	(139,608)	(3,363,009)	(5,488,724)	(15,734,979)	4,740,885
Provision for taxation	4,855,910	2,419,222	4,073,383	4,353,926	3,924,699	(263,621)	(868,509)	(1,524,149)	(5,985,890)	1,696,889
Profit / (loss) after taxation	10,985,994	5,997,709	7,075,834	11,121,475	8,614,500	124,013	(2,494,500)	(3,964,575)	(9,749,089)	3,043,996
Earnings / (Loss) per share (Basic)/(Rupees)	17.32	9.46	11.16	17.54	13.58	0.20	(3.93)	(6.25)	(15.37)	4.80
Dividend (%)	70.00	40.00	35.00	70.50	60	-	-	-	-	25
Bonus shares (%)	-	-	-	-	-	-	-	-	-	10
Number of employees - Operation	8,463	8,569	8,567	8,654	8,764	8,819	8,772	8,696	8,991	8,509
- Project	246	303	314	407	420	384	290	288	303	291
	8,709	8,872	8,881	9,061	9,184	9,203	9,062	8,984	9,294	8,800
Gas Sales (MMCF)	709,985	649,946	755,098	670,644	615,003	534,922	463,393	506,355	552,272	597,056
Consumers (in Numbers)	7,330,880	6,998,301	6,727,073	6,296,662	5,691,743	5,271,039	5,021,956	4,766,715	4,486,189	4,174,342
Customers (in Numbers)										
Industrial	6,124	6,052	5,991	5,871	5,755	5,754	6,453	6,453	6,559	6,628
Commercial	61,334	59,931	58,822	56,299	53,553	53,271	54,047	53,957	56,212	55,906
Domestic	7,263,422	6,892,906	6,622,551	6,194,783	5,592,726	5,172,305	4,921,747	4,666,596	4,383,709	4,151,518
	7,330,880	6,958,889	6,687,364	6,256,953	5,652,034	5,231,330	4,982,247	4,727,006	4,446,480	4,214,052
TRANSMISSION AND DISTRIBUTION SYSTEM (in Kilometers)										
Transmission mains	9,175	9,138	8,948	8,867	8,637	7,941	7,818	7,738	7,675	7,653
Distribution mains and services	142,998	135,000	130,106	122,325	111,015	103,849	97,300	95,855	93,646	87,796
	152,173	144,138	139,055	131,192	119,652	111,790	105,118	103,593	101,321	95,449

Organizational Structure



SNGPL Head Office & Regional Offices



Head Office

📍 21, Kashmir Road, Lahore
☎ 042-99082000, 042-99082006
📠 042-99201369, 042-99201302
🌐 www.sngpl.com.pk

Regional Offices

Abbottabad

Jub Pul, P.O. Jhangi,
Main Mansehra Road.
Tel: 0992-9310071 -72
0992-9310077-78

Bahawalpur

6-A-D, Model Town-A.
Tel: 062-9255022-24

Faisalabad

Sargodha Road.
Tel: 041-9210033-35

Gujranwala

M. A. Jinnah Road.
Tel: 055-9200480-84

Gujrat

State Life Building,
120 & 121, GT Road.
Tel: 053-9260322
053-9260325

Islamabad

Plot 28-30, Sector I-9,
Industrial Area.
Tel: 051-9257711-19

Lahore (East & West)

21-Industrial Area,
Gurumangat Road,
Gulberg III.
Tel: 042-992633161
042-992633180

Mardan

Riffat Mahal, Main
Nowshera Road,
Near Mardan
Industrial Estate.
Tel: 0937-880018

Multan

Piran Ghaib Road.
Tel: 061-9220081
061-9220084-86

Peshawar

Plot No-33, Sector B-2,
Phase-V, Hayatabad.
Tel: 091-9217748-50

Rawalpindi

Al-Mansha Plaza,
Main G.T Road,
Opposite IESCO Office,
Mohra Nagyal.
Tel: 051-4917277-78

Sahiwal

79-A, 79-B, Canal Colony,
Farid Town Road.
Tel: 040-9200093

Sargodha

15 - Muslim Town,
New Satellite Town.
Tel: 048-3224401

Sheikhupura

Rajput House,
Main Sargodha Road,
Near Punjab Collage,
Nabi Pura.
Tel: 056-3791644-45

Sialkot

Wahid Road, Malkay Kalan,
Off. Marala Road.
Tel: 052-3251350
052-3557172

Wah Cantt

Gudwal Link Road.



Audited Financial Statements

for the year ended June 30, 2021

Independent Auditor’s Review Report

to the Members of Sui Northern Gas Pipelines Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance and Public Sector Companies (Corporate Governance) Rules, 2013 (both herein referred to as ‘Codes’) prepared by the Board of Directors of **Sui Northern Gas Pipelines Limited** for the year ended June 30, 2021 to comply with the requirements of Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Codes is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Codes. A review is limited primarily to inquiries of the Company’s personnel and review of various documents prepared by the Company to comply with the Codes.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors’ statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company’s corporate governance procedures and risks.

The Codes require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm’s length transactions and transactions which are not executed at arm’s length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm’s length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations and Rules as applicable to the Company for the year ended June 30, 2021.



Chartered Accountants

Engagement Partner:

Rana M. Usman Khan

Lahore

Dated: July 06, 2022

This page intentionally left blank

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Sui Northern Gas Pipelines Limited (the Company) which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company’s affairs as at June 30, 2021 and of the profit, comprehensive income, cash flows and changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the Note 28.3 to the financial statements which explains that the settlement of circular debt, including tariff adjustment (refer note 31 and note 36) is dependent upon the resolution of intercorporate balances by the Government of Pakistan, and increase in gas prices or subsidy by the Government of Pakistan to the Company.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key Audit Matters	How the matter was addressed in our audit
1. Recognition of tariff adjustment on deferments / disallowances determined by the Oil and Gas Regulatory Authority (OGRA)	
As referred to in note 31 to the financial statements, the Company has recognized tariff adjustment on indigenous gas and RLNG, aggregating to Rs. 54,131 million (2020: 81,329 million) and Rs. 58,991 million (2020: 44,698 million), respectively, for the year ended June 30, 2021 in the statement of profit or loss and Rs. 319 million (2020: Rs. 893 million) in the statement of comprehensive income	Our audit procedures amongst others included the following:
The tariff adjustment on indigenous gas includes an amount of Rs. 25, 852 million on account of various items /expenses which have either been deferred or disallowed by the OGRA on different grounds in FRR 2020-21. The aggregate amounts deferred / disallowed by the OGRA in this respect is Rs. 78,179 million and Rs. 4,452 million for indigenous gas and RLNG respectively as at June 30, 2021. This aggregate balance includes Rs. 78,743 million on account of interest accrued on delayed payments to Government owned entities for gas purchases which has been pended by OGRA till the eventual payment / settlement of circular debt by Government of Pakistan.	<ul style="list-style-type: none">Developed an understanding of the Company's regulatory environment being governed by the regulator i.e. the OGRA;Reviewed the decision of OGRA on FRR for the year 2020-21 and Motion for Review related to FRR 2019-20 to develop our understanding of the Company's revenue requirements and related disallowances / deferments;Discussed the basis of the judgement taken by the management to recognize the deferments / disallowances in the tariff adjustment account and discussed the basis of the review appeal to be filed by the management with the OGRA;Reviewed prior periods FRR decisions issued by the OGRA, relating to the Company, to check the appropriateness of management's judgment; andReviewed the appropriateness of the disclosures made in respect of the aforesaid matter in the financial statements and matched / reconciled the figures of the disclosure with the FRR.
However, the Company has recognized tariff adjustment on such deferments / disallowances in the financial statements as the management believes that such deferments / disallowances are against the past practices and the claims of the Company are legitimate. The Company is also in the process of filing a review appeal against the Final Revenue Requirement (FRR) decision by the OGRA and is confident of favorable outcome.	
Considering the significance of the amounts involved and judgments taken by the management, we have identified it as a Key Audit Matter.	

Key Audit Matters	How the matter was addressed in our audit
2. Revenue recognition under “Take or Pay” arrangements	
<p>The Company has recognized revenue of Rs. 1,542 million during the year under “Take or Pay” (“ToP”) arrangements with M/s Quaid-e-Azam Thermal Power (Private) Limited (“QATPL”) and M/s National Power Parks Management Company Limited (“NPPMCL”) (collectively referred to as Government Power Producers (“GPPs”)) whereas the total revenue recognized in this respect from July 01, 2017 to June 30, 2021 amounts to Rs 25,530 million. As explained in Note 35.1 to the financial statements, the GPPs disputed the invoices under ToP arrangements on various grounds and filed a writ petition with the Honorable Lahore High Court (“LHC”). The LHC on June 22, 2018 directed that the disputed invoices should be dealt with in accordance with the dispute resolution mechanism available in the Gas Sales Agreements (GSAs). In light of section 18.1 of the GSAs, various attempts were made to settle this dispute by mutual discussions, but the matter remained unresolved. As required under section 18.2 of the GSAs, the dispute was thereafter referred to an Expert, after mutual consent of the parties involved, on October 09, 2018.</p> <p>After the Expert recommendation dated September 14, 2019 in favor of the Company, the two GPPs have disputed this matter and referred to “London Court of International Arbitration” (“LCIA”), and the matter is presently, pending adjudication. Subsequent to year-end, on December 12, 2021, the sole arbitrator has decided the NPPMCL’s both cases against the Company. However, the matter of QATPL is still pending for adjudication.</p> <p>Being aggrieved by the decision of the arbitrator in NPPMCL’s cases, the Company has preferred appeals in the High Court of Justice, London on January 06, 2022. Now, the cases against NPPMCL are pending at High Court of Justice, London for adjudication.</p> <p>Due to the significance of amounts involved, element of uncertainty because of ongoing arbitration proceedings, we have considered revenue recognition under ToP arrangements as a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Obtained and reviewed the agreements entered with QATPL and NPPMCL with respect to take or pay and arbitration clauses.• Reviewed the invoices raised by the Company to the customers under ToP arrangements and assessed whether the same are in accordance with the requirements of GSAs;• Reviewed the decision of LHC and the claims submitted by the Company’s legal counsel to the Expert pursuant to the aforesaid decision to understand the position taken by the Company in respect of this matter;• Reviewed the recommendation determination of the Expert to understand the basis of the Expert’s determination in arriving at our assessment of the reasonableness of the Company’s position for revenue recognition and determined the impact on the audit report;• Obtained and reviewed the legal opinion from the Company’s legal advisor defending the case in LCIA / High Court of Justice, London;• Obtained and reviewed the arbitration award of LCIA;• Obtained and reviewed the appeal filed in the High Court of Justice, London; and• Reviewed and assessed the adequacy of disclosures made in the financial statements.

Key Audit Matters	How the matter was addressed in our audit
3. Contingent taxation liabilities	
<p>As discussed in Note 19.1.1 to the accompanying financial statements, the Company has significant contingent liabilities in respect of various income and sales tax matters, which are pending adjudication at various levels with appellate authorities.</p> <p>Such disputes and uncertain tax positions require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure, recognition and measurement of any provision that may be required against such contingencies.</p> <p>Due to significance of the amounts involved, inherent uncertainties with respect to outcome of the matters and the use of significant management judgments and estimates to assess the same including related financial impacts, we have considered contingent liabilities relating to income and sales tax, a Key Audit Matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">• Obtained and reviewed details of the pending tax matters and discussed the same with the Company’s management;• Circularized confirmations to the Company’s external legal and tax counsels for their views on open tax assessments and the matters under adjudication;• Reviewed correspondence of the Company with the relevant authorities including significant judgments or orders passed by the relevant authorities in relation to the issues involved;• Involved in-house tax specialists to review the reasonableness of management’s conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and tax advisors engaged by the Company; and• Reviewed appropriateness of the disclosures made in the financial statements in respect of such contingent liabilities.

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017(XIX of 2017)
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company’s business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor’s report is Rana M. Usman Khan.



Chartered Accountants

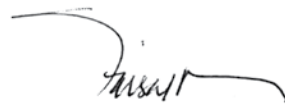
Lahore
Date: July 06, 2022

Statement of Financial Position

As at June 30, 2021

	Note	2021 (Rupees in thousand)	2020
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	5	6,342,167	6,342,167
Revenue reserves	6	27,877,899	18,794,692
		34,220,066	25,136,859
Non-current liabilities			
Long term financing:			
- Secured	7	27,455,663	30,700,519
- Unsecured	8	179,775	263,485
Lease liabilities	9	30,171,701	33,626,581
Security deposits	10	55,205,548	52,335,405
Deferred grant	11	54,873,962	49,568,007
Contract liabilities	12	15,262,507	12,444,360
Deferred taxation	13	1,266,808	1,678,685
Employee benefits	14	11,387,322	10,168,764
		195,803,286	190,785,806
Current liabilities			
Trade and other payables	15	528,308,720	452,394,419
Current portion of contract liabilities	12	3,069,917	3,307,064
Unclaimed dividend		156,270	164,753
Interest / mark-up accrued on loans and other payables	16	111,748,560	84,130,770
Short term borrowing - secured	17	29,598,829	29,724,262
Current portion of lease liabilities	9	5,793,832	6,168,520
Current portion of long term financing	18	9,360,968	9,184,150
		688,037,096	585,073,938
Contingencies and commitments			
	19	-	-
		918,060,448	800,996,603

The annexed notes 1 to 55 form an integral part of these financial statements.


Faisal Iqbal
 Chief Financial Officer


Ali J. Hamdani
 Managing Director / CEO


Roohi Raees Khan
 Chairperson

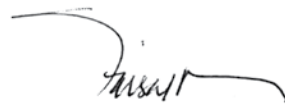
	Note	2021 (Rupees in thousand)	2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	20	214,090,961	205,997,782
Intangible assets	21	384,441	96,952
Right of use assets	22	33,357,784	36,887,464
Long term loans	23	634,709	850,985
Employee benefits	24	4,228,901	4,188,995
Long term deposits and prepayments	25	33,250	22,656
		252,730,046	248,044,834
Current assets			
Stores and spare parts	26	6,586,057	5,590,637
Stock-in-trade	27	4,680,416	6,824,823
Trade debts	28	172,259,997	164,761,685
Loans and advances	29	2,121,511	2,526,672
Trade deposits and short term prepayments	30	98,576	163,007
Accrued interest		12,683	24,643
Other receivables	31	446,203,831	332,744,624
Contract assets	32	13,079	-
Sales tax recoverable		22,298,022	30,166,534
Income tax receivable		728,171	2,631,325
Investments	33	-	4,900
Cash and bank balances	34	10,328,059	7,512,919
		665,330,402	552,951,769
		918,060,448	800,996,603

Statement of Profit or Loss

for the year ended June 30, 2021

	Note	2021 (Rupees in thousand)	2020
Revenue from contracts with customers - gas sales	35	644,504,419	618,527,964
Add: Tariff adjustment	36	113,122,636	126,027,449
		757,627,055	744,555,413
Less: Cost of gas sales	37	704,775,318	690,163,551
Gross profit		52,851,737	54,391,862
Add: Other operating income	38	19,513,400	19,163,723
		72,365,137	73,555,585
Less: Operating expenses			
Selling cost	39	7,136,757	6,512,509
Administrative expenses	40	8,177,386	7,089,548
Other operating expenses	41	801,879	707,274
Impairment of financial asset		370,386	1,853,633
		16,486,408	16,162,964
Operating profit		55,878,729	57,392,621
Less: Finance cost	42	40,036,825	48,975,690
Profit before taxation		15,841,904	8,416,931
Less: Taxation	43	4,855,910	2,419,222
Profit for the year		10,985,994	5,997,709
Earnings per share - basic and diluted - (Rs.)	44	17.32	9.46

The annexed notes 1 to 55 form an integral part of these financial statements.


Faisal Iqbal
Chief Financial Officer


Ali J. Hamdani
Managing Director / CEO


Roohi Raees Khan
Chairperson

Statement of Comprehensive Income

for the year ended June 30, 2021

	2021 (Rupees in thousand)	2020
Profit for the year	10,985,994	5,997,709
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit plans - net	(1,212,907)	(3,573,827)
Tariff adjustment with respect to remeasurement of IAS-19 by the OGRA	319,450	893,457
	(893,457)	(2,680,370)
Tax effect	259,103	777,307
	(634,354)	(1,903,063)
Items to be reclassified to profit or loss in subsequent periods	-	-
Total comprehensive income for the year	10,351,640	4,094,646

The annexed notes 1 to 55 form an integral part of these financial statements.


Faisal Iqbal
Chief Financial Officer


Ali J. Hamdani
Managing Director / CEO

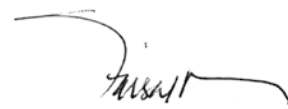

Roohi Raees Khan
Chairperson

Statement of Changes in Equity

for the year ended June 30, 2021

	Share Capital	Revenue Reserves				Total share holders' equity
		General Reserve	Dividend Equalization Reserve	Unappropriated Profit/(loss)	Total	
	(Rupees in thousand)					
Balance as at July 01, 2019	6,342,167	4,127,682	480,000	10,092,364	14,700,046	21,042,213
Profit for the year	-	-	-	5,997,709	5,997,709	5,997,709
Other comprehensive income for the year	-	-	-	(1,903,063)	(1,903,063)	(1,903,063)
Total comprehensive income for the year	-	-	-	4,094,646	4,094,646	4,094,646
Balance as at June 30, 2020	6,342,167	4,127,682	480,000	14,187,010	18,794,692	25,136,859
Transactions with owners, recognised directly in equity:						
Final dividend for the year ended June 30, 2019						
@ Rupees 2 per share	-	-	-	(1,268,433)	(1,268,433)	(1,268,433)
Profit for the year	-	-	-	10,985,994	10,985,994	10,985,994
Other comprehensive income for the year	-	-	-	(634,354)	(634,354)	(634,354)
Total other comprehensive income for the year	-	-	-	10,351,640	10,351,640	10,351,640
Balance as at June 30, 2021	6,342,167	4,127,682	480,000	23,270,217	27,877,899	34,220,066

The annexed notes 1 to 55 form an integral part of these financial statements.



Faisal Iqbal
Chief Financial Officer



Ali J. Hamdani
Managing Director / CEO



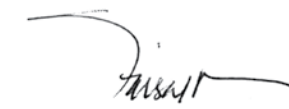
Roohi Raees Khan
Chairperson

Statement of Cash Flows

for the year ended June 30, 2021

		2021	2020
	Note	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	45	35,152,416	47,919,433
Finance cost paid		(7,696,726)	(10,094,315)
Taxes paid		(3,105,530)	(3,888,697)
Employee benefits / contributions paid		(3,023,436)	(4,879,329)
Increase in security deposits		2,870,143	3,757,309
Receipts against government grants and consumer contributions		11,388,825	2,587,339
Increase in long term loans		165,856	(73,544)
(Increase) / decrease in long term deposits and prepayments		(10,594)	(7,454)
Net cash generated from operating activities		35,740,954	35,320,742
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(28,089,432)	(24,118,340)
Expenditure on intangible assets		(485,089)	(4,454)
Proceeds from sale of property, plant and equipment		126,753	51,186
Proceeds from sale of short term investments		4,900	-
Return on bank deposits		310,189	525,055
Net cash used in investing activities		(28,132,679)	(23,546,553)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing - secured		6,041,000	380,692
Repayment of long term financing - secured		(9,063,850)	(11,090,000)
Repayment of long term financing - unsecured		(145,503)	(91,476)
Repayment of lease liability		(222,433)	(174,353)
Dividend paid		(1,276,916)	(676,281)
Net cash used in financing activities		(4,667,702)	(11,651,418)
Net increase in cash and cash equivalents		2,940,573	122,771
Cash and cash equivalents at the beginning of the year		(22,211,343)	(22,334,114)
Cash and cash equivalents at the end of the year	45.2	(19,270,770)	(22,211,343)

The annexed notes 1 to 55 form an integral part of these financial statements.



Faisal Iqbal
Chief Financial Officer



Ali J. Hamdani
Managing Director / CEO



Roohi Raees Khan
Chairperson

Notes to the Financial Statements

for the year ended June 30, 2021

1. THE COMPANY AND ITS OPERATIONS

Sui Northern Gas Pipelines Limited (the Company) is a public limited company incorporated in Pakistan on June 17, 1963 under the Companies Act, 1913 (now Companies Act, 2017) and listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is the purchase, transmission, distribution and supply of natural gas. The registered office of the Company is situated at 21 Kashmir Road, Lahore. The Company’s pipe coating plant is situated at Uch Sharif, Bahawalpur. The addresses of other regional offices of the Company are as follows:

Region	Address
Abbottabad	Jub Pul. PO Jhangi, Main Mansehra Road, Abbottabad.
Bahawalpur	6-A-D, Model Town-A, Bahawalpur.
Faisalabad	Sargodha Road, Faisalabad.
Gujranwala	M.A. Jinnah Road, Gujranwala.
Sialkot	Wahid Road, Malkay Kalan, Off. Marala Road, Sialkot.
Gujrat	State Life Building, 120 and 121, G.T. Road, Gujrat.
Islamabad	Plot No. 28-30, I-9 Industrial Area, Islamabad.
Rawalpindi	Al-Mansha Plaza, Opp. LESCO Office, Main G.T. Road, Rawalpindi.
Lahore (east and west)	21-Industrial Area, Gulberg-III, Lahore.
Multan	Piran Ghaib Road, Multan.
Peshawar	Plot No. 33, Sector B-2M, Hayatabad, Peshawar.
Mardan	Riffat Mehal, Near Mardan Industrial Estate, Main Nowshera Road, Mardan.
Sahiwal	79-A and 79-B, Canal Colony, Sahiwal.
Sargodha	House No. 15, Muslim Town, Sargodha.
Sheikhupura	Main Sargodha Road, Near Punjab College, Sheikhupura.
Wah	Gudwal Link Road, Wah Cantt.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- i) International Financial Reporting Standards (‘IFRS Standards’) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the Company’s financial statements.

2.2.1 Standards, amendments to published standards and interpretations that are effective in current year and are relevant to the Company’s operations

Following amendments to published approved accounting standards are mandatory for the Company’s accounting periods beginning on or after 01 July 2020:

- IAS 1 (Amendments) ‘Presentation of Financial Statements’ and IAS 8 (Amendments) ‘Accounting Policies, Changes in Accounting Estimates and Errors’;
- International Accounting Standards Board’s revised Conceptual Framework – March 2018

- IFRS 16 (Amendments) ‘Leases’;
- Interest Rate Benchmark Reform which amended IFRS 9 ‘Financial Instruments’, IAS 39 ‘Financial Instruments: Recognition and Measurement’ and IFRS 7 ‘Financial Instruments: Disclosures’.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan, would be effective from the dates mentioned below and have not been adopted early by the Company:

- Amendments to IAS 1 ‘Presentation of Financial Statements’ (effective for annual periods beginning on or after January 01, 2023). These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity’s right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’.
- Amendments to IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets (effective for annual periods beginning on or after January 01, 2022). These amendments amends IAS 1 ‘Presentation of Financial Statements’ by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- Amendments to IAS 16 ‘Property, Plant and Equipment (effective for annual periods beginning on or after January 01, 2022). These amendments clarify that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 ‘Inventories’. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Disclosure of Accounting Policies (Amendments to IAS 1 ‘Presentation of Financial Statements’ and IFRS Practice Statement 2 ‘Making Materiality Judgement’) effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its ‘significant accounting policies’ in their financial statements. These amendments shall assist the entities to disclose their ‘material accounting policies’ in their financial statements.
- Covid-19-Related Rent Concessions (Amendment to IFRS 16 ‘Leases’) effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a lessee to apply the practical expedient

Notes to the Financial Statements

for the year ended June 30, 2021

regarding COVID-19-related rent concessions. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.
- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 01 January 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

Annual Improvements to IFRS standards 2018-2020 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10%' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 'Leases' – The amendment partially amends illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

The above amendments are effective from annual period beginning on or after January 01, 2022 and are not likely to have any significant impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2021:

IFRS 1 – First Time Adoption of International Financial Reporting Standards; and

IFRS 17 – Insurance Contracts.

2.2.3 Exemptions from applicability of certain standards and interpretations to standards

- IFRS 2 (amendment) - 'Share-based payment-Group Cash-settled Share-base Payment Transactions' effective for annual period beginning on or after January 01, 2010.

The IASB amended IFRS 2 whereby an entity receiving goods or services is to apply this IFRS in accounting for group cash settled share based payment transactions in its financial statements when that entity has no obligation to settle the share-based payment transaction.

On August 14, 2009, the Government of Pakistan (GOP) launched "Benazir Employee Stock Option Scheme" (the Scheme) for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises where GOP holds significant investments (non-SOEs). The scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The scheme provides for cash payments to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GOP shall transfer 12% of its investments in such SOEs and non-SOEs to a Trust Fund to be created for the purpose by each of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GOP.

The scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatization Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GOP. The Scheme developed in compliance with the stated GOP policy of empowerment of employees of State Owned Enterprises need to be accounted for by the covered entities, including the Company, under the provisions of amended IFRS 2. However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, the Securities & Exchange Commission of Pakistan (SECP) on receiving representations from some of the entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan has granted exemption to such entities from the application of IFRS 2 to the Scheme vide S.R.O 587(I)/2011 dated June 07, 2011.

Had the exemption not been granted, the staff costs of the Company for the year would have been lower by Rs. 142,794 thousand (2020: lower by Rs. 353,190 thousand) and reserves would have been higher by Rs. 1,152,314 thousand (2020: higher by Rs. 1,295,108 thousand). However, there will be no impact on profit after taxation, EPS and retained earning as the Company's management believes that this impact is a pass through item which will be eventually adjusted against gas development surcharge or tariff adjustment as explained in note 4.20 to these financial statements.

- IFRS 9 - Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after July 01, 2018. The application of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL).

The Securities and Exchange Commission of Pakistan (SECP) vide its Circular No. 985 (I)/2019 dated September 02, 2019 and its clarification vide its letter No. EMD/233/414/2002 dated September 13, 2019 to the Company and vide S.R.O. 1177 (I)/2021 dated September 13, 2021 has exempted the application of IFRS 9 with respect to recognition requirements of Expected Credit Losses on financial assets due from Government of Pakistan or ultimately due from the Government of Pakistan (including receivables in context of circular debt) till June 30, 2022, provided that such companies shall follow relevant requirements of IAS 39, in respect of such financial assets.

Consequently, the Company has also been exempted from the application of IFRS 9 with respect to ECL method on financial assets due from Government of Pakistan, while preparing its financial statements. Accordingly, there is no ECL recorded on the financial assets due from the GOP in these financial statements.

Notes to the Financial Statements

for the year ended June 30, 2021

- IFRS 14 'Regulatory Deferral Accounts' effective for annual periods beginning on or after July 01, 2019. IFRS 14 is intended to encourage rate-regulated entities to adopt IFRS while bridging the gap with similar entities that already apply IFRS, but which do not recognize regulatory deferral accounts. This would be achieved by requiring separate presentation of the regulatory deferral account balances (and movements in these balances) in the statement of financial position, statement of profit or loss and statement of comprehensive income.

Further, the Standard also requires to disclose multiple earnings per share. The Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SMD/PRDD/2(316)/2021/105 dated June 15, 2021 has granted exemption to the Company for a period of upto three years i.e. upto financial year ended June 30, 2022 from the application of IFRS 14. Had the Company applied IFRS 14, the effects on the financial statements would have been as follows:

	2021 (Rupees in thousand)	2020
Effect on statement of profit or loss		
(Decrease) / Increase in		
Tariff adjustment	(113,122,636)	(126,027,449)
Net movement in regulatory deferral account balances	113,122,636	126,027,449
Loss for the year before net movement in regulatory deferral account would have been	(102,136,642)	(120,029,740)
Effect on the earnings / (Loss) per share - (Rs.)		
basic and diluted	(161.04)	(189.26)
basic and diluted including net movement in regulatory deferral account	17.32	9.46
Effect on statement of financial position		
(Decrease) / increase in:		
Other receivable	(446,134,318)	(332,692,232)
Regulatory deferral account	446,134,318	332,692,232

3. BASIS OF MEASUREMENT

3.1 Presentation and functional currency

The financial statements are presented in Pak Rupees, which is also the Company's functional and presentation currency.

3.2 Significant accounting estimates

These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value. The Company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies, management considers critical because of their complexity, judgment or estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of

judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- i) Employee benefits - note 4.5, 14.8 and 24.8
- ii) Provision for taxation - note 4.4 and 43
- iii) Useful life and residual values of property, plant and equipment - note 4.8 and 20.1
- iv) Right-of-use assets and corresponding lease liability - note 4.10, 9 and 22
- v) Impairment of financial assets - note 4.19, 28 and 32
- vi) Impairment of non-financial assets - note 4.8, 4.9, 20 and 21
- vii) Tariff adjustment - recognition of disallowances determined by the OGRA - note 4.20, 31 and 36.

i) Employee benefits

The Company operates various defined benefit plans for its executive and non executive employees and recognizes deferred liabilities in respect of pension, gratuity, medical, free gas facility and accumulated compensated absences. These calculations require assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and pension benefit levels, medical benefit rate and the discount rate used to convert future cash flows to current values. The assumptions used vary for the different plans as they are determined by independent actuaries annually. Calculations are sensitive to changes in the underlying assumptions. The valuation is based on assumptions as mentioned in note 4.5, 14.8 and 24.8.

ii) Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Deferred tax is calculated at the rates that are expected to apply to the period when the difference reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences, unused tax losses and tax credits to the extent that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. The recoverability of deferred tax assets are analyzed at each reporting period end and adjusted if considered necessary with a corresponding effect on deferred tax charge / income for the period.

iii) Useful life and residual values of property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

iv) Right-of-use assets and corresponding lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate ('IBR'). The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value of the right-of-use asset in a similar economic environment.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease term is

Notes to the Financial Statements

for the year ended June 30, 2021

determined at the date of inception of lease. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. The Company reviews the useful life of the right-of-use assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of right-of-use assets and lease liabilities with a corresponding effect on the depreciation charge and interest expense.

v) Impairment of financial assets

The Company recognizes an allowance for Expected Credit Losses (ECL) for all debt instruments not held at fair value through profit or loss, excluding financial assets due from Government of Pakistan due to exemption granted by SECP as more fully explained in note 2.2.3 above. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company measures the ECL of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL are measured for the maximum contractual period over which the entity is exposed to credit risk. The significant estimates relating to the measurement of ECL relate to the fair value of the collaterals in place, the expected timing of the collection and forward looking economic factors.

For trade receivables and contract assets, the Company has applied simplified approach in calculating ECL adjusted for forward-looking factors specific to the debtors and the economic environment.

Elements of the ECL model that are considered accounting judgments and estimates include:

- Development of ECL model, including the various formulas and choice of inputs;
- Determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model; and
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on Probability of Default (PDs), Exposure At Default (EADs) and Loss Given Default (LGDs).

The Company considers a financial asset in default when contractual payments are significantly past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company also reviews the recoverability of its trade debts, advances and other receivables that are due from GOP to assess amount of bad debts and provision required there against on annual basis. As referred in note 2.2.3 to these financial statements, the SECP has exempted application of the requirements of ECL on financial assets due directly / ultimately from GOP, provided that the Company is following the requirements of IAS 39 "Financial Instruments: Recognition and Measurement, in respect of these financial assets.

vi) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment losses of continuing operations are recognized in the statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Borrowings

Borrowings are recognized initially at fair value (proceeds received), net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

Notes to the Financial Statements

for the year ended June 30, 2021

Finance costs are accounted for on an accrual basis and are shown as accrued finance cost to the extent of the amount unpaid.

4.2 Deferred credit

Deferred credit represents the amount received from the government as grant towards the cost of supplying and laying transmission, service and main lines. Amortization of deferred credit commences upon capitalization of the related asset and is amortized over its estimated useful life.

4.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Contract liabilities include the amount received from the customers as contribution towards the cost of supplying and laying transmission, service and main lines. Revenue recognition against such contract liabilities commences upon capitalization of the related asset and is amortized over its useful life.

4.4 Taxation

Taxation for the year comprises of current and deferred tax. Taxation is recognized in profit or loss except to the extent that it relates to items recognized outside profit or loss (whether in other comprehensive income or directly in equity), if any, in which case the tax amounts are recognized outside profit or loss.

Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for income taxation. The charge for current tax is calculated using prevailing current tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences whereas deferred tax assets are recognized for deductible temporary differences, unused tax losses and tax credits to the extent that it is probable that taxable profit will be available against which these can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss and statement of comprehensive income except where deferred tax arises on the items credited or charged to equity in which case it is included in equity.

4.5 Employee retirement benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company. The main features of the schemes operated by the Company for its employees are as follows:

4.5.1 Defined benefit plans

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method. The most recent valuations were carried out as on June 30, 2021 using the projected unit credit method. Significant assumptions used for valuation of these schemes are mentioned in note 14.8 and 24.8. The future contribution rates of these funds include allowance for deficit and surplus.

4.5.1.1 Pension and gratuity funds

The Company operates an approved funded pension scheme and an approved funded gratuity scheme for executives and non-executives. In case of gratuity scheme, qualifying service period for executives and non-executives is five years and six years, respectively. Contributions to the schemes are payable on the recommendations of the actuary. The future contribution rates of these schemes include allowance for deficit and surplus.

An executive who qualifies for pension at the time of retirement from the Company and does not surrender his pension, shall be entitled to gratuity at the rate of 20 days basic salary for each completed year of service. An executive who qualifies for pension at the time of retirement from the Company and surrenders his pension, shall be entitled to gratuity at the rate of 50 days basic salary for each completed year of service. Significant assumptions used for valuation of these schemes are mentioned in note 14.8 and 24.8.

4.5.1.2 Medical and free gas facility schemes

The Company provides free gas facility to non-executives and medical facility to all employees and their dependents after their retirement. However, all executives retired up to December 31, 2000 are also entitled to avail free gas facility. Significant assumptions used for valuation of these schemes are mentioned in note 14.8 and 24.8.

4.5.1.3 Accumulating compensated absences

The Company provides annually for the expected cost of accumulating compensated absences and leave fare assistances on the basis of actuarial valuations. However, executives of the Company were not entitled to avail leave fare assistance after December 31, 2000.

Executives and non-executives of the Company are entitled to accumulate the unutilized privilege leaves up to 60 and 90 days, respectively. Such accumulation is encashable only at the time of retirement or leaving the service of the Company.

4.5.2 Defined contribution plan

The Company operates an approved defined contribution provident fund for all permanent employees. Equal monthly contributions are made by the employees and the Company to the fund. The rate of the contribution is 7.5% (2020: 7.5%) for the executives and 10% (2020: 10%) for the non-executive employees.

4.6 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities as the payment is due within one year or less (or in the normal operating cycle of the business, if longer).

Trade payables and other costs payable are initially recognized at cost which is the fair value of the consideration to be paid in future for goods and / or services, whether or not billed to the Company and subsequently measured at amortized cost using the effective interest method.

4.7 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Notes to the Financial Statements

for the year ended June 30, 2021

4.8 Property, plant and equipment

Cost

Property, plant and equipment except for freehold, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold and leasehold land are stated at cost less impairment loss, if any. Capital work-in-progress is stated at cost less impairment loss, if any. Cost in relation to certain assets signifies historical cost and borrowing cost referred to in note 4.11.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged as expense during the period in which they are incurred.

Depreciation

Depreciation is charged to the statement of profit or loss on straight line method so as to write off the cost of an asset over its estimated useful life at the rates given in note 20.1 to these financial statements. Depreciation on additions is charged from the month in which an asset is put to use while no depreciation is charged for the month in which an asset is disposed off.

The assets' residual value and estimated useful lives are reviewed at each financial year and adjusted if impact on depreciation is significant. The Company's estimate of the residual value and useful lives of its operating assets as at June 30, 2021 has not required any adjustment as its impact is considered insignificant by the management.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

Pipelines uplifted during the year are derecognized from operating fixed assets. 60% to 65% of the written down value of the uplifted pipelines representing cost of pipelines and fittings is transferred to capital work-in-progress after considering their reuse capability. The balance of the written down value representing construction overheads is charged to the statement of profit or loss.

4.9 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprises purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization at the rates given in note 21 and impairment loss, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each reporting date.

4.10 Right-of-use assets and corresponding lease liability

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the expected lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary

to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The Right-of-use assets is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The Right of use assets is adjusted for certain remeasurements of the lease liability.

4.11 Borrowing cost

Mark-up, interest, profit and other charges on long term financing are capitalized for the period up to the date of commissioning of the respective assets acquired out of the proceeds of such borrowings considering the requirements of IAS 23. All other mark-up, interest, profit and other charges are charged to the statement of profit or loss during the year.

4.12 Stores and spare parts

These are valued at monthly moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon till the reporting date. The Company reviews stores and spare parts for possible impairment on an annual basis and provision is made for obsolescence, based on management's best estimate.

4.13 Stock-in-trade

Stock of gas is valued at the lower of cost determined on annual average cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

4.14 Trade and other receivables

Trade debts and other receivables are carried at original invoice amount. Trade debts are amount receivable from customer for goods transferred or services performed in the ordinary course of business. Other receivables generally arise from the transactions outside the usual operating activities of the Company. The Company recognizes impairment against these receivable balances using Expected Credit Loss model as explained in note 3.2 (v). Debts considered irrecoverable are written off.

4.15 Contract assets

Contract asset is the right to consideration in exchange for goods or services that the Company has transferred to a customer, when that right is conditioned on something other than the passage of time, e.g. the entity's future performance. The Company recognizes impairment against these contract assets using Expected Credit Loss model as explained in note 3.2 (v). Amounts considered irrecoverable are written off.

4.16 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash equivalents comprise of cash in hand, cash at banks in current, saving and deposit

Notes to the Financial Statements

for the year ended June 30, 2021

accounts, other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values and short term finances under mark-up arrangements. Finances under mark-up arrangements are included in current liabilities on the statement of financial position.

4.17 Revenue recognition

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

- Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the performance obligations for every contract that must be met.
- Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue comprises the fair value of the consideration received or receivable from contracts with customer in the ordinary course of the Company’s activities. The Company recognizes revenue when the amount of revenue can be reliably measured and it is highly probable that a significant reversal in the amount of income recognized will not occur and specific criteria has been met for each of the Company’s activities as described below:

- i) Revenue from gas sales is recognized on the basis of gas supplied to consumers at the rates notified by the Oil and Gas Regulatory Authority (OGRA). Accruals are made to account for the estimated gas supplied between the date of last meter reading and the year end. The revenue for the Company is recognized on point in time basis as the management has determined that there is a single performance obligation i.e. supply of gas.
- ii) Meter rentals are recognized on a monthly basis, at specified rates by the OGRA for various categories of consumers. All the revenue for the Company in this category, is recognized on over the time basis as the Company has determined that there is a single performance obligation i.e. availability of meters to the customers.
- iii) Late payment surcharge on gas sales arrears is calculated from the date the billed amount is overdue and recognized when it is probable that economic benefits will flow to the entity. All the revenue for the Company in this category, is recognized on over the time basis.
- iv) Take or Pay income is recognized when the consumers are unable to consume the committed volume of gas by the agreed date as per the terms of Gas Supply Agreement (GSA) with the consumer. All the revenue for the Company in this category, is recognized on point in time basis.
- v) Income on the construction contracts is recognized over time by reference to the progress towards satisfaction of the relevant performance obligation. The Company uses cost based input method to determine the inflow of economic benefits. Revenue for the Company in this category, is recognized on over the time basis.

- vi) Income on the urgent fee is recognized when the connection has been installed. Revenue for the Company in this category, is recognized on point in time basis.
- vii) Income on gas transportation in respect of firm transportation agreement is recognized when the committed contracted capacity is made available for the shipper. Income on the gas transportation in respect of interruptible transportation agreements is recognized when the gas is transported from the network at the rates notified by the Oil and Gas Regulatory Authority (OGRA). Revenue for the Company in this category, is recognized on point over time basis.

4.18 Foreign currency transactions

Transactions in foreign currency during the year are initially recorded in the functional currency at the rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to functional currency using rate of exchange prevailing at the reporting date. All differences are taken to the statement of profit or loss. All non-monetary items are translated into rupees at exchange rates prevailing at the date of transaction or on the date when fair values are determined.

4.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through statement of profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized in trade date, i.e. the date that the Company commits to purchase or sell the asset.

Notes to the Financial Statements

for the year ended June 30, 2021

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company does not have any financial assets designated at fair value through OCI (equity instruments).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

This category includes derivative instruments, instruments that are not measured at amortised cost and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv) Impairment

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss as explained in note 3.2 (v) to these financial statements, excluding financial assets due from Government of Pakistan due to exemption granted by the SECP as more fully explained in note 2.2.3 to these financial statements.

v) Return on bank deposits

Return on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and applicable rate of return. All the revenue for the Company in this category, is recognized on over the time basis.

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, Financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost

Notes to the Financial Statements

for the year ended June 30, 2021

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company does not have any financial liability at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss.

iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.20 Gas development surcharge / Tariff adjustment

Under the provisions of license for transmission and distribution of natural gas granted to the Company by the OGRA, the Company is required to earn an annual return of not less than the rate of return calculated using Weighted Average Cost of Capital (WACC) on the value of its average fixed assets in operation (net of deferred credit), before corporate income taxes, interest and other charges on debt and after excluding interest, dividends and other non operating income and before incorporating the effect of efficiency benchmarks prescribed by the OGRA. Any surplus or deficit on account of this is recoverable from Government of Pakistan directly or indirectly inter alia including increase in future gas prices and / or subsidy or payable to the Government of Pakistan (GOP) as tariff adjustment or gas development surcharge.

4.21 RLNG tariff adjustment and gas swapping deferral account

As per the policy guideline issued by the Economic Coordination Committee of the Cabinet (ECC) on pricing of RLNG, the Company is allowed to earn an annual return as a percentage of the value of its average fixed assets in RLNG operation, to be determined by the OGRA. Any deficit or surplus on account of this is recoverable from or

payable to the RLNG consumers through adjustment in future RLNG prices. The surplus or the shortfall, if any, are included in "trade and other payables" or "other receivables" respectively with the corresponding charge or credit respectively, recognized in the statement of profit or loss.

Moreover, a gas swapping mechanism was allowed by the ECC and endorsed by the OGRA vide Final Revenue Requirement (FRR) decision of the Company for financial year 2017-18, for swapping of natural gas and RLNG for the purpose of gas load management. However, subsequent to the year end, Federal Cabinet has approved the adjustment mechanism in respect of cost of diversion through future RLNG price adjustments. The difference of average cost of RLNG and the average sale price of system gas of the diverted volumes is recognized in the statement of profit or loss as an adjustment to the tariff adjustment with the corresponding credit or debit balance being included in "trade and other payables" or "other receivables" as the case may be.

4.22 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

4.23 Earnings per share

Earnings per share is calculated by dividing the profit or loss after tax for the year by the weighted average number of shares outstanding during the year.

4.24 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

5. SHARE CAPITAL

5.1 Authorized share capital

2021 (Number of shares)	2020	2021 (Rupees in thousand)	2020
1,500,000,000	1,500,000,000	Ordinary shares of Rs 10 each	15,000,000
			15,000,000

5.2 Issued, subscribed and paid up capital

2021 (Number of shares)	2020	2021 (Rupees in thousand)	2020
121,146,000	121,146,000	Ordinary shares of Rs 10 each	
		issued as fully paid for cash	1,211,460
3,329,000	3,329,000	Ordinary shares of Rs 10 each	
		issued as fully paid for conside- ration other than cash	33,290
509,741,665	509,741,665	Ordinary shares of Rs 10 each	
		issued as fully paid bonus shares	5,097,417
634,216,665	634,216,665		6,342,167

Notes to the Financial Statements

for the year ended June 30, 2021

5.3 Ordinary shares of the Company held by associated undertaking by virtue of common directorship are as follows.

	2021 (Number of shares)	2020
Sui Southern Gas Company Limited	-	2,414,174
Adamjee Life Assurance Company Limited	100	4,026,600
National Investment Trust Limited	29,594,873	29,580,373
	29,594,973	36,021,147

5.4 During the years 1964 and 1965, Company purchased transmission system and allied assets from West Pakistan Industrial Development Corporation and issued shares for consideration other than cash.

5.5 These fully paid ordinary shares carry one vote per share and right to dividend.

	Note	2021 (Rupees in thousand)	2020
6. REVENUE RESERVES			
General reserve	6.1	4,127,682	4,127,682
Dividend equalization reserve	6.1	480,000	480,000
Unappropriated profit	6.2	23,270,217	14,187,010
		27,877,899	18,794,692

6.1 This represents the level of unrestricted funds available for general use and distribution among the shareholders.

6.2 This represents appropriation of profits in past years to meet future contingencies.

	Note	2021 (Rupees in thousand)	2020
7. LONG TERM FINANCING - SECURED			
Conventional financing:			
Syndicate term finance I	7.1.1	2,340,000	4,680,000
Syndicate term finance II	7.1.2	17,633,185	21,159,823
Syndicate term finance	7.1.3	5,280,000	-
Term finance	7.1.4	761,000	-
		26,014,185	25,839,823
Islamic mode of financing:			
Islamic finance under musharaka arrangement for LNG Project Phase I	7.2.1	1,200,000	2,400,000
Islamic finance arrangement for LNG Project Phase II	7.2.2	9,241,815	11,090,177
Islamic finance under musharaka arrangement	7.2.3	285,519	380,692
		10,727,334	13,870,869
Less: Transaction cost		53,677	-
Less: Current portion shown under current liabilities	18	9,232,179	9,010,173
		27,455,663	30,700,519

7.1 Conventional financing

Lender	Note	Mark-up rate	No. of installments	Repayment commencement date	Maturity date
Syndicate of banks	7.1.1	Six month KIBOR + 0.70% per annum	10 half yearly installments	November 19, 2017	May 19, 2022
Syndicate of banks	7.1.2	Six month KIBOR + 1.10% per annum	16 half yearly installments	December 8, 2018	June 8, 2026
Syndicate of banks	7.1.3	Six months KIBOR+ 0.65% per annum	16 half yearly installments	May 4, 2023	November 04, 2030
Allied Bank Limited	7.1.4	Six months KIBOR+ 0.45% per annum	6 half yearly installments	February 6, 2022	August 06, 2024

7.1.1 This loan facility of Rs. 11,700,000 thousand has been obtained from a syndicate of banks (with Bank Alfalah acting as the Agent and United Bank Limited acting as the Security Trustee) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed assets of the Company (excluding land and building) to the extent of Rs. 15,600,000 thousand (2020: Rs. 15,600,000 thousand). The effective mark-up charged during the year ranges from 8.05% to 8.79% per annum (2020: 8.79% to 14.23% per annum).

7.1.2 This loan facility of Rs. 28,213,097 thousand has been obtained from a syndicate of banks (with Habib Bank Limited acting as the Agent) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed Regassified Liquefied Natural Gas (RLNG) assets of the Company to the extent of Rs. 35,870,000 thousand (2020: Rs. 35,870,000 thousand) relating to the project and a sovereign guarantee of the Government of Pakistan. The effective mark-up charged during the year ranges from 8.44% to 9.07% per annum (2020: 9.07% to 14.60% per annum).

7.1.3 This loan facility of Rs 5,280,000 thousand has been obtained from syndicate of banks (with United Bank Limited acting as the agent) out of total loan facility of Rs 8,455,000 thousand. The loan is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed assets of the Company (Currently registered as ranking charge) excluding the assets of Regassified Liquefied Natural Gas (RLNG) project to the extent of Rs 11,273,333 thousand. The effective mark-up charged during the year ranges from 8% to 8.30% per annum.

7.1.4 This loan of Rs 761,000 thousand has been obtained from Allied Bank Limited out of total loan facility of Rs 1,076,281 thousand. The loan is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed assets of the Company (Currently registered as ranking charge) excluding the assets of Regassified Liquefied Natural Gas (RLNG) project to the extent of Rs 1,435,041 thousand. The effective mark-up charged during the year ranges from 7.66% to 8.01% per annum.

Notes to the Financial Statements

for the year ended June 30, 2021

7.2 Arrangements under islamic financing

Lender	Note	Mark-up rate	No. of installments	Repayment commencement date	Maturity date
Syndicate of banks	7.2.1	Six month KIBOR + 0.70% per annum	10 half yearly installments	November 19, 2017	May 19, 2022
Syndicate of banks	7.2.2	Six month KIBOR + 1.10% per annum	16 half yearly installments	December 8, 2018	June 8, 2026
Allied Bank Limited	7.2.3	Six months KIBOR+ 0.08% per annum	4 half yearly installments	March 29, 2021	September 29, 2022

7.2.1 This musharaka facility of Rs. 6,000,000 thousand has been obtained from a syndicate of banks (with Bank Alfalah acting as the Investment Agent) and is secured by a first pari passu charge created by way of hypothecation over movable fixed assets of the Company (excluding land and building) to the extent of Rs. 8,000,000 thousand (2020: Rs. 8,000,000 thousand), as given in note 20.1.4. The effective mark-up charged during the year ranges from 8.05% to 8.79% per annum (2020: 8.79% to 14.23% per annum).

7.2.2 This islamic finance facility of Rs. 14,786,903 thousand has been obtained from a syndicate of banks (with Habib Bank Limited acting as the Agent) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed RLNG assets of the Company to the extent of Rs. 18,800,000 thousand (2020: Rs. 18,800,000 thousand) relating to the project and the sovereign guarantee of GOP. The effective mark-up charged during the year ranges from 8.44% to 9.07% per annum (2020: 9.07% to 14.60% per annum).

7.2.3 This musharaka facility of Rs. 380,692 thousand has been obtained from Allied Bank Limited and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed assets of the Company (excluding Assets of RLNG Project) to the extent of Rs. 3,094,667 thousand (2020: Rs. 3,094,667 thousand). The effective mark-up charged during the year ranges from 7.38% to 11.33% per annum (2020: 11.33% to 13.98% per annum).

	Note	2021 (Rupees in thousand)	2020
8. LONG TERM FINANCING - UNSECURED			
Local currency loans	8.1	308,564	437,462
Current portion shown under current liabilities	18	(128,789)	(173,977)
		179,775	263,485
8.1 Local currency loans			
From government - development loans	8.1.1	198,854	314,105
From industrial consumers	8.1.2	109,710	123,357
		308,564	437,462

8.1.1 These have been obtained from the Provincial Governments of Punjab and Khyber Pakhtunkhwa (KPK) for supply of gas to new towns. Loans aggregating to Rs. 177,978 thousand (2020: Rs 247,564 thousand) carry mark-up at the rate of 5% (2020: 5%) per annum and Rs. 20,876 thousand (2020: Rs. 66,541 thousand) carry mark-up at the rate of six month State Bank of Pakistan's (SBP) treasury bills plus 1.2% (2020: six month SBP treasury bills plus 1.2%) on the outstanding balance or part thereof. The amortized cost of loans from Provincial Governments has been

computed by discounting future cash flows using Pakistan Investment Bonds (PIBs) rate prevailing at the time of initial recognition of respective loans.

8.1.2 These have been obtained from certain industrial consumers for laying of gas pipelines and carry mark-up at the rate of 1.5% (2020: 1.5%) per annum on the outstanding balance or part thereof and are repayable over a period of 10 years with a grace period of 2 years. Loans from industrial consumers are computed as present value of all future cash flows discounted using 1.1% (2020: 1.1%) above State Bank of Pakistan's cut off yield rates prevailing at the time of initial recognition of these loans.

	2021	2020
	%	
8.1.3 The effective interest rates are as follows:		
From government - development loans	9.80 to 14.25	9.80 to 14.47
From industrial consumers	6.55 to 14.24	6.55 to 14.24

	Note	2021 (Rupees in thousand)	2020
9. LEASE LIABILITIES			
As at beginning of the year		39,795,101	-
Recognized during the year		147,356	40,466,511
Interest expense for the year	42	4,868,904	5,199,122
Payments / adjustments made during the year		(8,845,828)	(5,870,532)
As at end of the year	9.1	35,965,533	39,795,101
Less: current maturity		(5,793,832)	(6,168,520)
		30,171,701	33,626,581

9.1 The Company has recognised charge of Rs. Nil (2020: 63,122) to those variable lease payments, which do not form a part of leases.

9.2 The expected maturity analysis of undiscounted lease payment is as follows:

	Note	2021 (Rupees in thousand)	2020
- within one year		7,852,309	7,544,962
- between 2 to 5 year		26,203,306	27,249,710
- after 5 years		28,040,260	34,174,223
		62,095,875	68,968,895

10. SECURITY DEPOSITS

Consumers	10.1 & 10.2	55,011,170	52,165,907
Contractors - Houseline	10.3	194,378	169,498
	10.4	55,205,548	52,335,405

10.1 Consumers' deposits represent security received against amount due from consumers on account of gas sales. These are repayable on cancellation of contract for supply of gas or on submission of bank guarantee / standby

Notes to the Financial Statements

for the year ended June 30, 2021

letter of credit in lieu of security deposits and are adjustable against the unrecovered trade debts from respective consumers. Interest is payable at the rate of KIBOR minus 3% or 5% whichever is less but not below 2% (2020: KIBOR minus 3% or 5% whichever is less but not below 2%) per annum on deposits from all consumers, other than domestic, which aggregate to Rs. 28,631,570 thousand (2020: Rs 27,801,518 thousand). However, for one consumer with a deposit of Rs. 1,304,678 thousand (2020: Rs. 1,197,247 thousand) interest rate is 1% above 3 months SBP treasury bills cut off rate subject to a floor of 7% (2020: 3 months SBP treasury bills cut off rate subject to a floor of 7%) per annum.

	2021 (Rupees in thousand)	2020
10.2	These include security deposits from following related parties:	
Northern Power Generation Company Limited	339,700	-
Fauji Fertilizer Company Limited	12,366	12,366
State Life Insurance Corporation of Pakistan	1,090	984
Oil and Gas Development Company Limited	7	7
Sheikh CNG	2,267	2,267
Nishat Mills Limited	2,402	2,294
Lucky Cement Limited	230	230
Soneri Bank Limited	15	-
Premier Formica Industries Limited	3	-
State Bank of Pakistan	1,475	-
	359,555	18,148

10.3 No interest is payable on the deposits from houseline contractors. These are refundable on cancellation of contract or dealership agreement.

10.4 These security deposits are being utilized for the purpose of business in accordance with the terms of contract with consumers and contractors and accordingly, have not been kept in a separate bank account.

	Note	2021 (Rupees in thousand)	2020
11. DEFERRED GRANT			
Government grants against:			
- Completed jobs		38,972,305	35,709,739
- Jobs-in-progress		30,972,740	26,581,819
		69,945,045	62,291,558
Less: Accumulated amortization:			
Opening balance		12,723,551	10,630,467
Loan from Provincial Government		6,073	7,264
Amortization for the year	38	2,341,459	2,085,820
		15,071,083	12,723,551
		54,873,962	49,568,007

	Note	2021 (Rupees in thousand)	2020
12.. CONTRACT LIABILITIES			
Consumer contribution	12.1	15,262,507	12,444,360
Due to customers against construction contract		3,008,471	3,027,700
Advances from customers against gas bill and new connection		61,446	279,364
		18,332,424	15,751,424
Less: current portion shown under current liabilities		(3,069,917)	(3,307,064)
		15,262,507	12,444,360

12.1 Consumer contribution against:			
- Completed jobs		32,171,627	31,044,767
- Jobs-in-progress		8,011,993	5,403,515
		40,183,620	36,448,282
Less: Accumulated amortization:			
Opening balance		24,003,922	23,064,688
Amortization for the year	38	917,191	939,234
		24,921,113	24,003,922
	12.1.1	15,262,507	12,444,360

12.1.1 Movement of consumer contribution			
Opening balance		12,444,360	11,066,804
Addition during the year		3,735,338	2,316,790
Amortization for the year		(917,191)	(939,234)
	12.1.2	15,262,507	12,444,360

12.1.2 The Company has recognized the contract liabilities in respect of the amount received from the customers as contribution towards the cost of supplying and laying transmission, service and main lines. These contributions were being treated as deferred credit previously under IFRIC 18 from the year ended June 30, 2010 to June 30, 2018 and the revenue was being recognized when the lines were laid and commissioned based on the management's interpretation of IFRIC 18. However, the similar contributions from customers prior to the year ended June 30, 2010 and from July 01, 2018 onwards are being amortized over 16 years (i.e. the useful lives of the assets).

Notes to the Financial Statements

for the year ended June 30, 2021

13. DEFERRED TAXATION

The deferred taxation liability comprises timing differences relating to:

	2021	2020
	(Rupees in thousand)	
Taxable temporary differences		
Accelerated tax depreciation	21,141,986	20,704,162
Deductible temporary differences		
Expected credit losses	(7,367,499)	(7,260,087)
Unpaid trading liabilities	(11,115,985)	(8,681,397)
Right of use assets	(756,247)	-
Minimum and alternate corporate tax available for carry forward	(576,350)	(3,013,674)
Unamortized balance of employee loans at fair value	(59,097)	(70,319)
	(19,875,178)	(19,025,477)
	1,266,808	1,678,685

Note	2021	2020
	(Rupees in thousand)	
The gross movement in net deferred tax liability during the year is as follows:		
Opening balance	1,678,685	4,503,422
Charge to other comprehensive income	(259,103)	(777,307)
Charged to profit or loss	43 (152,774)	(2,047,430)
Closing balance	1,266,808	1,678,685

14. EMPLOYEE BENEFITS

Pension fund - Non Executive staff	4,842,961	4,870,383
Gratuity fund - Executive staff	5,374,084	4,495,708
Gratuity fund - Non Executive staff	265,405	390,177
Free gas facility fund - Non Executive staff	904,872	361,636
Accumulated compensated absences - Non Executive staff	-	50,860
14.1	11,387,322	10,168,764

14.1 Reconciliation of payable to employee benefit plans:

	Note	Pension fund - Non executive staff		Gratuity fund - Executive staff		Gratuity fund - Non Executive staff	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Present value of defined benefit obligations	14.5	29,331,399	26,844,879	5,602,989	4,716,353	7,815,492	6,780,891
Fair value of plan assets	14.6	(24,488,438)	(21,974,496)	(228,905)	(220,645)	(7,550,087)	(6,390,714)
Net liabilities		4,842,961	4,870,383	5,374,084	4,495,708	265,405	390,177
	Note	Free gas facility fund - Non Executive staff		Accumulating compensated absences - Non Executive staff		Total	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Present value of defined benefit obligations	14.5	7,443,816	6,321,627	-	1,579,144	50,193,696	46,242,894
Fair value of plan assets	14.6	(6,538,944)	(5,959,991)	-	(1,528,284)	(38,806,374)	(36,074,130)
Net liabilities		904,872	361,636	-	50,860	11,387,322	10,168,764

14.2 Movement in net liability

	Note	Pension fund - Non executive staff		Gratuity fund - Executive staff		Gratuity fund - Non Executive staff	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Opening liability		4,870,383	1,703,277	4,495,708	4,060,690	390,177	1,543,265
Transferred to assets		-	-	-	-	-	-
Charge for the year	14.3	1,242,347	740,341	703,294	859,123	333,701	413,938
Remeasurements charged In OCI		(345,588)	4,369,155	474,195	(188,871)	118,794	191,849
Amount Transferred/Received to/from other funds		-	-	(75,000)	-	-	-
Contribution paid		(924,181)	(1,942,390)	(224,113)	(235,234)	(577,267)	(1,758,875)
		4,842,961	4,870,383	5,374,084	4,495,708	265,405	390,177

Notes to the Financial Statements

for the year ended June 30, 2021

Note	Free gas facility fund - Non Executive staff		Accumulating compensated absences - Non Executive staff		Total	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)					
Opening liability	361,636	(44,300)	50,860	91,182	10,168,764	7,354,114
Transferred to assets	-	-	(50,860)	-	(50,860)	-
Charge for the year	261,647	192,097	-	2,384	2,540,989	2,207,883
Remeasurements charged In OCI	404,979	358,399	-	-	652,380	4,730,532
Amount Transferred/Received to/from other funds	-	-	-	-	(75,000)	-
Contribution paid	(123,390)	(144,560)	-	(42,706)	(1,848,951)	(4,123,765)
	904,872	361,636	-	50,860	11,387,322	10,168,764

14.3 Amounts recognized in profit and loss account

Note	Pension fund - Non executive staff		Gratuity fund - Executive staff		Gratuity fund - Non Executive staff	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)					
Current service cost	834,581	634,189	297,807	287,377	324,308	317,683
Interest on obligation	2,436,569	2,916,375	420,929	593,357	605,856	875,578
Expected return on plan assets	(2,028,803)	(2,810,223)	(15,442)	(21,611)	(596,463)	(779,323)
Total included in employee benefit expense	14.13 1,242,347	740,341	703,294	859,123	333,701	413,938
Actual return on plan assets	2,596,934	1,997,392	40,678	131,975	1,044,307	236,765

Note	Free gas facility fund - Non Executive staff		Accumulating compensated absences - Non Executive staff		Total	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)					
Current service cost	233,902	209,001	-	20,210	1,690,598	1,468,460
Interest on obligation	579,044	756,660	-	209,831	4,042,398	5,351,801
Expected return on plan assets	(551,299)	(773,564)	-	(199,705)	(3,192,007)	(4,584,426)
Net actuarial losses recognized in the year	-	-	-	(27,952)	-	(27,952)
Total included in employee benefit expense	14.13 261,647	192,097	-	2,384	2,540,989	2,207,883
Actual return on plan assets	578,953	625,064	-	151,005	4,260,872	3,142,201

14.4 Amounts recognized in other comprehensive income

Note	Pension fund - Non executive staff		Gratuity fund - Executive staff		Gratuity fund - Non Executive staff	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)					
Remeasurement of plan obligation	14.5 222,543	3,556,324	499,431	(78,507)	566,638	(350,709)
Remeasurement of plan assets	14.6 (568,131)	812,831	(25,236)	(110,364)	(447,844)	542,558
	(345,588)	4,369,155	474,195	(188,871)	118,794	191,849

Note	Free gas facility fund - Non Executive staff		Accumulating compensated absences - Non Executive staff		Total	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)					
Remeasurement of plan obligation	14.5 432,633	209,899	-	-	1,721,245	3,337,007
Remeasurement of plan assets	14.6 (27,654)	148,500	-	-	(1,068,865)	1,393,525
	404,979	358,399	-	-	652,380	4,730,532

14.5 Changes in the present value of defined benefit obligation

	Pension fund - Non executive staff		Gratuity fund - Executive staff		Gratuity fund - Non Executive staff	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)					
Opening defined benefit obligation	26,844,879	20,487,865	4,716,353	4,270,102	6,780,891	6,138,596
Transferred to assets	-	-	-	-	-	-
Current service cost	834,581	634,189	297,807	287,377	324,308	317,683
Interest cost	2,436,569	2,916,375	420,929	593,357	605,856	875,578
Remeasurements charged to OCI	222,543	3,556,324	499,431	(78,507)	566,638	(350,709)
Actuarial losses	-	-	-	-	-	-
Benefits paid	(1,007,173)	(749,874)	(331,531)	(355,976)	(462,201)	(200,257)
Closing defined benefit obligation	29,331,399	26,844,879	5,602,989	4,716,353	7,815,492	6,780,891

Notes to the Financial Statements

for the year ended June 30, 2021

	Free gas facility fund - Non Executive staff		Accumulating compensated absences - Non Executive staff		Total	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)					
Opening defined benefit obligation	6,321,627	5,290,627	1,579,144	1,468,461	46,242,894	37,655,651
Transferred to assets	-	-	(1,579,144)	-	(1,579,144)	-
Current service cost	233,902	209,001	-	20,210	1,690,598	1,468,460
Interest cost	579,044	756,660	-	209,831	4,042,398	5,351,801
Remeasurements charged to OCI	432,633	209,899	-	-	1,721,245	3,337,007
Actuarial losses	-	-	-	(76,652)	-	(76,652)
Benefits paid	(123,390)	(144,560)	-	(42,706)	(1,924,295)	(1,493,373)
Closing defined benefit obligation	7,443,816	6,321,627	-	1,579,144	50,193,696	46,242,894

14.6 Changes in the fair value of plan assets

	Pension fund - Non executive staff		Gratuity fund - Executive staff		Gratuity fund - Non Executive staff	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)					
Opening fair value of plan assets	21,974,496	18,784,588	220,645	209,412	6,390,714	4,595,331
Transferred to assets	-	-	-	-	-	-
Expected return	2,028,803	2,810,223	15,442	21,611	596,463	779,323
Remeasurements charged to OCI	568,131	(812,831)	25,236	110,364	447,844	(542,558)
Actuarial losses	-	-	-	-	-	-
Contributions by employer	924,181	1,942,390	224,113	235,234	577,267	1,758,875
Benefits paid	(1,007,173)	(749,874)	(331,531)	(355,976)	(462,201)	(200,257)
Transfer of funds	-	-	75,000	-	-	-
14.7	24,488,438	21,974,496	228,905	220,645	7,550,087	6,390,714

	Free gas facility fund - Non Executive staff		Accumulating compensated absences - Non Executive staff		Total	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)					
Opening fair value of plan assets	5,959,991	5,334,927	1,528,284	1,377,279	36,074,130	30,301,537
Transferred to assets	-	-	(1,528,284)	-	(1,528,284)	-
Expected return	551,299	773,564	-	199,705	3,192,007	4,584,426
Remeasurements charged to OCI	27,654	(148,500)	-	-	1,068,865	(1,393,525)
Actuarial losses	-	-	-	(48,700)	-	(48,700)
Contributions by employer	123,390	144,560	-	42,706	1,848,951	4,123,765
Benefits paid	(123,390)	(144,560)	-	(42,706)	(1,924,295)	(1,493,373)
Transfer from pension funds	-	-	-	-	75,000	-
14.7	6,538,944	5,959,991	-	1,528,284	38,806,374	36,074,130

Notes to the Financial Statements

for the year ended June 30, 2021

14.7 Plan assets comprise:

	Pension fund - Non executive staff			
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	18,260,111	74.56	16,241,851	73.91
NIT units	649,140	2.65	426,323	1.94
Pakistan Investment Bonds	5,476,877	22.37	5,037,588	22.92
Cash at bank	102,310	0.42	181,784	0.83
Others	-	-	86,950	0.40
	24,488,438	100.00	21,974,496	100.00

	Gratuity fund - Executive staff			
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	192,364	84.04	164,875	74.72
Pakistan Investment Bonds	31,089	13.58	30,190	13.68
Cash at bank	5,452	2.38	25,580	11.60
	228,905	100.00	220,645	100.00

	Gratuity fund - Non Executive staff			
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	5,256,898	69.62	4,087,867	63.97
NIT Units	574,903	7.61	419,860	6.57
Pakistan Investment Bonds	1,625,254	21.53	1,409,415	22.05
Cash at bank	73,627	0.98	458,051	7.17
Others	19,405	0.26	15,521	0.24
	7,550,087	100.00	6,390,714	100.00

	Free gas facility fund - Non Executive staff			
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	5,688,252	86.99	4,496,080	75.44
Pakistan Investment Bonds	763,965	11.68	619,132	10.39
NIT Units	83,433	1.28	60,933	1.02
Cash at bank	3,294	0.05	783,846	13.15
	6,538,944	100.00	5,959,991	100.00

	Accumulating compensated absences - Non Executive staff			
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	-	-	1,031,974	67.53
Pakistan Investment Bonds	-	-	485,869	31.79
Cash at bank	-	-	10,441	0.68
	-	-	1,528,284	100.00

14.8 Principal actuarial assumptions used (expressed as weighted average)

	Pension fund			
	2021		2020	
	Executive	Non-executive	Executive	Non-executive
Expected increase in salaries	10.25%	10.25%	9.25%	9.25%
Discount rate	10.25%	10.25%	9.25%	9.25%
Expected rate of return per annum on plan assets	10.25%	10.25%	9.25%	9.25%
Rate of growth in pensions				
- Employees with retirement up to November 11, 2017	5.00%	5.00%	5.00%	5.00%
- Employees with retirement after November 11, 2017	5.00%	5.00%	5.00%	5.00%

During the financial year 2017-18, Company revised its policy of linking pension increase with the pension enhancements announced by the government to fixed rate of 5% for employee retiring after November 11, 2017. Resultantly, pension increase assumption of 5.00% per annum was used for pensioners who retired before November 11, 2017 and 5% for pensioners who become pensioners after November 11, 2017.

	Gratuity fund			
	2021		2020	
	Executive	Non-executive	Executive	Non-executive
Expected increase in salaries	10.25%	10.25%	9.25%	9.25%
Discount rate	10.25%	10.25%	9.25%	9.25%
Expected rate of return per annum on plan assets	10.25%	10.25%	9.25%	9.25%

	Free gas facility fund			
	2021		2020	
	Executive	Non-executive	Executive	Non-executive
Discount rate	10.25%	10.25%	9.25%	9.25%
Expected rate of growth per annum in average cost of facility	10.25%	10.25%	9.25%	9.25%
Expected rate of return per annum on plan assets	10.25%	10.25%	9.25%	9.25%

Notes to the Financial Statements

for the year ended June 30, 2021

14.9 Calculations are based on mathematical model which takes into account the yield at maturity of the existing investment present at the beginning of the financial year. The model also considers the expected return on the reinvestment of the maturity proceeds in similar instruments (based on their yield as at the valuation date) up till the life of the related obligation.

14.10 The effect of 1% movement in interest rates on defined benefits obligations would have the following effects:

	2021		2020	
	1% increase	1% (decrease)	1% increase	1% (decrease)
	(Rupees in thousand)			
Pension fund - Non Executive staff	(3,130,697)	3,784,338	(3,103,047)	3,800,733
Gratuity fund - Executive staff	(405,489)	464,310	(349,650)	401,287
Gratuity fund - Non Executive staff	(554,416)	621,258	(513,232)	578,040
Free gas facility fund - Non Executive staff	(1,188,682)	1,547,148	(1,031,688)	1,349,576

	2021	2020
14.11 The average duration of the defined benefit obligation is		
Pension fund - Non Executive staff	12 years	13 years
Gratuity fund - Executive staff	8 years	8 years
Gratuity fund - Non Executive staff	8 years	8 years
Free gas facility fund - Non Executive staff	18 years	19 years

	2021	2020
	(Rupees in thousand)	
14.12 Estimated future contributions		
Pension fund - Non Executive staff	1,351,997	1,195,266
Gratuity fund-Executive staff	885,850	702,777
Gratuity fund-Non Executive staff	363,033	279,051
Free gas facility fund - Non Executive staff	904,872	361,636
Accumulating compensated absences-Non Executive staff	-	50,860
	3,505,752	2,589,590

14.13 The charge for the year has been allocated as follows:		
Distribution cost	1,167,953	1,005,888
Selling costs	640,943	535,353
Administrative expenses	682,239	619,778
Project work in progress	49,854	46,864
	2,540,989	2,207,883

14.14 Risk associated with schemes

Final salary risk (linked to inflation risk)

The risk is that the final salary at the time of cessation of service is greater than assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

Mortality risk

The risk is that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiaries.

Investment risk

The risk of the investment is linked to underperforming and being not sufficient to meet the liabilities.

15. TRADE AND OTHER PAYABLES

Creditors for:

	Note	2021	2020
		(Rupees in thousand)	
- gas	15.1 & 15.2	511,078,790	436,089,976
- supplies	15.3	1,333,863	1,666,121
Accrued liabilities		12,678,347	10,192,679
Provident Fund payable	15.4	-	-
Gas Infrastructure Development Cess (GIDC)	15.5	922,152	561,673
Interest free deposits repayable on demand	15.6	855,467	645,090
Earnest money received from contractors		163,320	144,705
Workers' Profit Participation Fund (WPPF)	15.7	1,276,781	2,922,405
Workers' welfare fund	41.1	-	171,770
		528,308,720	452,394,419

15.1 These include amounts payable to the following related parties:

Sui Southern Gas Company Limited	322,706	14,717,521
Pakistan State Oil Company Limited	96,176,222	68,078,723
Pakistan LNG Limited	82,458,299	27,353,658
Government Holdings (Pvt). Ltd	32,185,506	30,710,712
Pakistan Petroleum Limited	149,364,222	150,981,354
Oil and Gas Development Limited	135,789,838	125,009,368
Mari Petroleum Company Limited	1,379,608	2,110,753
	497,676,401	418,962,089

15.2 Included in trade payables is an amount of Rs. 96,176,222 thousand (2020: Rs. 68,078,723 thousand) and Rs. 82,458,299 thousand (2020: Rs. 27,353,658 thousand) due to Pakistan State Oil (PSO) and Pakistan LNG Limited (PLL), respectively, representing payable against Liquified Natural Gas (LNG) and/or Regassified Liquified Natural Gas (RLNG) supplied by them. In this regard, the agreement for the supply of LNG/RLNG between the parties have not yet been finalized and is under negotiation. Additional liability or adjustment, if any, that may arise would be recorded accordingly on the finalization of the agreement.

Notes to the Financial Statements

for the year ended June 30, 2021

	2021	2020
	(Rupees in thousand)	
15.3	These include amounts payable to the following related parties:	
The General Tyre & Rubber Company of Pakistan Limited	781	363
Pakistan Cables Limited	-	8
International Industries Limited	-	295,189
Pakistan Telecommunication Company Limited	5	-
Pakistan State Oil Company Limited	18,165	-
Sui Southern Gas Company Limited	17,685	22,137
Lucky Cement Limited	3	-
	36,639	317,697

15.4 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017.

	2021	2020
	(Rupees in thousand)	
15.5 Gas Infrastructure Development Cess (GIDC)		
Opening balance	561,673	-
Add: GIDC collected during the year	6,927,265	3,708,801
Less: Payment made to Government Treasury	(6,566,785)	(3,147,128)
Closing balance	922,153	561,673

The Honorable Islamabad High Court vide its decision dated January 31, 2013, declared Gas Infrastructure Development Cess (GIDC) Act, 2011 as ultra vires to the Constitution and directed the Company to adjust the amount already received on this account in the future bills of the petitioners. However, the honorable Islamabad High Court vide its decision dated March 18, 2013, directed that neither the appellant shall recover the disputed amount from the respondents, nor the amount which has become payable to the respondents on the basis of impugned judgment shall be paid back to the respondents.

An order on the subject matter was also passed by the Peshawar High Court vide its judgment dated June 13, 2013, whereby the Court declared the GIDC Act, 2011 as ultra vires to the Constitution. An appeal was filed in the Supreme Court of Pakistan, which by its order dated December 30, 2013 suspended the judgment of Peshawar High Court. On December 31, 2013, the OGRA issued a notification directing levy of GIDC at revised rates.

In September 2014, a GIDC Ordinance was issued by President of Pakistan, pursuant to which, on directions of the OGRA, the Company charged GIDC from its consumers with effect from September 2014. The Ordinance was superseded by GIDC Act 2015 passed by Parliament of Pakistan. The Act ratified the preceding GIDC Act, 2011 and GIDC Ordinance, 2014 and its provisions. However, a special committee was constituted by the Parliament to decide on previous arrears of GIDC due from customers and to make recommendations for removal of any anomalies in the GIDC Act. Based on the report of the sub-committee of the special committee requisite amendment in GIDC Act, 2015 had already been laid in the Senate through GIDC Amendment Bill and the same was referred to the Senate Standing Committee on Energy. However, a number of consumers of the Company contested and have obtained stay order from various courts against recovery of GIDC. Later, certain amendments were introduced in GIDC Act, 2015 through GIDC (Amendment) Act, 2018, which inter alia include change in effective date for applicability of mark-up on delayed payments of GIDC and a settlement option for CNG consumers for GIDC payable pertaining to the period January 1, 2012 to May 21, 2015, subject to agreement with the Company.

During the year ended June 30, 2021 the honorable Supreme Court of Pakistan has ordered the recovery of accumulated GIDC in 24 monthly installments and till the recovery of outstanding GIDC no further GIDC will be charged / recovered from the consumers.

Furthermore, principal amount of GIDC amounting to Rs. 143,665,397 thousand (2020: Rs. 153,823,927 thousand) is recoverable from consumers and payable to Government of Pakistan. These financial statements do not reflect the said amounts since the provisions of the GIDC Act require the Company to pay GIDC as and when the same is collected from consumers. Furthermore, some consumers have obtained stay orders against recovery of the same and consequently in view of the legal advisors of the Company, the Company is not liable to pay such amounts until the same are recovered. Both the principal amount and sales tax on GIDC shall be paid as and when these balances are collected from the consumers.

15.6 These security deposits are being utilized for the purpose of business in accordance with the terms of contract with contractors and accordingly, have not been kept in a separate bank account.

	Note	2021	2020
		(Rupees in thousand)	
15.7 Workers' Profit Participation Fund			
Balance at the beginning of the year		2,922,405	2,479,409
Allocation for the year	41	833,784	442,996
Payments to WPPF Fund		(2,479,408)	-
		1,276,781	2,922,405

15.7.1 After promulgation of 18th amendment, the Workers' Profit Participation Act, 1968 was repealed which resulted into devolution of power to provinces to make all enactments relating to labour laws. However, the said act is not applicable on the trans-provincial entities and the matter of allocation of WPPF among the employees and the Federal Government is yet to be decided. The Company has formed a Worker Profit Participation Fund and deposited the outstanding amount pertaining to previous years.

16. INTEREST / MARK-UP ACCRUED ON LOANS AND OTHER PAYABLES

	Note	2021	2020
		(Rupees in thousand)	
Accrued mark-up / interest on:			
Long term financing - secured		253,057	267,892
Long term financing - unsecured		193,940	201,693
Short term borrowing - secured		476,085	724,349
Deposits from customers		2,200,756	3,092,413
Late payment of gas creditors and gas development surcharge		108,624,722	79,844,423
	16.1	111,748,560	84,130,770
16.1	These include amounts payable to the following related parties:		
Sui Southern Gas Company Limited		9,152,121	8,115,557
Government Holdings (Private) Limited		8,318,263	5,615,461
Pakistan Petroleum Limited		47,604,777	34,146,446
Oil and Gas Development Company Limited		38,160,623	26,747,172
Mari Petroleum Company Limited		114,598	74,434
		103,350,382	74,699,070

Notes to the Financial Statements

for the year ended June 30, 2021

	Note	2021 (Rupees in thousand)	2020
17. SHORT TERM BORROWING - SECURED			
Allied Bank Limited	17.1	4,390,220	8,960,300
Bank Alfalah Limited	17.2	3,708,688	3,767,890
Askari Bank Limited	17.3	1,999,921	2,499,988
Habib Bank Limited	17.4	6,499,140	6,499,222
National Bank of Pakistan	17.5	6,000,000	5,996,862
Bank Islami Pakistan Limited	17.6	884	2,000,000
Faysal Bank Limited	17.7	6,999,976	-
		29,598,829	29,724,262
17.1	This represents short term running finance facility of Rs. 4,000,000 thousand (2020: Rs. 4,000,000 thousand) which carries mark-up at the rate of 3 months KIBOR + 0.12% (2020: 3 months KIBOR + 0.45%) per annum on the balance outstanding and the short term running finance facility of Rs. 5,000,000 thousand (2020: Rs. 5,000,000 thousand) which carries mark-up at the rate of 3 months KIBOR + 0.12% (2020: 3 months KIBOR + 0.50%) per annum on the balance outstanding. These are secured by way of first pari passu charge over current assets of the Company to the extent of Rs. 12,000,000 thousand (2020: Rs. 12,000,000 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the year ranges from 7.42% to 7.79% per annum (2020: 11.67% to 14.35%) per annum.		
17.2	This is a short term running finance facility from Bank Alfalah Limited amounting to Rs. 4,000,000 thousand (2020: Rs. 4,000,000 thousand). This facility carries mark-up at the rate of 1 month KIBOR + 0.12% per annum (2020: 1 month KIBOR + 0.45% per annum) on the outstanding balance, payable quarterly. This is secured by way of first pari passu charge over current assets of the Company to the extent of Rs. 5,333,334 thousand (2020: Rs. 5,333,334 thousand). The effective interest rate charged during the year ranges from 7.55% to 7.88% per annum (2020: 8.78% to 14.26% per annum).		
17.3	This is a short term running finance facility of Rs. 2,500,000 thousand (2020: Rs. 2,500,000 thousand) from Askari Bank Limited. This facility carries mark-up at the rate of 3 months KIBOR + 0.12% per annum (2020: 3 months KIBOR + 0.50% per annum) on the balance outstanding. This is secured by way of first pari passu charge over current assets of the Company to the extent of Rs. 3,333,334 thousand (2020: Rs. 3,333,334 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the year ranges from 7.39% to 7.76% per annum (2020: 11.72% to 14.35% per annum).		
17.4	This is a short term running finance facility of Rs. 6,500,000 thousand (2020: Rs. 6,500,000 thousand) from Habib Bank Limited. This facility carries mark-up at the rate of 1 month KIBOR + 0.12% per annum (2020: 1 month KIBOR + 0.50% per annum) on the balance outstanding. This is secured by way of First Pari Passu charge over current assets of the Company to the extent of Rs. 8,666,667 thousand (2020: Rs. 8,666,667 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the year ranges from 7.54% to 7.94% per annum (2020: 8.86% to 14.31% per annum).		
17.5	This is a short term running finance facility of Rs. 6,000,000 thousand (2020: Rs. 6,000,000 thousand) from National Bank of Pakistan. This facility carries mark-up at the rate of 3 months KIBOR + 0.10% per annum (2020: 3 months KIBOR + 0.50% per annum) on the balance outstanding. This is secured by way of First Pari Passu charge over current assets of the Company to the extent of Rs. 8,000,000 thousand (2020: Rs. 8,000,000 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the year ranges from 7.55% to 7.76% per annum (2020: 11.72% to 14.35% per annum).		
17.6	This is a short term running finance facility of Rs. 2,000,000 thousand (2020: Rs. 2,000,000 thousand) from Bank Islami Pakistan Limited. This facility carries mark-up at the rate of 3 months KIBOR + 0.25% per annum (2020: 3		

months KIBOR + 0.25% per annum) on the balance outstanding. This is secured by way of First Pari Passu charge over current assets of the Company to the extent of Rs. 2,666,667 thousand (2020: Rs. 2,666,667 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the year ranges from 7.50% to 7.84% per annum (2020: 10.83% per annum).

- 17.7** This is a short term running finance facility of Rs. 7,000,000 thousand from Faysal Bank Limited. This facility carries mark-up at the rate of 3 months KIBOR + 0.12% per annum on the balance outstanding. This is secured by way of First pari Passu charge over current assets of the Company (Currently registered as ranking charge) to the extent of Rs. 9,333,333 thousand. Mark-up is payable on quarterly basis. The effective interest rate during the year ranges from 7.42% to 7.71% per annum.

	Note	2021 (Rupees in thousand)	2020
18. CURRENT PORTION OF LONG TERM FINANCING			
Long term financing - secured	7	9,232,179	9,010,173
Long term financing - unsecured	8	128,789	173,977
		9,360,968	9,184,150

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 Taxation

- a) A demand of Rs. 67,998 thousand (2020: Rs. 67,998 thousand) relating to excess compensation for delayed refunds for assessment years 1988-89, 1990-91, 1991-92 and 1996-97 was raised by the Additional Commissioner of Income Tax on November 10, 2008 by rectifying the orders previously issued under section 171 of the repealed Ordinance. In this regard, while disposing off the appeal filed before Appellate Tribunal Inland Revenue (ATIR) on May 04, 2009 against the order of Commissioner Income Tax (Appeals) (CIT(A)), the ATIR has remanded back the matter of curtailment of compensation on delayed payment/ adjustment of refund pertaining to assessment year 1988-89, 1991-92 and 1996-97 for verification of underlying facts afresh. However, no provision has been made in these financial statements as the Company is confident of a favourable outcome based on the opinion of legal counsel of the Company.
- b) During the year ended June 30, 2012, Income Tax Authorities raised demands of Rs 8,207,290 thousand, Rs. 7,366,587 thousand and Rs. 2,715,174 thousand for Tax Year 2011, 2010 and 2006, respectively, on account of disallowance of Cost Equalization Adjustment, Gas Development Surcharge (GDS) while adding back consumers' contribution and Government grants on February 13, 2012 for Tax Year 2011, 2010 and on March 16, 2007 for Tax Year 2006. The Company's appeal against the amendment orders was disposed off by Commissioner Inland Revenue (Appeals) [CIR(A)] substantially in the Company's favour and except for the issue of admissibility of GDS and tax credit as referred above, all other material disallowances were removed. Both the Tax Authorities and the Company preferred appeals against order of CIR(A) before ATIR. During the financial year ended June 30, 2015, while disposing off the Company's appeal, ATIR upheld the Company's contention in respect of admissibility of GDS, whereas the tax credit under section 65B of Income Tax Ordinance, 2001 amounting to Rs 574,355 thousand was not allowed. Furthermore, appeal filed by the Income Tax Department with respect to other issues was decided in the Company's favour. However, Tax Authorities have filed an appeal on January 01, 2016 against the decision of ATIR with regards to GDS before Honorable Lahore High Court (LHC) which has been decided in Company's favor. Except for the disallowance related to tax credit under section 65B, no provision regarding the above explained issues has been made in these financial statements as management considers, based on the opinion of legal counsel of the Company, that the Company's stance is based on meritorious grounds and will be upheld by the Honorable Lahore High Court.

Notes to the Financial Statements

for the year ended June 30, 2021

- c) During the year ended June 30, 2013, Income Tax Authorities raised demands of Rs. 17,207,333 thousand and Rs. 6,880,501 thousand for Tax Year 2012 and 2007, respectively, on similar grounds to those raised in Tax Years 2011, 2010 and 2006 as mentioned above on April 18, 2013 for Tax Year 2012 and on December 11, 2008 for Tax Year 2007. During the year ended June 30, 2016, the Company's appeal against the amendment orders were disposed by CIR(A) substantially in the Company's favour and except for the issue of admissibility of GDS and tax credit referred above, all other material disallowances were removed. Consequently, the demand for Tax year 2012 and Tax year 2007 were reduced to Rs. 5,105,423 thousand and Rs. 3,330,110 thousand, respectively. Both, the Tax Authorities and the Company preferred appeals against order of CIR(A) before the ATIR. While disposing off the Company's appeal, ATIR upheld Company's contention in respect of admissibility of GDS, whereas the tax credit under section 65B of Income Tax Ordinance 2001 amounting to Rs. 340,120 thousand was not allowed. Furthermore, appeal filed by the Department with respect to other issues has been decided in the Company's favour. However, Tax Authorities and the Company have filed appeals against the decision of ATIR with regards to GDS and tax credit under section 65B of Income Tax Ordinance, 2001 respectively, before Honorable Lahore High Court on March 24, 2014. The appeal filed by the department with Honorable High Court has been decided in favor of the Company while the Company's appeal on the issue of tax credit U/S 65B is still pending adjudication. Except for the disallowance related to tax credit under section 65B, no provision regarding the above has been made in these financial statements as the management considers, based on the opinion of legal counsel of the Company, that the Company's stance is based on meritorious grounds and will be upheld by the Honorable Lahore High Court.
- d) Income Tax Authorities raised demands of Rs. 23,401,212 thousand, Rs. 17,930,455 thousand, Rs. 12,640,691 thousand and Rs. 9,852,122 thousand for Tax Year 2014, 2015, 2016, 2017, respectively, on similar grounds as mentioned in (b) above with the addition of inadmissibility of UFG and recoverability of shortfall (as determined by the OGRA) from consumers. The Company filed an appeal against the demand raised by the Tax Authorities with CIR(A). The Company's appeal against the amendment orders was disposed of by CIR(A) substantially in the Company's favour and except for the issues of inadmissibility of UFG and recoverability of shortfall (as determined by the OGRA) from consumers, exchange loss and tax credit under section 65B of Income Tax Ordinance, 2001, as referred above, all other material disallowances were removed. The matter of exchange loss was disposed of by CIR(A) for Tax Year 2014 in favour of the Company. The Company preferred an appeal against order of CIR(A) before ATIR with respect to the issues decided against the Company for Tax Year 2014, 2015, 2016 and 2017. The ATIR decided the matter of UFG and recoverability of shortfall from consumers in favour of the Company for Tax Year 2014 and 2015. Except for the disallowance related to tax credit under section 65B, no provision has been made in these financial statements as the management is confident of a favourable outcome based on the opinion of legal counsel of the Company.
- e) During the year ended June 30, 2019, Income Tax Authorities raised a demand of Rs. 4,626,000 thousand for Tax Year 2008 on account of cost equalization adjustment originally on January 17, 2009. The Company's contention was accepted by the CIR(A) and ATIR. The department being aggrieved with the decision of ATIR, filled a reference with Honorable Lahore High Court in March 2020 which is pending adjudication. No provision has been made in these financial statements as the Company is confident of favourable outcome of the appeal based on the opinion of legal counsel of the Company.
- f) During the year ended 2011, Sales Tax authorities raised a demand of Rs. 406,650 thousand (2020: Rs. 406,650 thousand) and Rs. 736,000 thousand (2020: Rs. 736,000 thousand) for the years 2008 and 2009, respectively, on account of inadmissibility of input sales tax in respect of gas lost over and above UFG benchmark fixed by the OGRA originally on March 31, 2011. In this regard an appeal was filed by the Company with CIR(A) for the year 2008 and 2009 was decided against the Company. The Company filed an appeal against the orders of CIR(A) with the ATIR for the year 2008 and 2009, respectively, which was decided against the Company. Subsequently, the Company filed an appeal with Honorable Lahore High Court on September 15, 2016, which is pending adjudication. No provision has been made in these financial statements as Company is confident of favourable outcome of the appeals based on the opinion of legal counsel of the Company.

- g) During the year ended June 30, 2014, Sales Tax authorities raised a demand of Rs. 555,938 thousand for the tax year 2010 on account of inadmissibility of input sales tax in respect of gas lost over and above UFG benchmark fixed by the OGRA originally on April 28, 2014. In this regard, appeal was filed by the Company with CIR(A) which was decided against the Company. The Company filed appeal against the orders of CIR(A) with ATIR on September 17, 2014 which is pending adjudication. No provision has been made in these financial statements as Company is confident of favourable outcome of the appeal based on the opinion of legal counsel of the Company.
- h) During the year ended June 30, 2016 the authorities raised a demand of Rs. 2,185,953 thousand for the tax year 2013 on account of inadmissibility of input sales tax in respect of gas lost over and above UFG benchmark fixed by the OGRA originally on April 29, 2016. In this regard, an appeal was filed by Company with CIR(A) which was decided against the Company. The Company filed an appeal against the order of CIR(A) with ATIR which was decided in favour of the Company. However, subsequent to the year end, the department has filed an appeal against the decision of ATIR with Honorable Lahore High Court which is pending adjudication. No provision has been made in these financial statements as the Company is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.
- i) During the year ended June 30, 2015, Income Tax Authorities raised a demand of Rs. 128,322 thousand as a result of order passed u/s 161/205 of Income Tax Ordinance, 2001 on January 02, 2015. This demand was raised on pretext of non-withholding of tax under section 152(2A) of Income Tax Ordinance, 2001 by the Company. An appeal filed by the Company with CIR(A) was decided against the Company, following which the Company filed an appeal on April 09, 2015 with ATIR against the said decision of CIR(A), which is pending adjudication. No provision has been made in these financial statements as the Company is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.
- j) As a consequence of withholding tax audit for tax year 2016, the tax department had raised a demand of Rs. 2,688,912 thousand on August 09, 2017. The Company filed an appeal on March 28, 2018 with CIR(A) against this demand and CIR(A) has decided all points in favor of Company except advance tax deduction from CNG companies and non-withholding of income tax on hajj expense. Resultantly the demand has reduced to Rs. 176,328 thousand the Company has filed appeal with ATIR in respect of the issues decided against the Company which is pending adjudication. No provision has been made in these financial statements as the Company is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.
- k) During the year ended June 30, 2019, Income Tax Authorities raised demand of Rs. 175,827 thousand by levying super tax under section 4B of Income Tax Ordinance, 2001 for tax year 2016. The Company has filed an appeal on February 26, 2019 against the demand raised by the Tax Authorities with CIR(A) which was decided in the Company's favour, however, it is expected that the Department will file an appeal in the ATIR. Accordingly, no provision has been made in these financial statements as the Company is confident of a favourable outcome based on the opinion of legal counsel of the Company.
- l) During the year ended June 30, 2019, Income Tax Authorities raised a demand of Rs. 2,069,048 thousand primarily on account of disallowance of tax credit under section 65B of Income Tax Ordinance, 2001 and tax deducted under section 148 of Income Tax Ordinance, 2001 for tax year 2018 on February 28, 2019. The Company has filed an appeal on March 27, 2019 against the demand raised by the Tax Authorities with CIR(A) and decided in the favour of the Company by CIR(A). Except for the disallowance related to tax credit under section 65B of Rs 1,510,748 thousand, no provision has been made in these financial statements as the Company's management is confident of a favourable outcome based on the opinion of legal counsel of the Company.
- m) During the year ended June 30, 2019, Sales Tax Authorities raised a demand of Rs. 1,572,027 thousand by disallowing input tax claimed against exempt supplies, short payment of extra tax, output tax charged

Notes to the Financial Statements

for the year ended June 30, 2021

to CNG stations and discrepancy in collection of further tax for the tax period July 2012 to June 2017 originally on February 15, 2019. The Company has filed an appeal on March 15, 2019 against the demand raised by the Tax Authorities with ATIR which is pending adjudication. However, no provision has been made in these financial statements as the Company is confident of a favourable outcome based on the opinion of legal counsel of the Company.

- n) During the year ended June 30, 2019, Sales Tax Authorities raised demands of Rs. 3,343,294 thousand and Rs. 4,032,793 thousand for the tax period July 2015 to June 2016 and tax period July 2016 to March 2017 by invoking provision of section 8(1) of Sales Tax Act 1990 on November 19, 2018. The Company has filed an appeal on December 18, 2018 against the demands raised by the Tax Authorities with ATIR which is pending adjudication. However, no provision has been made in these financial statements as the Company is confident of a favourable outcome based on the opinion of legal counsel of the Company.
- o) During the year ended June 30, 2014, Sales Tax Authorities raised a demand of Rs. 1,722,795 thousand for the tax year 2010 on account of non payment of sales tax on repair works, Inadmissible adjustment on gas blown due to ruptures, non payment of sales tax on receipts against deferred credit / contract liabilities, non-deposit of 9% sales tax on account of gas supplied to CNG stations, inadmissible input tax u/s 8(i) (a), inadmissible input tax u/s 8(i)(b) and short payment of sale tax on sale of scrap on April 24, 2014. In this regard, an appeal was filed by Company with CIR(A) which was decided in favour of the Company. The Sales Tax Department filed appeal against the orders of CIR(A) with ATIR on October 02, 2014 which is pending adjudication. No provision has been made in these financial statements as the Company's management is confident of favourable outcome based on the opinion of legal counsel of the Company.
- p) During the year ended 2007, Sales Tax Authorities raised a demand of Rs 9,455 thousand for the Tax Year 2006 on account of inadmissibility of input sales tax in respect of certain purchases and non payment of GST on repair work on July 12, 2007. In this regard, an appeal filed by the Company with CIR(A) was decided in favour of the Company. The Sales Tax Department filed an appeal against the orders of CIR(A) with ATIR which was decided against the Sales Tax Authorities. Subsequently, the Sales Tax Authorities filed a reference in the Honorable Lahore High Court on May 21, 2010, which is pending adjudication. No provision has been made in these financial statements as the Company is confident of favourable outcome based on the opinion of legal counsel of the Company.
- q) During the year ended June 30, 2018, Punjab Revenue Authority raised a demand of Rs. 1,819,000 thousand on account of withholding tax audit for the Tax Year 2015, the Company has filled an appeal with Commissioner (Appeals), which is pending adjudication. No provision has been made in these financial statements as Company is confident of favourable outcome based on the opinion of legal counsel of the Company.
- r) During the Tax Year 2020, Income Tax Authorities raised a demand of Rs. 3,389,112 thousand for tax year 2019 by disallowing tax credit under section 65B, tax deposited under section 147 and tax deducted under section 148 of Income Tax Ordinance, 2001. The Company has filed an appeal with CIR (Appeals), which is pending adjudication except for disallowance of tax credit under section 65B of Rs. 2,187,287 thousand. No provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals.
- s) During the Tax Year 2021, Income Tax Authorities raised a demand of Rs. 6,747,533 thousand for tax year 2018 by disallowing cost equalization adjustment, brought forward business losses, Worker's Profit Participation Fund on various grounds. Moreover, Income tax authorities disallowed Minimum tax pertaining to tax year 2014, 2015, tax deducted under section 148 of Income Tax Ordinance, 2001 and tax paid by/deducted from the Company under various provisions of Income Tax Ordinance, 2001. The Company has filed an appeal with CIR (A), which has been decided in Company's favour except for tax deducted under section 148. The Company and the department has filed an appeal with ATIR, which is pending adjudication, no provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals.

- t) During the year ended Income Tax Authorities raised a demand of Rs. 3,078,163 thousand for tax year 2020 on account of minimum Tax, disallowance of WPPF, Amortization of deferred credit, lease rental paid, loss on remeasurement of employee benefits (OCI). The Company has filed an appeal with CIR (A), which is pending adjudication. No provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals.
- u) Subsequent to the year end, Income Tax Authorities raised a demand of Rs. 528,374 thousand for tax year 2020 by disallowing tax deducted under section 148 of income tax ordinance 2001. The Company has filed an appeal with CIR (A), which is pending adjudication. No provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals.

19.1.2 Others

Claims against the Company not acknowledged as debts amount to Rs 1,716,093 thousand (2020: Rs 1,625,831 thousand).

- a) Included in claims against the Company not acknowledged as debt are claims by the contractors, suppliers and consumers aggregating Rs. 84,313 thousand (2020: Rs. 84,313 thousand). This also includes a penalty of Rs. 1,000 thousand (2020: Rs. 1,000 thousand) imposed by SECP for delay in dissemination of price sensitive information to KSE. The Company has filed an appeal in the Lahore High Court against the said decision. Pending the outcome of these matters / claims, which are being adjudicated, no provision has been made in these financial statements as the Company is confident of favourable outcome.
- b) Included in claims against the Company not acknowledged as debt is the claim of employees union for bonus amounting to Rs. 255,200 thousand (2020: Rs. 255,200 thousand), which has been decided by National Industrial Relations Commission (NIRC) against the Company. The Lahore High Court while admitting Company's writ petition for regular hearing has suspended the order of the NIRC, subject to Company's furnishing an undertaking in respect of the bonus amount. The Company has filed an appeal with the Honorable Supreme Court of Pakistan on September 19, 2001 on the grounds that order of NIRC is without jurisdiction and is therefore void. The appeal filed by the Company has been decided against the Company by the Honorable Supreme Court of Pakistan. The Company has filed a review petition with Honorable Supreme Court of Pakistan, which has not been so far fixed for hearing. No provision has been made in these financial statements for the amount of bonus as the Company's legal advisor is of the view that there is a reasonably fair chance that the case will be decided in favour of the Company. However, in case if the decision is not in favour of the Company and the Company has exhausted all legal remedies available under the law, the matter will be taken up with the OGRA for determining the cost of the same to the Company in its revenue requirement decision. Pending the same, the financial impact cannot be determined till the OGRA makes a final determination on the matter.
- c) The Company furnished bank guarantees to the Collector of Customs to avail the benefit under SRO 678(1)/2004 for payment of custom duty at the rate of 5% on certain imported items amounting to Rs. 329,537 thousand for clearance of consignments, as per the decision of Honorable Lahore high court. Since, the matter is pending adjudication with Honorable Lahore High Court, no provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals.. However, Liabilities in respect of bank guarantees, if any, will be treated as part of the cost of such items.
- d) The Company entered into Gas Supply Agreements (GSA) with M/s Saif Power Limited, Sapphire Electric Company Limited and Orient Power Company Limited (hereinafter referred to as "the claimants") for the supply of a daily contracted quantity of gas during a firm delivery period in a given year i.e. from March 1st to November 30th each year. During certain periods of the year 2011, the Company could not supply the contracted quantity of gas to the claimants due to force majeure events such as ruptures in the pipelines and other sabotage/terrorism activities in certain gas wells. Such force majeure events were rejected by the claimants contesting that they did not fall under the definition "force majeure" as per the GSAs. The total claim of all claimants including ancillary costs is Rs. 913,239 thousand (2020: Rs. 871,491 thousand).

Notes to the Financial Statements

for the year ended June 30, 2021

The case was referred to London Court of International Arbitration vide separate arbitration proceedings for each of the claimants. The arbitrator has decided these cases in favour of claimants vide its awards dated March 9, 2016. The Company initiated proceedings in Civil Court to get the awards set aside but before that the claimants through an unlawful set off adjusted the awarded amounts from the invoices of the Company. Nonetheless, the claimants also subsequently initiated proceedings before the Civil Court to make the awards rule of court. The civil court proceedings mentioned above are still pending. However, the unlawful set off made by the claimants resulted in further litigation between the parties and the issue of unlawful set off was eventually decided by the London Court of International Arbitration that resulted in the awards dated April 22, 2022 in favour of the Company.

19.2 Commitments

19.2.1 Capital commitments

Commitments for capital expenditures contracted:

	2021	2020
	(Rupees in thousand)	
Property, plant and equipment	433,899	276,987
Intangible assets	38,034	30,983
Stores and spares	6,742,460	7,031,108
	7,214,393	7,339,078
Revenue expenditures	862,796	705,332

19.2.2 Letters of credit and bank guarantees

Facilities of Rs. 100,000 thousand (2020: Rs. 100,000 thousand) for opening letters of credit and guarantees are available with the Company as a sub-limit of facilities referred in note 17.1. This facility has not been availed during the year ended June 30, 2021. The facility for opening of letters of credit is secured by lien over trade documents and the facility for guarantees is secured by way of first pari passu charge over present and future fixed assets i.e. plant and machinery of the Company to the extent of Rs. 666,670 thousand (2020: Rs. 666,670 thousand).

The Company has additional facilities for opening letters of credit amounting to Rs. 16,500,000 thousand (2020: Rs. 16,000,000 thousand) out of which Rs. 10,931,150 thousand (2020: Rs. 10,794,500 thousand) remained unutilized at the end of the year. These are secured by lien over trade documents.

Aggregate facilities for guarantees and letters of credit are additionally secured by charges on assets of the Company.

	Note	2021	2020
		(Rupees in thousand)	
20. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	20.1	185,387,584	182,674,503
Capital work-in-progress	20.2	28,703,377	23,323,279
		214,090,961	205,997,782

Reconciliation of the carrying amounts at the beginning and end of the year is as follows:

20.1

Operating Fixed Assets													
(Rupees in thousand)													
Net carrying value basis at 30 June 2021													
Opening net book value	2,803,916	392	953,471	18,745	62,655,519	75,601,327	28,257,978	291,174	7,727,046	2,793,762	174,301	725,408	52,446
Additions	33,016	-	35,266	-	1,422,771	15,437,262	5,083,162	67,471	202,162	54,792	105,916	169,901	10,608
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	(425,296)	(34,356)	-	(150,843)	(13,293)	(175,689)	(630)
Accumulated depreciation	-	-	-	-	-	-	425,296	34,356	-	150,843	13,293	167,697	630
	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(99,780)	(8,721)	(5,858,284)	(4,473,437)	(114,433)	(791,889)	(1,032,809)	(90,039)	(384,121)	(32,813)	(257,532)
Closing net book value	2,836,932	392	888,957	10,024	56,220,006	83,474,151	28,867,703	244,212	7,717,319	2,308,865	190,178	503,197	30,241
Gross carrying value basis at 30 June 2021													
Cost	2,836,932	392	2,415,357	35,006	121,754,134	146,607,609	65,390,017	2,769,909	17,200,350	13,585,157	1,029,927	3,882,194	404,513
Accumulated depreciation	-	-	(1,526,400)	(24,982)	(63,534,128)	(63,133,458)	(36,522,314)	(2,525,697)	(10,063,031)	(11,276,292)	(839,749)	(3,328,997)	(374,272)
Net book value	2,836,932	392	888,957	10,024	58,220,006	83,474,151	28,867,703	244,212	7,173,319	2,308,865	190,178	503,197	30,241
Depreciation rate	-	-	6%	6-33%	6-10%	6%	6-10%	15%	6-20%	10-20%	15-20%	25%	33.3%
Net Carrying Value basis at 30 June 2020													
Opening net book value	2,726,337	392	972,343	8,503	62,069,483	71,307,899	25,190,491	390,589	7,479,213	3,577,935	252,934	761,490	55,196
Additions	77,579	-	78,952	15,690	6,470,794	11,057,936	7,304,312	13,698	1,032,279	60,7164	36,578	339,935	29,065
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	(546,166)	-	-	(18,009)	-	(76,450)	-
Accumulated depreciation	-	-	-	-	-	-	546,166	-	-	18,009	-	71,786	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(97,824)	(5,448)	(5,884,758)	(6,764,508)	(4,236,825)	(113,113)	(784,446)	(1,391,337)	(115,211)	(371,353)	(31,815)
Closing net book value	2,803,916	392	953,471	18,745	62,655,519	75,601,327	28,257,978	291,174	7,727,046	2,793,762	174,301	725,408	52,446
Gross carrying value basis at 30 June 2020													
Cost	2,803,916	392	2,380,091	35,006	120,350,177	131,170,347	60,732,151	2,736,794	16,998,188	13,188,088	937,304	3,837,981	394,535
Accumulated depreciation	-	-	(1,426,620)	(16,261)	(57,694,658)	(55,569,020)	(32,474,173)	(2,445,620)	(9,271,142)	(10,994,326)	(763,003)	(3,125,573)	(342,089)
Net book value	2,803,916	392	953,471	18,745	62,655,519	75,601,327	28,257,978	291,174	7,727,046	2,793,762	174,301	725,408	52,446
Depreciation rate	-	-	6%	6-33%	6-10%	6%	6-10%	15%	6-20%	10-20%	15-20%	25%	33.3%

Notes to the Financial Statements

for the year ended June 30, 2021

- 20.1.1

Freehold land at cost of Rs. 2,685,492 thousand (2020: Rs. 2,652,475 thousand) is subject to restriction under The Land Acquisition Act, 1894 and cannot be sold by the Company without the prior approval from the respective Provincial Governments.
- 20.1.2

The cost of assets as at June 30, 2021, include fully depreciated assets amounting to Rs. 78,066,892 thousand (2020: Rs. 66,803,802 thousand).
- 20.1.3

The depreciation charge for the year has been allocated as follows:

	Note	2021 (Rupees in thousand)	2020
Distribution cost	37.3	19,745,796	18,584,003
Selling cost	39	251,334	219,116
Administrative expenses	40	251,463	216,217
	45	20,248,593	19,019,336
Transmission system		189,078	252,195
Construction contracts		768	30,139
Distribution system		269,857	731,253
		459,703	1,013,587
	20.1	20,708,296	20,032,923

- 20.1.4

Transmission lines includes assets held by the Company on behalf of and in trust for the investors under the musharaka arrangements with Bank Alfalah Limited (Lead Bank) entered into by the Company. Assets held under these musharaka arrangement are as follows:

	2021		2020	
	Cost	Book value	Cost	Book value
Musharaka Arrangements	(Rupees in thousand)			
36" Dia 34.95 Km Harrapa 110.25 Km - 120.25 Km Sahiwal Line	1,621,741	445,979	1,621,741	543,283
24" Dia 81.42 Miles Sawan - Qadirpur Line	997,609	-	997,609	-
36" Dia 43.49 Miles Qadirpur - Bhong Line	989,327	-	989,327	-
24" Dia 67.77 Km Sahiwal - Phool Nagar (1st Segment)	830,062	178,463	830,062	228,267
24" Dia 23.30 Km Kohat - Dakhni Line (1st Segment)	1,256,278	722,360	1,256,278	797,737
24" Dia 39.01 Km Manzalai - Kohat Line	655,227	163,807	655,227	203,120
30" Dia 31.5 Miles MP6 - AV30 (P6) Kabirwala / Ali Pur	609,570	-	609,570	-
24" Dia 52.00 Km Down Stream Balloki to Dawood Hercules Line	599,898	191,967	599,898	227,961
36" Dia 22.78 Miles AV7 A3 (P-7)	537,929	-	537,929	-
30" Dia 35.40 Km All - Chanab Crossing	513,753	17,981	513,753	48,807
36" Dia 20.66 Miles Sidhani- AC 7 D/S	486,421	-	486,421	17,025
36" Dia 31.93 Km AV20-AC6	481,939	4,788	481,939	33,704
36" Dia 25.93 Km AV29 - A8 - AV30	407,217	14,253	407,217	38,686
36" Dia 18.60 Miles A4 AC4 (P-7)	450,064	-	450,064	-
24" Dia 23.71 Km D/H Offtake (MP 59.9) - B - 3 Loopline	451,646	151,301	451,646	178,400
36" Dia 16.75 Miles Q AC1X-AC7	439,664	-	439,664	15,388
24" Dia 10.10 Km Dakhni - FC - 1 Line (1st Segment)	1,104,516	635,097	1,104,516	701,368

	2021		2020	
	Cost	Book value	Cost	Book value
Musharaka Arrangements	(Rupees in thousand)			
30" Dia 29.16 Km CC1 - CC4	432,300	15,131	432,300	41,069
36" Dia 25.48 Km AC4 - AV15	450,632	15,772	450,632	42,810
30" Dia 16.30 Miles AV29 - A8 (P6)	396,566	-	396,566	-
36" Dia 13.82 Miles AC6-AV - 29 (P-7)	383,026	-	383,026	-
36" Dia 16.42 Miles AV 40 - AC 8 Line	371,390	-	371,390	-
36" Dia 13.04 Miles A3 AV10 (P-7)	368,308	-	368,308	-
30" Dia 21.24 Miles CS - CV25	357,557	-	357,557	-
36" Dia 14.66 Miles A6 AV - 22	351,991	-	351,991	12,320
36" Dia 13.11 Miles AV - 20 - MP130 (P-7)	327,276	-	327,276	-
30" Dia 19.61 Miles CS - CV10	317,078	-	317,078	-
24" Dia 20.48 Km All - BV - 3	255,920	2,542	255,920	17,898
36" Dia 8.76 Miles AV 10MP 11.57 (P-7)	250,067	-	250,067	-
30" Dia 12.76 Miles A8 - AV31 Add Loop	248,085	-	248,085	-
30" Dia 14.15 Miles CV74 - CV9	240,483	-	240,483	-
30" Dia 15.95 Miles AIO	240,089	-	240,089	-
24" Dia 25.63 Km Kohat Darra Adam Khel Line	235,406	65,914	235,406	80,038
36" Dia 9.93 Miles MP 173 - A6	222,876	-	222,876	-
24" Dia 10.31 Km Kohat - D/S Dara Adamkhel Line	219,507	55,974	219,507	69,145
24" 92" 16" Dia Kamra Noshir	196,057	-	196,057	-
24" Dia 18.46 Km BC1 - B2	193,743	6,781	193,743	18,406
24" Dia 10.38 Km Phool Nagar - Baloki Line	182,430	36,486	182,430	47,432
36" Dia 9.44 Miles MP 112.54 - A4	176,862	-	176,862	-
36" Dia 4.78 Miles Q MP - 173 A6 AV20	155,737	-	155,737	5,451
24" Dia 3.08 Km River Ravi Crossing At Balloki	137,612	49,540	137,612	57,797
30" Dia 6.80 Km MP 160 - CC3 Line	97,760	971	97,760	6,837
24" Dia 6.21 Miles Sui MP6 (NT)	83,633	-	83,633	-
24" Dia 16 Km MP28.33 - BC1	79,079	9,489	79,079	14,234
24" Dia 1.12 Km Attock Crossing	39,319	7,471	39,319	9,830
30" Dia Construction of AC - A11	11,315	-	11,315	-
24" Dia 24.48 Km AC4 - AV15 Line	6,762	778	6,762	1,183
	19,461,727	2,792,845	19,461,727	3,458,196

- 20.1.5

Transmission lines include assets held by the Company on behalf of and in trust for the investors under the musharaka arrangements with Allied Bank Limited entered into by the Company. Asset held under these musharaka arrangement is as follows:

	2021		2020	
	Cost	Book value	Cost	Book value
Musharaka Arrangements	(Rupees in thousand)			
36" Dia 68.14 Km AV 29 Mian Channu Line	2,125,933	457,076	2,125,933	584,632

Notes to the Financial Statements

for the year ended June 30, 2021

20.1.6 Particulars of Company's significant immovable property including location and area of land are as follows:

Particulars of land and buildings	District	Area of land		
		Acre	Kanal	Marlas
Faisalabad HQ/AC-8/Base Store/Distribution Office etc	Faisalabad	63	4	3
Multan Distribution Office/Store	Multan	9	5	10
Multan (T)/Compression Station etc	Multan	62	1	8
Multan Terminal A-7 Multan	Multan	3	7	12
Multan AC-6 Compression Station	Multan	2	2	10
Gujranwala Distribution Office	Gujranwala	2	2	-
Islamabad Distribution Office 1-9	Islamabad	3	3	10
Wah Transmission Office	Rawalpindi	6	2	14
Wah Store	Rawalpindi	-	12	-
Compression Station CC-4	Chakwal	7	5	-
Compression Station Gali Jagir CC-3	Attock	10	-	4
Compression Station Haranpur CC-1	Jhelum	-	7	7
Compression Station Haranpur C-3	Jhelum	12	1	18
Compression Station Chakwal C-5	Chakwal	8	3	11
Repeater Station FC-1 Dhullian	Attock	2	7	13
Ahmad Nagar C-1 Station	Chiniot	13	6	9
Kot Moman C-2 Station	Sargodha	10	5	3
Shorkot A-9 Station	Jhang	6	7	-
Shorkot AC-7	Jhang	6	7	6
Gojran A-10 Station	Toba tek singh	3	5	17
Compression Station AC-4 Uch Shareef	Bhawalpur	2	1	18
Uch Shareef Pre-Coating Plant	Bhawalpur	24	5	19
Sahiwal Sub Office	Sahiwal	-	2	10
Sahiwal Compression Station	Sahiwal	12	-	-
Lahore Distribution Office	Lahore	1	1	6
Head Office Building	Lahore	-	6	4
Vacant Plot Adjacent Head Office Building	Lahore	-	2	-
Shahkot B-1 Station	Nankana	9	3	1
Bhakki B-2 Station	Sheikhupura	17	2	7
Shahdara B-3 Station	Lahore	1	7	9
Repater Station Kot Addu	Muzaffar Garh	2	-	4
Central Base Store Manga	Lahore	26	4	11
Metering Workshop Kot Lakhpat	Lahore	15	4	12
Central Base Store Lahore	Lahore	2	1	-
Office Mess Lahore Cantt	Lahore		800 square yards	
Distribution Office Peshawar	Peshawar	-	6	-
Distribution Office Abbottabad	Abbottabad	1	4	17

	Note	2021 (Rupees in thousand)	2020
20.2 Capital work-in-progress			
Transmission system	20.2.1	8,181,468	3,071,687
Distribution system	20.2.2	12,232,521	10,836,235
Stores and spare parts held for capital expenditure	20.2.3	7,748,280	9,171,195
Advances for land and other capital expenditure		541,108	244,162
		28,703,377	23,323,279
20.2.1 Transmission system			
Opening balance		3,071,687	6,169,476
Addition during the year		6,781,837	4,630,513
Transfer to the operating assets		(1,672,056)	(7,728,302)
Closing balance		8,181,468	3,071,687
20.2.2 Distribution system			
Opening balance		10,836,235	9,895,328
Addition during the year		23,638,688	20,464,057
Transfer to the operating assets		(22,242,402)	(19,523,150)
Closing balance		12,232,521	10,836,235
20.2.3 Stores and spare parts held for capital expenditure			
Stores and spare parts [including in-transit Rs 698,177 thousand (2020: Rs. 1,176,002 thousand)]		7,822,428	9,228,195
Less: Provision for obsolescence		(74,148)	(57,000)
		7,748,280	9,171,195

20.3 Detail of owned assets disposed off during the year is as follows:

2021							
Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Profit/(Loss) on sale	Mode of disposal	Sold to
(Rupees in thousand)							
Transport Vehicles							
Toyota Fortuner	5,670	3,898	1,772	6,118	4,346	Auction	Mr. Abid Ansar
Toyota Corolla	1,821	1,290	531	535	4	Company Policy	Mr. Javed Iqbal Khan, Company employee
Toyota Corolla	1,823	1,215	608	642	34	Company Policy	Mr. Zafar Mahmood Bhutta, Company employee
Toyota Corolla	1,961	1,348	613	641	28	Company Policy	Mr. Zafar Mehmood, Company employee
Honda Civic	3,201	1,667	1,534	1,560	26	Company Policy	Mr. Khalid Aftab, Company employee
Honda Civic	4,023	1,090	2,933	3,492	559	Company Policy	Mr. Muhammad Hanif, Company employee
Other assets with book value less than Rs 500,000							
	942,872	942,872	-	113,765	113,765		
Total	961,371	953,380	7,991	126,753	118,762		

Notes to the Financial Statements

for the year ended June 30, 2021

	Note	2021 (Rupees in thousand)	2020
21. INTANGIBLE ASSETS			
This represents computer softwares and ERP system.			
Balance as at beginning of the year			
Cost		941,752	937,298
Accumulated amortization		(844,800)	(751,571)
Net book value		96,952	185,727
Movement during the year			
Additions		485,089	4,454
Amortization charge for the year	40 & 45	(197,600)	(93,229)
Balance as at year end			
Cost		1,426,841	941,752
Accumulated amortization		(1,042,400)	(844,800)
Net book value		384,441	96,952
Rate of amortization		33.33%	33.33%
21.1 The cost of intangible assets as at June 30, 2021, include fully amortized assets amounting to Rs. 821,496 thousand (2020: Rs. 702,307 thousand).			
22. RIGHT-OF-USE ASSETS			
	Transmission system	Building	Total
	(Rupees in thousand)		
As at July 01, 2020			
Cost	40,147,280	396,379	40,543,659
Accumulated depreciation	(3,480,650)	(175,545)	(3,656,195)
Net book value	36,666,630	220,834	36,887,464
Movement during the year			
Additions	-	148,822	148,822
Less: Depreciation charge for the year	(3,480,651)	(197,851)	(3,678,502)
Balance as at June 30, 2021			
Cost	40,147,280	545,201	40,692,481
Accumulated depreciation	(6,961,301)	(373,396)	(7,334,697)
Net book value	33,185,979	171,805	33,357,784
As at July 01, 2019			
Cost (Impact of initial application of IFRS 16)	35,829,734	381,993	36,211,727
Accumulated depreciation	-	-	-
Net book value	35,829,734	381,993	36,211,727
Movement during the year			
Additions	4,317,546	14,386	4,331,932
Less: Depreciation charge for the year	(3,480,650)	(175,545)	(3,656,195)
Balance as at June 30, 2020			
Cost	40,147,280	396,379	40,543,659
Accumulated depreciation	(3,480,650)	(175,545)	(3,656,195)
Net book value	36,666,630	220,834	36,887,464

22.1 The rate of depreciation is based on the term of the respective agreement and ranges from 8% to 33% per annum.

	Note	2021 (Rupees in thousand)	2020
22.2	Depreciation charge for the year has been allocated as follows:		
Distribution cost	37.3	3,644,342	3,613,461
Administrative expenses	40	34,160	42,734
		3,678,502	3,656,195

22.3 Building premises represents the right-of-use assets acquired on lease by the Company for its operations.

22.4 Transmission system (pipelines) represents the right of use assets acquired on lease by the Company from Sui Southern Gas Company Limited.

23. LONG TERM LOANS - CONSIDERED GOOD

		Employee welfare		House building		Motorcycle / Scooter		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Note		(Rupees in thousand)							
Due from:									
Executives	23.1	-	-	1,479	2,311	-	-	1,479	2,311
Other employees		804,096	1,026,259	3,979	4,041	21,420	23,023	829,495	1,053,323
		804,096	1,026,259	5,458	6,352	21,420	23,023	830,974	1,055,634
Current portion shown under									
loans - and advances									
Executives	29	-	-	566	875	-	-	566	875
Other employees	29	181,855	185,136	1,226	1,252	12,618	17,386	195,699	203,774
		181,855	185,136	1,792	2,127	12,618	17,386	196,265	204,649
		622,241	841,123	3,666	4,225	8,802	5,637	634,709	850,985
Reconciliation of balance due from executives:									
Opening balance		-	-	2,311	3,325	-	-	2,311	3,325
Disbursements / reclassification		-	-	-	-	-	-	-	-
		-	-	2,311	3,325	-	-	2,311	3,325
Repayments / adjustments		-	-	(832)	(1,014)	-	-	(832)	(1,014)
Closing balance		-	-	1,479	2,311	-	-	1,479	2,311

23.2 House building loans are repayable in 10 years, while motorcycle / scooter loans are repayable in 3 years. Interest at the rate ranging between 1% and 10% (2020: 1% and 10%) per annum is charged on these loans. Loans to employees are secured by deposit of title deeds and joint registration of vehicles in the name of the Company and the employees.

23.3 The maximum amount due from the Chief Executive and Executives at any month end during the year was Nil (2020: Nil) and Rs. 2,235 thousand (2020: Rs. 3,242 thousand), respectively.

23.4 Fair values of long term loans to employees are estimated at the present value of all future cash flows discounted using rate prevailing on Regular Income Certificates for the relevant year.

23.5 Effective interest rates on the above loans range between 6.54% to 13.44% (2020: 6.54% to 13.44%) per annum.

Notes to the Financial Statements

for the year ended June 30, 2021

24. EMPLOYEE BENEFITS

	Note	2021 (Rupees in thousand)	2020
Pension fund - Executive staff		1,794,864	1,381,387
Free gas facility fund - Executives		95,472	89,482
Medical fund - Executive Staff		532,175	499,046
Medical fund - Non Executive Staff		1,705,897	2,122,398
Accumulating compensated absences - Executive staff		58,604	96,682
Accumulating compensated absences - Non Executive staff		41,889	-
	24.1	4,228,901	4,188,995

24.1 Reconciliation of receivable from employee benefit plans:

		Pension fund - Executive staff		Free gas facility fund - Executives		Medical fund - Executive Staff	
		2021	2020	2021	2020	2021	2020
Note		(Rupees in thousand)					
Fair value of plan assets	24.6	4,477,160	3,751,064	266,915	251,469	6,203,783	5,433,262
Present value of funded obligations	24.5	(2,682,296)	(2,369,677)	(171,443)	(161,987)	(5,671,608)	(4,934,216)
Net assets		1,794,864	1,381,387	95,472	89,482	532,175	499,046

		Medical fund - Non Executive Staff		Accumulating compensated absences - Executive staff		Accumulating compensated absences - Non Executive staff		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Note		(Rupees in thousand)							
Fair value of plan assets	24.6	12,596,186	11,465,428	981,765	890,441	1,772,469	-	26,298,278	21,791,664
Present value of funded obligations	24.5	(10,890,289)	(9,343,030)	(923,161)	(793,759)	(1,730,580)	-	(22,069,377)	(17,602,669)
Net assets		1,705,897	2,122,398	58,604	96,682	41,889	-	4,228,901	4,188,995

24.2 Movement in net assets

		Pension fund - Executive staff		Free gas facility fund - Executives		Medical fund - Executive Staff	
		2021	2020	2021	2020	2021	2020
Note		(Rupees in thousand)					
Opening asset		1,381,387	1,314,177	89,482	105,129	499,046	(241,677)
Transferred from liabilities		-	-	-	-	-	-
Transfer of funds		(75,000)	-	-	-	-	-
Credit / (charge) for the year	24.3	59,437	158,416	8,596	15,921	(173,484)	(280,798)
Remeasurements chargeable in OCI		(33,177)	(576,360)	(9,470)	(40,927)	(159,291)	918,415
Contribution paid		462,217	485,154	6,864	9,359	365,904	103,106
		1,794,864	1,381,387	95,472	89,482	532,175	499,046

		Medical fund - Non Executive Staff		Accumulating compensated absences - Executive staff		Accumulating compensated absences - Non Executive staff		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Note		(Rupees in thousand)							
Opening asset		2,122,398	1,338,554	96,682	81,494	-	-	4,188,995	2,597,677
Transferred from liabilities		-	-	-	-	(50,850)	-	(50,850)	-
Transfer of funds		-	-	-	-	-	-	(75,000)	-
(Charge) / credit for the year	24.3	(205,598)	(198,791)	(79,400)	(15,699)	(57,753)	-	(448,202)	(320,951)
Remeasurements chargeable in OCI		(358,589)	855,577	-	-	-	-	(560,527)	1,156,705
Contribution paid		147,686	127,058	41,322	30,887	150,492	-	1,174,485	755,564
		1,705,897	2,122,398	58,604	96,682	41,889	-	4,228,901	4,188,995

24.3 Amounts recognized in profit and loss account are as follows:

		Pension fund - Executive staff		Free gas facility fund - Executives		Medical fund - Executive Staff	
		2021	2020	2021	2020	2021	2020
Note		(Rupees in thousand)					
Current service cost		89,719	67,313	-	-	236,568	253,230
Interest on obligation		214,075	256,080	14,665	14,981	450,670	735,255
Expected return on plan assets		(363,231)	(481,809)	(23,261)	(30,902)	(513,754)	(707,687)
Net actuarial losses recognized in the year		-	-	-	-	-	-
Total included in employee benefit (income) / expense	24.2	(59,437)	(158,416)	(8,596)	(15,921)	173,484	280,798
Actual return on plan assets		449,586	224,244	15,446	38,354	528,844	552,662

		Medical fund - Non Executive Staff		Accumulating compensated absences - Executive staff		Accumulating compensated absences - Non Executive staff		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Note		(Rupees in thousand)							
Current service cost		408,749	402,091	11,584	11,624	18,169	-	764,789	734,258
Interest on obligation		857,401	1,290,391	71,512	103,725	143,328	-	1,751,651	2,400,432
Expected return on plan assets		(1,060,552)	(1,493,691)	(82,366)	(117,780)	(145,583)	-	(2,188,747)	(2,831,869)
Net actuarial losses recognized in the year		-	-	78,670	18,130	41,839	-	120,509	18,130
Total included in employee benefit expense / (income)	24.2	205,598	198,791	79,400	15,699	57,753	-	448,202	320,951
Actual return on plan assets		1,130,758	1,164,109	91,324	78,163	145,583	-	2,361,541	2,057,532

Notes to the Financial Statements

for the year ended June 30, 2021

24.4 Amounts recognized in other comprehensive income account are as follows:

	Note	Pension fund - Executive staff		Free gas facility fund - Executives		Medical fund - Executive Staff	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Remeasurement of plan obligation	24.5	119,532	318,795	1,655	48,379	174,381	(1,073,440)
Remeasurement of plan assets benefit (income) / expense	24.6	(86,355)	257,565	7,815	(7,452)	(15,090)	155,025
		33,177	576,360	9,470	40,927	159,291	(918,415)

	Note	Medical fund - Non Executive Staff		Accumulating compensated absences - Executive staff		Accumulating compensated absences - Non Executive staff		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
		(Rupees in thousand)							
Remeasurement of plan obligation	24.5	428,795	(1,185,159)	-	-	-	-	724,363	(1,891,425)
Remeasurement of plan assets benefit expense / (income)	24.6	(70,206)	329,582	-	-	-	-	(163,836)	734,720
		358,589	(855,577)	-	-	-	-	560,527	(1,156,705)

24.5 Changes in the present value of defined benefit obligation are as follows:

	Note	Pension fund - Executive staff		Free gas facility fund - Executives		Medical fund - Executive Staff	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Opening defined benefit obligation		2,369,677	1,804,648	161,987	107,986	4,934,216	5,122,277
Transferred from liabilities		-	-	-	-	-	-
Service cost		89,719	67,313	-	-	236,568	253,230
Interest cost		214,075	256,080	14,665	14,981	450,670	735,255
Remeasurements charged to OCI		119,532	318,795	1,655	48,379	174,381	(1,073,440)
Actuarial losses		-	-	-	-	-	-
Benefits paid		(110,707)	(77,159)	(6,864)	(9,359)	(124,227)	(103,106)
Closing defined benefit obligation	24.1	2,682,296	2,369,677	171,443	161,987	5,671,608	4,934,216

	Note	Medical fund - Non Executive Staff		Accumulating compensated absences - Executive staff		Accumulating compensated absences - Non Executive staff		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
		(Rupees in thousand)							
Opening defined benefit obligation		9,343,030	8,962,765	793,759	730,784	-	-	17,602,669	16,728,460
Transferred from liabilities		-	-	-	-	1,579,134	-	1,579,134	-
Service cost		408,749	402,091	11,584	11,624	18,169	-	764,789	734,258
Interest cost		857,401	1,290,391	71,512	103,725	143,328	-	1,751,651	2,400,432
Remeasurements charged to OCI		428,795	(1,185,159)	-	-	-	-	724,363	(1,891,425)
Actuarial losses		-	-	87,628	(21,487)	49,259	-	136,887	(21,487)
Benefits paid		(147,686)	(127,058)	(41,322)	(30,887)	(59,310)	-	(490,116)	(347,569)
Closing defined benefit obligation	24.1	10,890,289	9,343,030	923,161	793,759	1,730,580	-	22,069,377	17,602,669

24.6 Changes in the fair value of plan assets are as follows:

	Note	Pension fund - Executive staff		Free gas facility fund - Executives		Medical fund - Executive Staff	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Opening fair value of plan assets		3,751,064	3,118,825	251,469	213,115	5,433,262	4,880,600
Transferred from liabilities		-	-	-	-	-	-
Expected return		363,231	481,809	23,261	30,902	513,754	707,687
Remeasurements charged to OCI		86,355	(257,565)	(7,815)	7,452	15,090	(155,025)
Actuarial losses		-	-	-	-	-	-
Contributions by employer		462,217	485,154	6,864	9,359	365,904	103,106
Benefits paid		(110,707)	(77,159)	(6,864)	(9,359)	(124,227)	(103,106)
Amount transferred from pension fund to gratuity fund		(75,000)	-	-	-	-	-
	24.7	4,477,160	3,751,064	266,915	251,469	6,203,783	5,433,262

	Note	Medical fund - Non Executive Staff		Accumulating compensated absences - Executive staff		Accumulating compensated absences - Non Executive staff		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
		(Rupees in thousand)							
Opening fair value of plan assets		11,465,428	10,301,319	890,441	812,278	-	-	21,791,664	19,326,137
Transferred from liabilities		-	-	-	-	1,528,284	-	1,528,284	-
Expected return		1,060,552	1,493,691	82,366	117,780	145,583	-	2,188,747	2,831,869
Remeasurements charged to OCI		70,206	(329,582)	-	-	-	-	163,836	(734,720)
Actuarial losses		-	-	8,958	(39,617)	7,420	-	16,378	(39,617)
Contributions by employer		147,686	127,058	41,322	25,640	150,492	-	1,174,485	750,317
Benefits paid		(147,686)	(127,058)	(41,322)	(25,640)	(59,310)	-	(490,116)	(342,322)
Amount transferred from pension fund to gratuity fund		-	-	-	-	-	-	(75,000)	-
	24.7	12,596,186	11,465,428	981,765	890,441	1,772,469	-	26,298,278	21,791,664

24.7 Plan assets comprise of:

	Pension fund - Executive staff			
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposit	3,637,631	81.24	3,036,558	80.95
Pakistan Investment Bonds	599,775	13.40	480,761	12.82
NIT Units	213,036	4.76	155,583	4.15
Cash at Bank	26,718	0.60	78,162	2.08
	4,477,160	100.00	3,751,064	100.00

	Free gas facility fund - Executives			
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposit	138,526	51.90	231,951	92.24
Pakistan Investment Bonds	125,831	47.14	11,696	4.65
Cash at Bank	2,558	0.96	7,822	3.11
	266,915	100.00	251,469	100.00

Notes to the Financial Statements

for the year ended June 30, 2021

Medical fund - Executive staff				
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposit	4,644,362	74.86	3,412,282	62.80
NIT Units	32,134	0.52	23,468	0.43
Pakistan Investment Bonds	1,517,460	24.46	1,216,344	22.39
Cash at Bank	9,827	0.16	781,168	14.38
	6,203,783	100.00	5,433,262	100.00

Medical fund - Non executive staff				
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposit	9,224,249	73.23	8,227,004	71.75
NIT Units	239,922	1.90	175,218	1.53
Pakistan Investment Bonds	3,111,119	24.70	2,941,503	25.66
Cash at Bank	20,896	0.17	121,703	1.06
	12,596,186	100.00	11,465,428	100.00

Accumulating compensated absences - Executive staff				
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposit	576,793	58.75	539,763	60.62
Pakistan Investment Bonds	402,236	40.97	334,280	37.54
Cash at bank	2,736	0.28	16,398	1.84
	981,765	100.00	890,441	100.00

Accumulating compensated absences - Non Executive staff				
	2021		2020	
	Fair value		Fair value	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Certificates of deposits	1,184,203	66.81	-	-
Pakistan Investment Bonds	576,537	32.53	-	-
Cash at bank	11,729	0.66	-	-
	1,772,469	100.00	-	-

24.8 Principal actuarial assumptions used (expressed as weighted average)

	Pension fund - Executive staff	
	2021	2020
Expected increase in salaries	10.25%	9.25%
Discount rate	10.25%	9.25%
Expected rate of return per annum on plan assets	10.25%	9.25%
Rate of growth in pensions		
- Employees with retirement up to November 11, 2017	5.0%	5.00%
- Employees with retirement after November 11, 2017	5.0%	5.0%

During the financial year 2017-18, Company revised its policy of linking pension increase with the pension enhancements announced by the government to fixed rate of 5% for employees retiring after November 11, 2017. Resultantly, pension increase assumption of 5% per annum was used for pensioners who retired before November 11, 2017 and 5% for pensioners who become pensioners after November 11, 2017.

	Free Gas facility fund - Executive staff	
	2021	2020
Discount rate	10.25%	9.25%
Expected return of growth per annum in average cost of facility	10.25%	9.25%
Expected rate of return per annum on plan assets	10.25%	9.25%

	Medical fund - Executive staff	
	2021	2020
Discount rate	10.25%	9.25%
Expected rate of growth per annum in average cost of facility	10.25%	9.25%
Increase in average cost of post retirement medical facility	10.25%	9.25%
Expected rate of return per annum on plan assets	10.25%	9.25%

	Accumulating compensated absences - Executive staff	
	2021	2020
Expected increase in salaries	10.25%	9.25%
Discount rate	10.25%	9.25%
Expected rate of return per annum on plan assets	10.25%	9.25%

Notes to the Financial Statements

for the year ended June 30, 2021

		Accumulating compensated absences - Non executive staff	
		2021	2020
Expected increase in salaries		10.25%	9.25%
Discount rate		10.25%	9.25%
Expected rate of return per annum on plan assets		10.25%	9.25%

24.9 The overall expected rate of return on assets is determined based on the market prices prevailing at that date, applicable to the period over which the obligation is to be settled.

24.10 The effect of 1% movement in assumed medical cost trend rates would have the following effects:

	2021		2020	
	1% increase	1% (decrease)	1% increase	1% (decrease)
	(Rupees in thousand)			
Effect on the aggregate of the service cost and interest cost	42,399	(33,943)	40,331	(32,140)
Effect on defined benefit obligation	2,543,448	(2,085,469)	2,309,125	(1,891,567)

24.11 The effect of 1% movement in interest rates on defined benefits obligations would have the following effects:

	2021		2020	
	1% increase	1% (decrease)	1% increase	1% (decrease)
	(Rupees in thousand)			
Pension fund - Executive staff	(305,467)	377,401	(287,274)	359,176
Free gas facility fund - Executives	(17,841)	21,355	(17,058)	20,457
Medical fund - Executive Staff	(904,704)	1,183,480	(796,051)	1,044,186
Medical fund - Non Executive Staff	(1,933,178)	2,566,152	(1,689,048)	2,252,820
Accumulating compensated absences - Executive staff	(78,443)	91,442	(69,067)	80,755
Accumulating compensated absences - Non Executive staff	(136,141)	155,108	(131,055)	149,851

24.12 The average duration of the defined benefit obligation is

	2021	2020
Pension fund - Executive staff	13 years	14 years
Free gas facility fund - Executives	11 years	12 years
Medical fund - Executive Staff	18 years	19 years
Medical fund - Non Executive Staff	21 years	21 years
Accumulating compensated absences - Executive staff	9 years	9 years
Accumulating compensated absences - Non Executive staff	8 years	9 years

		2021	2020
		(Rupees in thousand)	
24.13	The charge for the year has been allocated as follows:		
	Distribution cost	212,515	151,126
	Selling cost	99,752	84,109
	Administrative expenses	88,663	66,695
	Capital work-in-progress	47,272	19,021
		448,202	320,951
25.	LONG TERM DEPOSITS AND PREPAYMENTS		
	Security and other deposits	33,250	22,656
	Prepayments	1,232	1,232
		34,482	23,888
	Less: Provision against prepayments	(1,232)	(1,232)
		33,250	22,656
26.	STORES AND SPARE PARTS		
	Stores [including in-transit Rs 510,188 thousand (2020: Rs 427,418 thousand)]	5,797,003	4,435,131
	Spares [including in-transit Rs 133,223 thousand (2020: Rs 298,680 thousand)]	807,088	1,191,861
		6,604,091	5,626,992
	Less: Provision for obsolescence 26.1	18,034	36,355
		6,586,057	5,590,637
26.1	Provision for obsolescence		
	Balance as on July 1	36,355	28,128
	(Reversal) / Charge for the year	(18,321)	8,227
	Balance as on June 30	18,034	36,355
26.2	These include material (taken) / given on loan from the following related parties:		
	Sui Southern Gas Company Limited	(232)	(1,914)
	Pakistan Petroleum Limited	(6,740)	(9,682)
	Northern Power Generation Company Limited	-	2,700
		(6,972)	(8,896)
27.	STOCK-IN-TRADE		
	- Gas in pipelines	4,304,885	3,792,112
	- Gas in floating storage regassification unit 27.1	375,531	3,032,711
		4,680,416	6,824,823
27.1	This represents gas purchased by the Company that is yet to be delivered by Engro Elengy Terminal (Private) Limited ('EETL').		

Notes to the Financial Statements

for the year ended June 30, 2021

27.2 Stock of gas is valued at the lower of cost determined on annual average cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale. However, during the year there has been no net realizable value adjustment due to the reason more fully explained in note 4.20 to the financial statements.

	Note	2021 (Rupees in thousand)	2020
28. TRADE DEBTS			
Considered good:			
Secured	28.1 & 28.3	77,206,508	59,968,336
Unsecured	15.5, 28.1 & 28.3	120,905,260	130,321,389
Deferred gas sales		(582,297)	(628,952)
		197,529,471	189,660,773
Less: Allowance for expected credit losses	28.2	25,269,474	24,899,088
		172,259,997	164,761,685
28.1	These include amounts due from the following related parties:		
Oil and Gas Development Company Limited		-	5
Sui Southern Gas Company Limited		52,768,937	51,964,842
State Life Insurance Corporation of Pakistan		383	301
Pak Arab Refinery Limited		81,336	17,963
Sheikh CNG		945	820
National Power Parks Management Company (Private) Limited		11,809,258	6,685,419
Quaid-e-Azam Thermal Power (Private) Limited		17,668,280	13,773,066
Fauji Fertilizers Company Limited		1,921	1,430
Northern Power Generation Company Limited		25,067,251	24,209,678
Engro Powergen Qaidirpur Limited		-	2,580,172
State bank of pakistan		205	-
Lucky Cement Limited		4,002,890	4,984,913
Mohsin Match Factory (Pvt) Limited		14,436	-
Premier Formica Industries Limited		45,314	-
Mohsin Enterprises (Pvt) Limited		2,860	-
A J Textile Mills Limited		789,122	-
A J Spinning Mills (Pvt) Limited		433	-
Nishat Mills Limited		4,301,539	5,057,463
		116,555,110	109,276,072
28.2 Allowance for expected credit loss			
Balance as at July 01		24,899,088	23,045,455
Provision for expected credit losses	45	370,386	1,853,633
Balance as on June 30		25,269,474	24,899,088

28.2.1 For amounts due directly or ultimately from the Government of Pakistan, exemption is allowed by the SECP as more fully explained in note 2.2.4 to these financial statements. The Company is following the requirements of IAS 39 for these receivable balances and based on the assessment done by the management there is no incurred loss with respect to these balances.

28.3 Included in trade debts are amounts receivable from Government owned power generation companies, independent power producers and Sui Southern Gas Company Limited (SSGCL) of Rs. 100,641,087 thousand (2020: Rs. 90,244,948 thousand) along with interest thereon of Rs. 27,641,952 thousand (2020: Rs. 23,672,081 thousand) due to delayed payments. While trade and other payables as referred to in note 15 include an amount of Rs. 496,296,793 thousand (2020: Rs. 416,851,336 thousand) due to Pakistan Petroleum Limited, SSGCL, Oil and Gas Development Company Limited, Pakistan State Oil, Pakistan LNG Limited and Government Holding (Private) Limited on account of gas purchases along with interest accrued on delayed payments of Rs. 103,235,784 thousand (2020: Rs. 74,624,636 thousand) referred to in note 16.1 and interest accrued on delayed payment of Gas Development Surcharge of Rs. 4,101,732 thousand (2020: Rs. 4,101,732 thousand) payable to Government of Pakistan referred to in note 16. OGRA while deciding FRR of the Company for the years 2018-19, 2019-20 and 2020-21 have though acknowledged these liabilities but has not included aforesaid accrued interest in the determined shortfall and has pended Rs. 78,742,849 thousand (2020:Rs. 50,131,702 thousand) being the interest on delayed payments payable to Government owned entities till the eventual payment / settlement of circular debt by Government of Pakistan. The settlement of principal and interest on delayed payments is dependent upon the resolution of inter-corporate circular debt by the Government of Pakistan. Furthermore, recoverability of amounts of Rs. 322,049,427 thousand (2020: Rs. 267,598,642 thousand) and Rs. 124,084,891 thousand (2020: Rs. 65,093,590 thousand) as referred to in note 31 is dependent upon settlement by the Government of Pakistan directly or indirectly inter alia including increase in future gas prices and / or subsidy or through some alternate mechanism.

	Note	2021 (Rupees in thousand)	2020
29. LOANS AND ADVANCES			
Current portion of loans to employees - considered good:			
Executives	23	566	875
Other employees	23	195,699	203,774
		196,265	204,649
Advances - considered good:			
- Employees		1,820,279	2,096,077
- Suppliers and contractors	29.1	104,967	225,946
Advances to suppliers and contractors - considered impaired		3,227	3,227
Less: Allowance for expected credit loss		3,227	3,227
		-	-
		2,121,511	2,526,672
29.1	These include amounts due from the following related parties:		
The General Tyre & Rubber Company of Pakistan limited		675	1,028
Pakistan Cables Limited		-	611
Sui Southern Gas Company Limited		1,299	1,299
Lucky Cement Limited		644	-
		2,618	2,938

29.1.1 These are in the normal course of business and are interest free.

Notes to the Financial Statements

for the year ended June 30, 2021

	Note	2021 (Rupees in thousand)	2020
29.1.2 Ageing of related party balance			
One to six months		363	716
More than six months		2,255	2,222
		2,618	2,938
30 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits and short term prepayments		120,866	185,297
Provision for doubtful deposits		(22,290)	(22,290)
		98,576	163,007
31 OTHER RECEIVABLES			
Excise duty recoverable		108,945	108,945
Less: Expected credit losses		(108,945)	(108,945)
		-	-
Tariff adjustment (indigeneous)	28.3 & 31.1	322,049,427	267,598,642
Tariff adjustment (RLNG)	28.3 & 31.3	124,084,891	65,093,590
Current account with Sui Southern Gas Company Limited	31.5	21,610	20,189
Current account with Interstate Gas Company (Pvt) Limited	31.6	2,129	-
Others		45,774	32,203
		446,203,831	332,744,624
31.1 Tariff adjustment (indigeneous)			
Opening balance		267,598,642	185,376,149
Differential margin determined for the year:			
- Recognized in statement of profit or loss	36	54,131,335	81,329,036
- Recognized in OCI		319,450	893,457
Closing balance		322,049,427	267,598,642
31.2			
This includes an amount as mentioned below, consisting of various expenses which have either been deferred or disallowed by the OGRA on various grounds, however, the Company has recognized tariff adjustment on such deferments / disallowances in these financial statements as the Company believes that the OGRA in its various determinations in the past years has consistently allowed such expenses and or pended such expenses till amicable solution with Federal Government. Accordingly, the Company is in the process of filing a review appeal against the Final Revenue Requirements (FRR) decision by the OGRA and is confident of favourable outcome. Detailed break up of the deferred and / or disallowed expenses is as follows:			
	Note	2021 (Rupees in thousand)	2020
Late payment surcharge to gas creditors	31.2.1	78,742,849	50,131,702
Other operating cost	31.2.2	(564,000)	2,195,000
		78,178,849	52,326,702

31.2.1 This represents late payment surcharge payable to various gas suppliers deferred by the OGRA till actual payment. The Company is of the view that this amount has not been disallowed instead has been pended till amicable solution with Federal Government.

31.2.2 This represents certain operating costs either disallowed / excess allowed by the OGRA for various reasons which have been consistently disallowed / allowed by the OGRA in past years and hence, the Company is confident that the same will be allowed upon the review of appeal to be filed with the OGRA.

	Note	2021 (Rupees in thousand)	2020
31.3 Tariff adjustment (RLNG)			
Opening balance		65,093,590	17,777,161
Recognised for the year	36 & 37	58,991,301	44,698,413
		124,084,891	62,475,574
RLNG margin on sale of stock to SSGCL	31.3.2	-	2,618,016
Closing balance		124,084,891	65,093,590

31.3.1 The balance of 'RLNG tariff adjustment represents the aggregate difference between the margin earned by the Company from the purchase and sale of RLNG based on the notified rates and the RLNG margin guaranteed to the Company till June 30, 2021. The settlement of this amount is expected to materialize in the shape of adjustment to future sale price of RLNG by OGRA and/or subsidy by Government of Pakistan.

The balance represents the difference of average cost of RLNG and the average sale price of system gas of the diverted RLNG volumes to system gas consumers. During the year, 28,305,869 MMBTUs (2020: 39,550,834 MMBTUs) of RLNG were diverted and sold as system gas. The tariff adjustment receivable resulting from RLNG sold as system gas will be adjusted upon directional changes in tariff adjustments in future periods to be determined by the OGRA. Federal Cabinet has approved the adjustment mechanism in respect of cost of diversion through future RLNG price adjustments or subsidy by Government of Pakistan.

31.3.2 OGRA vide its decision dated November 20, 2018 which was further clarified by the OGRA dated February 04, 2019, has directed that the stock of RLNG held with SSGCL to be sold to them on historical weighted average cost. Thereafter, SSGCL shall record sales as per relevant applicable OGRA notified rates. The gain / loss owing to the difference between the current and historical rates shall be passed on to the Company within a month of sale of RLNG stock by the SSGCL and is to be realized / adjusted in the OGRA's determined future price adjustments to the Company's RLNG consumers.

31.4 This includes an amount as mentioned below, consisting of various expenses which have either been deferred or disallowed by the OGRA on various grounds, however, the Company has recognized tariff adjustment on such deferments / disallowances in these financial statements. Accordingly, the Company is in the process of filing a review appeal against the Final Revenue Requirements (FRR) decision by the OGRA and is confident of favourable outcome. Detailed break up of the deferred and / or disallowed expenses is as follows:

	Note	2021 (Rupees in thousand)	2020
Capacity based cost of supply	31.4.1	2,698,000	7,229,000
Gas internally consumed / transportation	31.4.2	289,000	-
Late payment surcharge on gas bills and Finance cost	31.4.3	1,464,810	-
Other		-	8,000
		4,451,810	7,237,000

Notes to the Financial Statements

for the year ended June 30, 2021

- 31.4.1** This represents amounts partially disallowed by the OGRA, by diverting from the earlier consistent practice of allowing such expenses in full i.e. by dividing the total cost on the actual throughput instead of gross throughput, and partially due to an inadvertent error while calculating the average cost of supply in respect of gas internally consumed.
- 31.4.2** This represents net amounts not allowed by the OGRA relating to transportation / cost of gas internally consumed by SSGC. The Company is in the process of filing appeal and is confident of favourable outcome.
- 31.4.3** This represents the late payment surcharge on gas bills of Rs. 3,179,534 thousand pertaining to prior years being treated as operating income on similar treatment adopted in recent decisions by OGRA for current and FY 19-20. In system gas both LPS income and expenditure are treated as operating income and expenditure (pass through item). It is considered that OGRA's partial treatment of similar items is not in line with prevailing regulatory practice. Accordingly, LPS expenditure on working capital of current and prior years of Rs. 4,644,344 thousand is also treated as operating expense. The Company is in process of filing review appeal and is confident of favourable outcome.
- 31.5** This represents amount receivable from Sui Southern Gas Company Limited on account of certain facilities provided to their employees.
- 31.6** This represents amount receivable on account of salary paid to employee transferred to Interstate Gas Company Limited on deputation.

	2021	2020
	(Rupees in thousand)	
32. CONTRACT ASSETS		
Due from customers against construction contracts:		
Balance as at July 01	-	72,758
Additions during the year	13,079	-
Progress billing during the year	-	(72,758)
Balance as at June 30	13,079	-
33. INVESTMENTS		
At fair value through profit or loss:		
Inter State Gas Systems (Private) Limited		
490,000 (2020: 490,000) ordinary shares of Rs. 10 each	-	4,900

This represents 0.21% share capital of Interstate Gas Systems (Private) Limited. This investment is classified as FVTPL under IFRS 9. In 2019, the Board of Directors has approved the sale of these shares to Government Holding (Private) Limited at par value / cost. During the year end, this investment has been sold at a price of Rs. 4,900 thousand.

	Note	2021	2020
		(Rupees in thousand)	
34. CASH AND BANK BALANCES			
At banks:			
On deposits accounts	34.1	8,655,769	7,337,471
On current accounts		1,670,583	175,241
		10,326,352	7,512,712
In hand		1,707	207
		10,328,059	7,512,919

- 34.1** Rate of return on bank deposits ranges between 4.50% to 6% (2020: 4.50% to 11.50%) per annum.

	2021	2020
	(Rupees in thousand)	
34.2 Balance with related parties		
Askari Bank Limited	9,749	4,261,708
Soneri Bank Limited	901	2,918
	10,650	4,264,626

- 34.3** Included in deposit accounts are amounts deposited by the Company in separate bank account(s) for funds released by the Government as grant to finance distribution development projects being the Government share of cost. Withdrawal from this account(s) is made on periodic basis to the extent of projects approved and sanctioned there from and until then, these funds amounting to Rs. 8,254,209 thousand (2020: Rs. 7,027,374 thousand) are not used for the normal treasury operations of the Company. Any profit earned thereon is credited to the funds instead of accounting for as Company's income.

- 34.4** This includes Rs. 156,270 thousand (2020: Rs. 164,753 thousand) restricted for outstanding dividend payments.

35. REVENUE FROM CONTRACTS WITH CUSTOMERS - GAS SALES

	Note	2021	2020
		(Rupees in thousand)	
Gross sales - Indigenous gas		203,031,611	211,858,520
Gross sales - RLNG	35.1	541,225,387	500,906,462
		744,256,998	712,764,982
Sales tax - Indigenous gas		(27,770,375)	(27,601,630)
Sales tax - RLNG		(71,982,204)	(66,635,388)
		(99,752,579)	(94,237,018)
		644,504,419	618,527,964

Notes to the Financial Statements

for the year ended June 30, 2021

35.1 In aggregate, the Company has recognized revenue of Rs. 25,530 million (2020: Rs. 24,641 million) under Take or Pay ("ToP") arrangements from July 01, 2017. This comprises of Rs. 10,367 million (2020: Rs. 10,494 million) from M/s Quaid-e-Azam Thermal Power (Private) Limited ("QATPL") and Rs. 15,163 million (2020: Rs. 14,147 million) from M/s National Power Parks Management Company Limited ("NPPMCL") (collectively referred to as Government Power Producers ("GPPs")).

The Company entered into Gas Supply Agreements ("GSAs") for supply of RLNG to GPPs. Under clause 3.6 of the respective GSAs, the GPPs shall take and if not taken, pay for the unutilized gas on account of Take or Pay ("ToP") arrangements. If the GPPs do not fully utilize the ToP quantity, they can request the Company to divert any unutilized quantity to other power plants, after seeking their consent. In case the power plants refuse or the Company, due to technical constraints or other reasons, is unable to supply the unutilized quantity to the power plants, it can divert that quantity to any of its consumers. The amounts recovered from these consumers, after deduction of any additional charges incurred by the Company in arranging the sale is required to be paid to the GPPs. The revenue of Rs. 25,530 million is recorded net of amounts billed by the Company to such other consumers.

The Company has also partially recovered the ToP amounts by encashment of standby letter of credit of NPPMCL for a net amount of Rs. 10,384 million and withdrawal of Rs. 3,265 million from the escrow account of QATPL against the invoices raised under ToP arrangement. The net receivable balance as at period end amounts to Rs. 11,881 million (2021: Rs. 11,115 million). The GPPs tried to debar the Company from encashing the security provided under the GSA by initiating proceedings in Civil Court. This attempt of GPPs failed and resulted in filing of a writ petition with the Honorable Lahore High Court ("LHC"). The order of the LHC dated June 22, 2018 provides that the dispute should be dealt with in accordance with the dispute resolution mechanism available in the GSAs. In light of section 18.1 of the GSAs, various attempts were made to settle this dispute by mutual discussions but the matter remained unresolved. As required under section 18.2 of the GSAs, the dispute has thereafter been referred to an expert, after mutual agreement of the parties involved, on October 09, 2018.

The Company filed claims against GPPs before the Expert on March 15, 2019 and the proceedings before this forum were completed during September 2019. The recommendation of the Expert was issued in favour of the Company and the GPPs approached the London Court of International Arbitration (LCIA) for the resolution of the matter. The London Court of International Arbitration (LCIA) with respect to NPPMCL has decided the matter against the Company however, the decision of QATPL is still pending adjudication with the LCIA. The Company aggrieved with the decision of LCIA in NPPMCL case has filed an appeal against the decision of LCIA with High Court of London, the matter is still pending adjudication. NPPMCL has nonetheless set off the amounts awarded by LCIA against the invoices of the Company. The Company is in process of exploring the options available to it against this set off.

Besides the above proceedings, the Company, under the terms of the license granted to it by the OGRA, the guidelines issued by the Federal Government vide decision of the Economic Coordination Committee of the Cabinet ("ECC") dated May 11, 2018, and as per determination of Final Revenue Requirement of the Company for FY 2017-18 ("FRR 2017-18") dated January 15, 2019, operates under a fixed rate of return regime. The management believes that in case the decision of the Arbitrator is not set aside in favour of the Company or is partially in favour of the Company in the legal proceedings in London against NPPMCL, and the Company has exhausted its legal remedies available under the law, the matter will be taken up with the OGRA for determining the matter in Revenue Requirement of the Company in line with the tariff regime and OGRA earlier decisions, therefore, it is considered that the Company is not exposed to any significant loss upon the conclusion of this matter.

	2021	2020
	(Rupees in thousand)	
35.2 Disaggregated revenue information		
Type of goods:		
- Indigenous gas	175,261,236	184,256,890
- RLNG	469,243,183	434,271,074
	644,504,419	618,527,964
Timing of revenue recognition:		
- Revenue recognized at point in time	644,504,419	618,527,964
Region wise revenue:		
- Multan	56,188,909	66,723,378
- Bahawalpur	26,398,273	33,243,405
- Sargodha	14,836,248	13,309,218
- Faisalabad	108,964,881	110,956,142
- Sahiwal	3,340,667	3,990,174
- Sheikhpura	108,953,889	95,816,414
- Lahore	115,387,431	115,011,720
- Sialkot	4,344,484	4,805,484
- Gujranwala	30,775,028	33,545,689
- Gujrat	2,955,437	3,067,845
- Islamabad and Rawalpindi	39,986,221	40,016,412
- Mardan	17,204,529	17,167,476
- Peshawar	25,002,480	24,926,488
- Abbottabad	14,316,966	15,049,603
- Head office	75,848,976	40,898,516
	644,504,419	618,527,964
Revenue as per consumer type:		
- Domestic	75,377,338	81,746,933
- Commercial	20,901,346	22,334,557
- General industry	75,441,318	71,190,398
- Fertilizers	27,645,809	23,171,699
- Power sector	249,263,181	254,276,878
- CNG	41,114,726	47,558,156
- Cement sector	659,857	177,249
- SSGCL	75,848,976	40,898,517
- Captive power	64,322,868	64,486,559
- Textile	13,929,000	12,687,018
	644,504,419	618,527,964
Trade debts	172,259,997	164,761,685
Contract assets	13,079	-
Contract liabilities	18,332,424	15,751,424

The main reason for increase in trade debts is due to increased circular debt as more fully explained in note 28 to these financial statements.

Notes to the Financial Statements

for the year ended June 30, 2021

The transaction price allocated to the remaining unsatisfied performance obligations as on June 30, 2021 is as follows:

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Within one year	3,069,917	3,307,064
Over one year	15,262,507	12,444,360

The performance obligation with respect to each category of revenue is disclosed in note 4.17 to these financial statements. The Company does not have any further segments, accordingly, the further disaggregation of Company revenue from contracts with customers has not been presented.

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
36. DIFFERENTIAL MARGIN / TARIFF ADJUSTMENT			
Indigenous gas	36.1 & 31.2	54,131,335	81,329,036
RLNG	31.4	58,991,301	44,698,413
		113,122,636	126,027,449

36.1 This represents receivable from Government of Pakistan (GOP) under the provisions of license for transmission and distribution of natural gas granted to the Company by OGRA. OGRA vide its decision dated June 21, 2018 on the Estimated Revenue Requirement ('ERR') of the Company for the year 2018-19 decided in consultation with the Federal Government and other licensees in the natural gas sector to revise the tariff regime including the rate of return which is to be based on Weighted Average Cost of Capital ('WACC') from the financial year 2018-19. WACC was computed at 17.43% for financial year 2018-19 till 2020-21.

OGRA in its decision dated August 17, 2021 has in line with the tariff regime in vogue, reworked the Rate of Return on Average Net Assets (ROA) for the year 2021-22 and onwards at 16.60% as compared to the previous ROA, rate of 17.43% determined up to 2020-21, however, the same will automatically reset if the reference figure changes by $\pm 2\%$.

At the same time, OGRA has also advised the reduction in depreciation rates of the various operating assets particularly transmission and distribution network of the Company from present rates of nearly 6% per annum to rates ranging from 2.5% to 5% per annum.

As per the tariff regime, the Company is required to earn an annual return of not less than WACC on the value of its average fixed assets in operation (net of deferred credit), before corporate income taxes, interest and other charges on debt and after excluding interest, dividends and other non operating income and before incorporating the effect of efficiency benchmarks prescribed by OGRA.

During the year, the Company could not meet the benchmarks prescribed by the OGRA and as a result the return for the year on the aforesaid basis works out to be 12.64% (2020: 9.50%). Among other disallowances made by the OGRA, the Company has also incorporated the effect of Unaccounted for Gas (UFG), which represents the volume difference of gas purchases and sales, amounting to Rs 3,384,738 thousand (2020: Rs 11,323,653 thousand), which is in excess of the UFG benchmark of 6.98% (2020: 6.98%) as determined by the OGRA.

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
37. COST OF GAS SALES			
Opening stock of gas in pipelines / held with third party		6,824,823	9,007,232
Gas purchases:			
Southern system		83,732,078	104,474,789
Northern system		96,932,331	93,306,079
RLNG	37.1	486,266,525	456,502,689
		666,930,934	654,283,557
		673,755,757	663,290,789
Less:			
- Gas internally consumed		6,902,489	5,266,554
- Gas in pipelines	27	4,304,885	3,792,112
- Gas in floating storage and regasification Unit	27	375,531	3,032,711
		11,582,905	12,091,377
Distribution cost	37.3	42,602,466	38,964,139
		704,775,318	690,163,551
37.1 Gas purchases - RLNG			
Cost of RLNG		469,501,657	439,547,360
Cost of regasification		16,297,132	16,041,750
Service cost and margin		467,736	913,579
		486,266,525	456,502,689

37.2 UFG in the parlance of a gas distribution and transmission company means the difference between gas purchased in volume, gas billed in volume and gas used internally by the Company for its operations. UFG results from a number of factors which inter alia comprises of gas leakages both underground and over ground, measurement errors, meter tampering, meter getting slow with time and use, illegal connections and such other connections which bypass the meters installed. As a result of UFG study conducted by the OGRA, the parameters used for the purpose of calculation of UFG have been revised with effect from July 01, 2017. Consequently non-consumer and law affected area's volumes which were earlier allowed by the OGRA, over and above the benchmark, have now become part of UFG. However, this has been partly compensated by an increase in UFG benchmark from 4.5% to 5% and a further 2.6% dependent on achievement of Key Monitoring Indicators (KMIs) as prescribed by the OGRA. UFG for each region / area of SNGPL network is given below in terms of volume and percentage.

Continued...

Notes to the Financial Statements

for the year ended June 30, 2021

Sr. No.	Region / Area	Number of consumers as on June 30, 2021	UFG 2021	
			MMCF	%
1	Multan	611,184	1,812	4.92
2	Bahawalpur	297,910	764	1.04
3	Sargodha	288,078	473	5.92
4	Faisalabad	821,300	572	2.09
5	Sahiwal	267,938	245	3.44
6	Lahore / Sheikhpura	1,575,929	3,604	6.31
7	Sialkot	332,982	576	5.48
8	Gujranwala	589,295	1,009	5.44
9	Gujrat	295,179	636	8.30
10	Islamabad/Rawalpindi	1,178,744	5,426	10.67
11	Mardan	286,012	2,874	11.82
12	Peshawar	479,392	7,903	20.41
13	Karak	10,107	5,132	89.26
14	Abbottabad	194,969	199	1.27
Total distribution system		7,229,019	31,225	8.33
Transmission system		-	1,937	0.27
Total		7,229,019	33,162	8.60

Sr. No.	Region / Area	Number of consumers as on June 30, 2020	UFG 2020	
			MMCF	%
1	Multan	588,700	2,778	9.57
2	Bahawalpur	282,110	1,218	1.54
3	Sargodha	266,449	602	6.76
4	Faisalabad	774,339	1,579	8.77
5	Sahiwal	254,348	434	5.58
6	Lahore / Sheikhpura	1,516,837	6,921	11.79
7	Sialkot	316,482	945	8.39
8	Gujranwala	561,154	1,437	7.62
9	Gujrat	276,577	764	9.62
10	Islamabad	1,130,418	6,608	12.15
11	Mardan	259,954	3,431	13.47
12	Peshawar	455,382	8,743	21.69
13	Karak	9,679	7,085	90.88
14	Abbottabad	184,446	218	1.26
Total distribution system		6,876,875	42,763	11.53
Transmission system		-	5,492	0.79
Total		6,876,875	48,255	12.32

	Note	2021 (Rupees in thousand)	2020
37.3 Distribution cost			
Salaries, wages and benefits	37.3.1	9,867,771	9,040,394
Employee's medical and welfare		582,141	605,854
Stores and spare parts consumed		537,332	424,280
Fuel and power		6,700,502	5,043,270
Repairs and maintenance		1,875,101	1,893,981
Rent, rates, electricity and telephone		245,591	222,510
Insurance		249,043	222,846
Travelling and conveyance		78,812	94,330
Stationery and postage		19,074	23,036
Transportation charges		752,372	703,138
Professional services		12,065	2,179
Security expenses		904,898	951,670
Advertisement		24,045	23,364
Depreciation	20.1.3	19,745,796	18,584,003
Depreciation on right-of-use assets	22.2	3,644,342	3,613,461
Others		447,031	395,653
		45,685,916	41,843,969
Allocated to fixed capital expenditure		(3,083,450)	(2,879,830)
		42,602,466	38,964,139

37.3.1 Included in salaries, wages and benefits are Rs. 275,610 thousand (2020: Rs. 254,537 thousand) in respect of the Company's contribution to the employees provident fund.

		2021	2020
	Note	(Rupees in thousand)	
38. OTHER OPERATING INCOME			
Income from financial assets			
Interest on staff loans and advances		117,400	74,503
Return on bank deposits		298,229	517,900
Gain on initial recognition of financial liabilities at fair value		6,073	7,264
		421,702	599,667
Interest income on late payment of gas bills			
- Government owned and other power generation companies	28.3	4,002,496	4,697,599
- Fertilizer and cement companies		483,724	1,250,514
- other consumers	38.1	4,833,716	5,318,292
		9,319,936	11,266,405
Income from assets other than financial assets			
Net gain on sale of property, plant and equipment		118,762	46,522
Meter rentals and repair charges		3,693,989	2,140,015
Amortization of deferred credit	11, 12	3,258,650	3,025,054
Insurance claim	38.4	3,252	5,488
		7,074,653	5,217,079

Notes to the Financial Statements

for the year ended June 30, 2021

	Note	2021 (Rupees in thousand)	2020
Others			
Sale of tender documents		10,605	6,828
Sale of scrap		73,284	128,972
Liquidated damages recovered		243,308	137,112
Gain on construction contracts		155,395	157,231
Bad debt recovered		2,227	3,663
Exchange gain		419,202	-
Gas transportation income		760,159	455,878
Urgent fee for new meter connections		1,020,996	1,171,905
Miscellaneous		11,933	18,983
		2,697,109	2,080,572
		19,513,400	19,163,723
38.1 Interest income on late payment of gas bills - other consumers			
Interest on gas sales arrears	38.2	3,010,866	3,650,292
Surcharge on late payments	38.3	1,822,850	1,668,000
		4,833,716	5,318,292
38.2	This represents interest charged on gas sales arrears at the rate of 1.5% (2020: 1.5%) per month up to one year and thereafter 2% (2020: 2%) per month from other than domestic consumers.		
38.3	Late payment surcharge is charged to domestic consumers on over due amounts at the rate of 10% (2020: 10%) charged once.		
38.4	This represents claims received on account of rupture of gas pipelines		
	Note	2021 (Rupees in thousand)	2020
39. SELLING COST			
Salaries, wages and benefits	39.1	5,563,052	4,904,065
Employees medical and welfare		309,386	320,385
Stores and spare parts consumed		1,339	1,608
Repairs and maintenance		404,972	413,760
Rent, rates, electricity and telephone		47,057	43,933
Travelling and conveyance		25,324	37,053
Stationery and postage		128,030	126,952
Dispatch of gas bills		136,327	132,794
Transportation charges		124,122	111,341
Gathering charges of gas bills collection data		39,669	40,632
Gas bills collection charges		556,869	533,252
Advertisement		6	18
Depreciation		251,334	219,116
Others		32,702	57,338
		7,620,189	6,942,247
Allocated to fixed capital expenditure		(483,432)	(429,738)
		7,136,757	6,512,509

39.1 Included in salaries, wages and benefits is Rs. 154,417 thousand (2020: Rs. 138,971 thousand) in respect of the Company's contribution to the employees provident fund.

	Note	2021 (Rupees in thousand)	2020
40. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	40.1	5,867,570	5,041,383
Employees medical and welfare		310,303	318,262
Stores and spare parts consumed		77,776	58,401
Fuel and power		71,847	79,945
Repairs and maintenance		175,599	157,942
Rent, rates, electricity and telephone		174,291	117,404
Insurance		19,570	22,106
Travelling and conveyance		24,293	30,684
Stationery and postage		43,818	40,078
Transportation charges		104,436	105,722
Professional services	40.3	245,318	246,633
Security expenses		335,090	311,865
OGRA fee and expenses		528,160	290,292
Advertisement		166,056	211,552
Depreciation	20.1.3	251,463	216,217
Depreciation on right of use assets	22.2	34,160	42,734
Amortization of intangible assets	21	197,600	93,229
Others		198,447	258,096
		8,825,797	7,642,545
Allocated to fixed capital expenditure		(648,411)	(552,997)
		8,177,386	7,089,548

40.1 Included in salaries, wages and benefits is Rs. 170,683 thousand (2020: Rs. 153,323 thousand) in respect of the Company's contribution to the employees provident fund.

	2021		2020	
	As at June 30	Average during the year	As at June 30	Average during the year
40.2 Number of employees				
Operations	8,463	8,551	8,569	8,570
Projects	246	248	303	313
Total	8,709	8,799	8,872	8,883

Notes to the Financial Statements

for the year ended June 30, 2021

	Note	2021 (Rupees in thousand)	2020
40.3 Professional services			
The charges for professional services include the following in respect of auditors' services for:			
Statutory audit		4,127	3,930
Half yearly review and other certifications		4,186	3,920
Out of pocket expenses		700	700
		9,013	8,550
41. OTHER OPERATING EXPENSES			
Exchange loss - net		-	12,926
Workers' Profit Participation Fund	15.7	833,784	442,996
Workers' Welfare Fund		(171,770)	171,770
Loss on initial recognition of financial assets at fair value		139,865	79,582
		801,879	707,274
41.1	The Company had recognised the provision of workers' welfare fund under the Punjab Workers' Welfare Fund Act 2019 in 2020. However, the said act is not applicable on the transprovincial entities and the Company does not fall under the definition of industrial undertaking under the Workers Welfare Ordinance 1971 therefore, the earlier made provision has been reversed.		
		2021 (Rupees in thousand)	2020
42. FINANCE COST			
Interest and mark up including commitment charges on			
- Long term finances - secured		3,360,807	6,489,724
- Long term finances - unsecured		31,793	18,797
- Short term borrowing		2,029,199	3,243,221
- Late payment to gas suppliers		28,780,299	32,525,154
- Lease liabilities		4,868,904	5,199,122
- Security deposits		1,120,468	1,492,327
Bank charges		8,560	7,345
		40,200,030	48,975,690
Allocated to fixed capital expenditure		(163,205)	-
		40,036,825	48,975,690
43. TAXATION			
Current Tax			
Current year		4,869,695	4,664,766
Prior year		138,989	(198,114)
		5,008,684	4,466,652
Deferred tax		(152,774)	(2,047,430)
		4,855,910	2,419,222

	Note	2021 (Percentage)	2020
43.2 Tax charge reconciliation			
Numerical reconciliation between the average effective tax rate and the applicable tax rate			
Applicable tax rate as per Income Tax Ordinance, 2001		29.00	29.00
Tax effect of amounts that are:			
- Effect of changes in current tax of prior years		0.88	(2.35)
- Others		0.77	2.10
		1.65	(0.25)
Average effective tax rate charged to statement of profit or loss		30.65	28.75
44. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the year	Rupees in thousand	10,985,994	5,997,709
Average ordinary shares in issue	Numbers of shares	5	634,216,665
Basic earnings per share	Rupees	17.32	9.46
No figure for diluted earnings per share has been presented as the Company has not issued any instrument carrying options which would have an impact on the basic earnings per share, when exercised.			
	Note	2021 (Rupees in thousand)	2020
45. CASH GENERATED FROM OPERATIONS			
Profit before taxation		15,841,904	8,416,931
Adjustment for non-cash charges and other items:			
Depreciation on owned assets	20.1.3	20,248,593	19,019,336
Depreciation on right of use assets	22	3,678,502	3,656,195
Amortization on intangible assets	21	197,600	93,229
Employee benefits	14.13 & 24.13	2,892,065	2,462,949
Amortization of deferred credit	38	(3,258,650)	(3,025,054)
Net gain on sale of fixed assets	38	(118,762)	(46,522)
Finance cost	42	40,036,825	48,975,690
Return on bank deposits	38	(298,229)	(517,900)
Allowance for expected credit losses	28.2	370,386	1,853,633
Loss on initial recognition of financial assets at fair value	41	139,865	79,582
Gain on initial recognition of financial liabilities at fair value	38	(6,073)	(7,264)
(Gain) / Loss on initial recognition of financial assets / financial liabilities at fair value			
		133,792	72,318
Net interest expense due to the impact of IFRS-9		(81,061)	(44,495)
Working capital changes	45.1	(44,490,549)	(33,005,104)
Provision for obsolescence		(18,321)	8,227
		35,152,416	47,919,433

Notes to the Financial Statements

for the year ended June 30, 2021

	Note	2021 (Rupees in thousand)	2020
45.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spare parts		(995,420)	(593,968)
Stock-in-trade		2,144,407	2,182,409
Trade debts		(16,493,560)	(14,738,337)
Loans and advances		396,777	(390,450)
Trade deposits and short term prepayments		64,431	870
Other receivables		(105,284,325)	(120,731,911)
		(120,167,690)	(134,271,387)
Increase in current liabilities:			
Trade and other payables		75,914,288	100,964,154
Contract liabilities		(237,147)	302,129
		(44,490,549)	(33,005,104)
45.2 Cash and cash equivalents			
Cash and bank balances	34	10,328,059	7,512,919
Short term borrowing		(29,598,829)	(29,724,262)
		(19,270,770)	(22,211,343)

46. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration including certain benefits, to the Managing Director / Chief Executive and executives of the Company is as follows:

	Managing Director		Executives	
	2021	2020	2021	2020
	(Rupees in thousand)			
Remuneration	27,995	22,282	2,503,538	2,158,455
Contribution to provident, pension and gratuity fund	5,394	7,355	836,068	718,298
Housing and utilities	15,397	12,255	1,417,060	1,197,881
Medical reimbursement	159	67	120,535	117,118
Conveyance and other allowances	-	-	486,669	304,295
Special allowance	2,569	5,991	-	-
Leave encashment	-	6,250	27,456	20,896
Club subscription	74	107	1,949	1,924
	51,588	54,307	5,393,275	4,518,867
Number of persons	1	1	893	788

46.1 In addition, the Chief Executive and certain executives are provided with free transport subject to certain specified limits for petrol consumption, residential telephone/mobile facilities for both business and personal use and free medical facilities.

46.2 The aggregate amount charged in the financial statements in respect of directors' fee paid to eighteen (2020: eighteen) non executive directors was Rs. 42,800 thousand (2020: Rs. 59,000 thousand) including the casual vacancies created. Total number of Directors as at year end are Twelve (2020: fourteen).

46.3 The aggregate amount charged in the financial statements in respect of honorarium paid to Chairperson / Chairman was Rs. 1,277 thousand (2020: Rs. 1,297 thousand). Moreover, Chairperson has been provided with free transport subject to certain specified limits for petrol consumption.

46.4 The aggregate amount charged in the financial statements in respect of medical reimbursement to one (2020: two) directors was Rs. Nil (2020: Rs. 93 thousand).

	Note	2021 (Rupees in thousand)	2020
47. Reconciliation of liabilities arising from financing activities			
		Long term financing	
		Secured	Unsecured
Net debt as at July 1, 2019 (including current portion shown under current liabilities)		50,420,000	508,101
Cash inflows		380,692	-
Cash outflows		(11,090,000)	(91,476)
Others	47.1	-	(70,639)
Net debt as at June 30, 2020 (including current portion shown under current liabilities)		39,710,692	345,986
Cash inflows		6,041,000	-
Cash outflows		(9,063,850)	(145,503)
Others	47.1	-	(37,422)
Net debt as at June 30, 2021 (including current portion shown under current liabilities)		36,687,842	163,061

47.1 Other changes include non-cash movements and interest payments which are presented as operating cash flows in the statement of cash flows.

48. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertaking, other related group companies, directors, executives including key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables, amounts due from directors and key management personnel are shown under receivables and remuneration of directors and executives including key management personnel is disclosed in note 46 to these financial statements.

Notes to the Financial Statements

for the year ended June 30, 2021

Other significant transactions with related parties are as follows:

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Gas sales		
Other related parties		
Sui Southern Gas Company Limited	77,101,016	42,164,826
Fauji Fertilizer Company Limited	12,306	18,513
Pak-Arab Refinery Limited (PARCO)	1,550,564	1,743,298
Oil and Gas Development Company Limited	43	51
Northern Power Generation Company Limited	3,980,999	12,361,234
Quaid-e-Azam Thermal Power (Private) Limited	56,955,145	46,335,328
National Power Parks Management Company (Private) Limited	104,201,552	115,089,418
State Life Insurance Corporation of Pakistan	3,083	3,453
Engro Powergen Qadirpur Limited	-	490,297
Sheikh CNG	12,263	15,724
Nishat Mills Limited	4,919,482	557,463
Premier Formica Industries Limited	21,961	-
Mohsin Enterprises (Pvt) Limited	675	-
Lucky Cement Limited	766,215	1,658,157
A.J. Spinning Mills (Pvt) Limited	13,728	-
A.J. Textile Mills Limited	416,329	-
Mohsin Match Factory (Pvt) Limited	10,252	-
Lahore university of Management sciences	2,105	-
State Bank of Pakistan	2,248	-
Directors and key management personnel		
Residential gas sales to directors	950	665
Residential gas sales to key management personnel	71	31
	249,970,987	220,438,458
Purchase of gas, regasification and transportation		
Sui Southern Gas Company Limited	25,089,558	25,640,565
Government Holdings (Private) Limited	12,860,606	13,269,929
Pakistan Petroleum Limited	54,815,798	63,021,514
Oil and Gas Development Company Limited	57,076,649	57,053,011
Mari Petroleum Company Limited	8,825,266	7,786,605
Pakistan State Oil Company Limited	268,168,525	309,615,224
Pakistan LNG Limited	216,913,318	150,886,960
	643,749,720	627,273,808
Purchase of materials		
The General Tyre & Rubber Company of Pakistan Limited	6,413	12,627
Sui Southern Gas Company Limited	52,161	7,743
Lucky Cement Limited	15,818	2,987
	74,392	23,357

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Purchase of services		
Pakistan Telecommunication Company Limited	24,806	28,264
State Life Insurance Corporation of Pakistan	15,509	12,343
Petroleum Institute of Pakistan	-	3,580
	40,315	44,187
Finance cost		
Sui Southern Gas Company Limited	1,036,564	1,039,404
Government Holdings (Private) Limited	2,702,802	3,044,024
Pakistan Petroleum Limited	13,458,331	15,545,123
Oil and Gas Development Company Limited	11,413,450	12,625,924
Mari Petroleum Company Limited	40,164	44,466
	28,651,311	32,298,941
Profit received on bank deposits		
Askari Bank Limited	11,225	14,765
Soneri Bank Limited	2,196	7,709
	13,421	22,474
Dividend paid		
Sui Southern Gas Company Limited	18,571	-
National Investment Trust	42,027	-
Askari Bank Limited	5,396	-
Adamjee Life Assurance Company Limited	6,708	-
The President Of Islamic Republic Of Pakistan	401,862	-
SNGPL Employees Empowerment Trust	46,580	-
	521,144	-
Insurance expenses		
National Insurance Company Limited	341,100	278,047
State Life Insurance Corporation of Pakistan	48,206	40,957
	389,306	319,004
Insurance claimed received		
National Insurance Corporation	17,668	16,577
State Life Insurance Corporation of Pakistan	51,214	6,327
	68,882	22,904
Contribution to defined contribution plan	591,579	567,336
Contribution to defined benefit plans	2,989,185	2,528,835
Transmission charges - Pakistan Petroleum Limited	5,414	5,734
Payment against Joint Shared Services - Pakistan Petroleum Limited	46,603	21,296
Key Management Personnel	93,161	93,572
Finance cost on Loan - Askari Bank Limited	563,191	987,944

Transaction with related parties are carried out on mutually agreed terms and conditions.

Notes to the Financial Statements

for the year ended June 30, 2021

48.1 Maximum aggregate outstanding balance from related parties at the end of any month is as below:

	2021 (Rupees in thousand)	2020
Included in trade debts (refer note 28.1)		
Oil and Gas Development Company Limited	84	13
Sui Southern Gas Company Limited	77,217,572	51,964,842
State Life Insurance Corporation of Pakistan	592	849
Pak Arab Refinery Limited	290,498	291,566
Sheikh CNG	1,803	4,850
National Power Parks Management Company (Private) Limited	12,375,626	18,202,145
Quaid-e-Azam Thermal Power (Private) Limited	17,759,504	19,563,523
Fauji Fertilizers Company Limited	3,461	4,775
Northern Power Generation Company Limited	25,067,251	26,393,770
Premier Formica industry	56,707	-
Lucky Cement Limited	5,083,850	4,984,913
State Bank of Pakistan	227	-
Mohsin Match Factory (Pvt.) Limited	20,413	-
Mohsin Enterprises (Pvt.) Limited	3,702	-
A.J. Spinning Mills (Pvt.) Limited	1,474	-
A.J. Textile Mills Limited	955,213	-
Nishat Mills Limited	5,005,069	5,259,385
included in loans and advances (refer note 29.1)		
The General Tyre & Rubber Company of Pakistan limited	675	5,903
Pakistan Cables Limited	-	1,626
Lucky Cement Limited	644	-
Sui Southern Gas Company Limited	1,299	4,589

48.2 Contributions to the defined contribution and benefit plans are in accordance with the terms of the entitlement of employees and / or actuarial advice.

48.3 Following are the related parties with whom the Company has entered into transactions during the year excluding GoP, staff retirement benefit funds / trusts and employees, details of which have already been disclosed in these financial statements.

Name of the related party	Basis of relationship	Percentage of shareholding
Government Holdings (Private) Limited	GoP holdings	Not applicable
Pakistan State Oil Company Limited	GoP holdings	Not applicable
Northern Power Generation Company Limited	GoP holdings	Not applicable
National Insurance Company Limited	GoP holdings	Not applicable
National Investment (Trust) Limited	GoP holdings & common directorship	Not applicable
Oil and Gas Development Limited	GoP holdings & common directorship	Not applicable
State Life Insurance Corporation of Pakistan	GoP holdings & common directorship	Not applicable
Pakistan Petroleum Limited	GoP holdings & common directorship	Not applicable
Sui Southern Gas Company Limited	GoP holdings & common directorship	Not applicable
Pak-Arab Refinery Limited (PARCO)	GoP holdings & common directorship	Not applicable
Quaid-e-Azam Thermal Power (Private) Limited	GoP holdings	Not applicable
National Power Parks Management Company (Private) Limited	GoP holdings	Not applicable
Askari Bank Limited	Common directorship	Not applicable
Pakistan LNG Limited	Common directorship	Not applicable
Fauji Fertilizer Company Limited	Common directorship	Not applicable
The General Tyre & Rubber Company of Pakistan Limited	Common directorship	Not applicable
Soneri Bank Limited	Common directorship	Not applicable
Pakistan Telecommunication Company Limited	Common directorship	Not applicable
Mari Petroleum Company Limited	Common directorship	Not applicable
Sheikh CNG	Common directorship	Not applicable
A.J. Spinning Mills (Pvt.) Limited	Common directorship	Not applicable
A.J. Textile Mills Limited	Common directorship	Not applicable
Adamjee Life Assurance Company Limited	Common directorship	Not applicable
Lahore university of Management sciences	Common directorship	Not applicable
Lucky Cement Limited	Common directorship	Not applicable
Mohsin Enterprises (Pvt.) Limited	Common directorship	Not applicable
Mohsin Match Factory (Pvt.) Limited	Common directorship	Not applicable
Premier Formica Industries Limited	Common directorship	Not applicable
State Bank of Pakistan	Common directorship	Not applicable
Nishat Mills Limited	Relative as Director	Not applicable

48.4 A number of entities owned directly / indirectly by the Government of Pakistan (GOP) are the related parties of the Company due to significant influence of the GOP over the Company. Accordingly, the management has applied the exemption available under IAS 24 'Related Party Disclosures' and the transactions with those entities, other than disclosed above, are considered highly insignificant at the financial statements level to be disclosed. Moreover, considering the nature of the Company's business, utility services are being provided to a number of Directors and Executives, other than those disclosed above, which are also considered highly insignificant to be disclosed.

48.5 The review report submitted by Internal Audit department to BAC/BOD on the investigation of related party transactions of Mr. Ahmad Aqeel has been submitted to SECP/ External Agency. Earlier the External Agency had referred the matter back to the Company for internal investigation. On the directions of SECP, while comments of

Notes to the Financial Statements

for the year ended June 30, 2021

Mr. Ahmad Aqeel have been sought on the observations raised in the report, Company is addressing other matters raised by SECP. Further necessary action/ impact, if any, will be accounted for once the matter is concluded.

49. CAPACITY AND ACTUAL PERFORMANCE

The average daily gas transmitted during the year was 489,098 HM³ (2020: 588,833 HM³) against the designed capacity of 715,616 HM³ (2020: 715,616 HM³). The Company has no control over the rate of utilization of its capacity as the use of available capacity is dependent on off-takes by the consumers and availability of gas.

50. FINANCIAL RISK MANAGEMENT

50.1 Financial risk factors

The Company’s activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from currency exposure to the United States Dollar (USD). Currently, the Company’s foreign exchange risk exposure is restricted to the amounts payable to the gas suppliers. The exchange gain / (loss) on the payment to gas suppliers is passed on to the Government, due to the reason more fully explained in note 4.20 to the financial statements.

	2021	2020
	(Rupees per US Dollar)	
The following significant exchange rates were applied during the year:		
Average rate	159.63	158.22
Reporting date rate	158.30	168.75

ii) Price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity and equity price risk.

iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has long-term interest-bearing assets in addition to the long term financing and short term borrowing. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company’s interest bearing financial instruments is as follows:

	2021	2020
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Loans to employees	830,974	1,055,634
Financial liabilities		
Long term financing	287,688	370,921
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	8,655,769	7,337,471
Financial liabilities		
Long term financing	36,762,395	39,777,233
Security deposit	29,936,249	28,998,765
Short term borrowing	29,598,829	29,724,262
Creditors for gas - overdue	299,483,617	299,547,231
Lease liabilities	35,965,533	39,795,101

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If floating interest rates on financial liabilities at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit after taxation for the year would have decreased / increased by Rs. 412,104 thousand (2020: Rs. 592,383 thousand), mainly as a result of higher / lower interest expense in the year ended June 30, 2021. This analysis is prepared assuming the amount of floating rate instruments outstanding at the dates of statement of financial position were outstanding for the whole year.

Notes to the Financial Statements

for the year ended June 30, 2021

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Loans and advances	2,651,253	3,151,711
Deposits	89,625	184,154
Trade debts	172,259,997	164,761,685
Interest accrued	12,683	24,643
Other receivables	67,384	52,392
Contract assets	13,079	-
Bank balances	10,326,352	7,512,712
	185,420,373	175,687,297

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based historical loss rates for each category of customers. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above. The Company also holds cash security and letter of guarantees from banks with strong credit ratings as security from consumers. Accordingly, expected credit loss rate for secured debtors is insignificant, hence gross amount equals to net carrying amount. However, for unsecured trade debts, the Company evaluates the concentration of risk with respect to each category of customer for the purpose of determining expected credit loss. The maximum exposure to credit risk for trade debts at the reporting date is as follows:

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Not yet due	30,640,496	33,606,931
1 to 6 months	75,237,487	68,964,323
More than 6 months	91,651,488	87,089,519
	166,888,975	156,053,842
	197,529,471	189,660,773

As at June 30, 2021, trade debts of Rs. 116,555,110 thousand (2020: Rs. 109,276,072 thousand) were past due but not considered impaired relating to receivables from a number of related parties from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Not yet due	14,805,047	4,990,170
1 to 6 months	11,970,329	5,243,222
More than 6 months	89,779,734	99,042,680
	101,750,063	104,285,902
	116,555,110	109,276,072

	Total trade debts (Rupees in thousand)	Expected credit loss (Rupees in thousand)	Expected credit loss rate (Percentage)
As at June 30, 2021			
Category			
Fertilizer	2,646,829	83,358	3%
General industry	34,151,412	13,810,002	40%
Commercial	6,884,590	4,597,897	67%
Domestic	13,740,864	5,765,673	42%
Bulk domestic	1,576,442	1,012,544	64%
Receivable from entities under circular debt (refer note 2.2.4)	138,529,334	Not applicable for ECL	
	197,529,471	25,269,474	

As at June 30, 2020

Category			
Fertilizer	2,627,852	81,706	3%
General industry	41,189,631	12,772,373	31%
Commercial	6,994,093	4,583,753	66%
Domestic	17,269,138	5,497,635	32%
Bulk domestic	9,823,730	1,963,621	20%
Receivable from entities under circular debt (refer note 2.2.4)	111,756,329	Not applicable for ECL	
	189,660,773	24,899,088	

As at June 30, 2021, expected credit loss amounts to Rs. 25,269,474 thousand (2020: Rs. 24,899,088 thousand) against trade debts. The ageing analysis of these trade debts is as follows:

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
0 to 6 months	627,003	617,314
More than 6 months	24,642,471	24,281,774
	25,269,474	24,899,088

Notes to the Financial Statements

for the year ended June 30, 2021

The Company deals with banks having credit ratings in the top categories therefore, considers these as low risk and does not expect credit loss to arise on the balances. Following are the credit ratings of banks with which balances are held or credit lines available:

Banks	Rating		
	Short Term	Long Term	Agency
MCB Bank Limited	A-1+	AAA	PACRA
National Bank of Pakistan	A-1+	AAA	PACRA
Habib Bank Limited	A-1+	AAA	VIS
United Bank Limited	A-1+	AAA	VIS
Allied Bank Limited	A-1+	AAA	PACRA
Askari Bank Limited	A-1+	AA+	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
Bank Al-Habib Limited	A-1+	AAA	PACRA
Faysal Bank Limited	A-1+	AA	VIS
Bank Alfalah Limited	A-1+	AA	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
The Bank of Punjab	A-1+	AA+	PACRA
Citi Bank N.A.	P-1	Aa3	Moody's
First Women Bank Limited	A-2	A-	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA
Al Baraka Bank (Pakistan) Limited	A-1	A	PACRA
Summit bank Limited	A-3	BBB-	VIS
JS Bank Limited	A-1+	AA-	PACRA
Bank Islami Pakistan Limited	A-1	A+	PACRA
Samba Bank Limited	A-1	AA	VIS
The Bank of Khyber	A-1	A+	PACRA
Punjab Provincial Co-operative Bank		Not available	
Sindh Bank Limited	A-1	A+	VIS
Silk Bank Limited	A-2	A-	VIS
Meezan Bank Limited	A-1+	AAA	VIS

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In spite of the fact that the Company is in a negative working capital position at the year end, the management believes the liquidity risk to be low.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to their contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
(Rupees in thousand)					
June 30, 2021					
Security deposits	55,205,548	55,205,548	-	55,205,548	-
Unclaimed dividend	156,270	156,270	156,270	-	-
Interest / mark-up accrued					
on loans and other payables	111,748,560	111,748,560	111,748,560	-	-
Long term financing	36,996,406	46,584,873	12,327,472	30,595,314	3,662,087
Trade and other payables	526,936,430	526,936,430	526,936,430	-	-
Short term borrowings	29,598,829	30,664,045	30,664,045	-	-
Lease liabilities	35,965,533	62,095,875	7,852,309	26,203,306	28,040,260
	796,607,576	833,391,601	689,685,086	112,004,168	31,702,347
June 30, 2020					
Security deposits	52,335,405	52,335,405	-	52,335,405	-
Unclaimed dividend	164,753	164,753	164,753	-	-
Interest / mark-up accrued					
on loans and other payables	84,130,770	84,130,770	84,130,770	-	-
Long term financing	40,148,154	50,659,259	12,645,884	32,190,044	5,823,331
Trade and other payables	448,999,877	448,999,877	448,999,877	-	-
Short term borrowings	29,724,262	30,745,223	30,745,223	-	-
Lease liabilities	39,795,101	68,968,896	7,544,962	27,249,710	34,174,223
	695,298,322	736,004,183	584,231,469	111,775,159	39,997,554

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2021 and 2020. The rates of mark-up have been disclosed in respective notes to the financial statements.

50.2 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Notes to the Financial Statements

for the year ended June 30, 2021

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As explained in note 33 to these financial statements, the Company only had an investment in unquoted equity instruments Rs. 4,900 thousand during 2020. which has been classified under level 2 hierarchy. In 2019, the Board of Directors has approved the sale of these shares to Government Holding (Private) Limited at par value / cost. During the year end, this investment has been sold at a price of Rs. 4,900 thousand.

50.3 Financial instruments by categories

As at 30 June

Debt instruments at amortized cost

	2021 (Rupees in thousand)	2020
Loans and advances	2,651,253	3,151,711
Trade deposits and short term prepayments	89,625	184,154
Trade debts	172,259,997	164,761,685
Interest accrued	12,683	24,643
Other receivables	67,384	52,392
Cash and bank balances	10,328,059	7,512,919
	185,409,001	175,687,504

Debt instruments at FVTPL

Investments	-	4,900
Total current	184,544,777	174,614,114

Total non current

	864,224	1,078,290
--	---------	-----------

Financial liabilities at amortized cost

Long term financing	36,996,406	40,148,154
Security deposit	55,205,548	52,335,405
Accrued mark-up	111,748,560	84,130,770
Short term borrowings	29,598,829	29,724,262
Lease liabilities	35,965,533	39,795,101
Unclaimed dividend	156,270	164,753
Trade and other payables	526,936,430	448,999,877
	796,607,576	695,298,322
Total current	683,594,889	578,372,332
Total non current	113,012,687	116,925,990

51. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain healthier capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholders, return on capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes from the previous year. The Company monitors capital using gearing ratio, which is debt divided by equity plus net debt. Debt represent long-term financing (including current portion) plus short term borrowing obtained by the Company as referred to in note 7, 8, 9 , 17 and 18. Total capital employed includes 'total equity' as shown in the statement of financial position plus debt. The Company's strategy, which was unchanged from last year, was to maintain optimal capital structure in order to minimize cost of capital.

The gearing ratio as at June 30, 2021 and June 30, 2020 were as follows:

	Note	2021 (Rupees in thousand)	2020
Debt	7,8,9,17&18	102,560,768	109,667,517
Equity		34,220,066	25,136,859
Total capital employed		136,780,834	134,804,376
Gearing ratio		74.98%	81.35%

a) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants in respect of the loans referred to in Note 7. The Company has complied with these covenants throughout the reporting period.

52. EVENTS AFTER THE REPORTING PERIOD

52.1 The Board of Directors have proposed a final dividend for the year ended June 30, 2021 of Rs 5 per share of Rs. 3,171,083,325 at their meeting held on July 02, 2022 for approval of the members at the forthcoming Annual General Meeting (AGM). These financial statements do not include the effect of the above dividend that will be accounted for in the period in which it is approved.

52.2 The Board of Directors of the Company in its meeting held on October 02, 2021 has proposed an interim cash dividend for the half year ended December 31, 2020 of Rs. 2.00 per share of Rs 1,268,433,330. These financial statements of the Company for the year ended June 30, 2021 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

52.3 The Board of Directors of the Company in its meeting held on July 02, 2021 has proposed a final cash dividend of Rs 4 per share, aggregating to Rs. 2,536,866,660 for the year ended June 30, 2020. These financial statements of the Company for the year ended June 30, 2021 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

Notes to the Financial Statements

for the year ended June 30, 2021

جائزہ چیئر پرسن اور ڈائریکٹرز رپورٹ

53. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. Following major reclassifications have been made during the year:

Description	Reclassified		Rupees
	From	To	
Depreciation	Distribution cost	Selling cost	54,947
	Administrative expenses	Selling cost	164,170

54. GENERAL

The figures have been rounded off to the nearest thousand rupees.

55. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on July 02, 2022 by the Board of Directors of the Company.

* سوئی ناردرن گیس پائپ لائنز لمیٹڈ زیادہ سے زیادہ صارفین کو گیس مہیا کرنے کے لیے تھرڈ پارٹی ایکسیس پر غور کر رہی ہے۔

اظہار تشکر (Acknowledgements)

ہم بورڈ کے اراکین کے تہہ دل سے شکر گزار ہیں جنہوں نے اپنی جانفشانی اور قیمتی وقت کے ساتھ کمپنی کی بہتری کیلئے نمایاں کردار ادا کیا۔

آپ کے ڈائریکٹرز، معزز حصے داران اور صارفین کی طرف سے ملنے والی مسلسل حمایت و سرپرستی پر شکریہ ادا کرتے ہیں۔ ہم تمام ملازمین کی اُن تمام قابل قدر خدمات، جو انہوں نے کمپنی کو بہ طریق احسن چلانے میں ادا کی ہیں، پر مشکور ہیں۔

ہم حکومت پاکستان، وزارت توانائی (پیٹرولیم ڈویژن) اور اوگرا کی مسلسل رہنمائی و حمایت پر بھی مشکور و ممنون ہیں۔

منجانب بورڈ



(علی جاوید ہمدانی)


(روحی رئیس خان)

چیئر پرسن بورڈ آف ڈائریکٹرز
اسلام آباد

مینجنگ ڈائریکٹر / منتظم مالی

موضوع: 02 جولائی 2022ء
(نوٹ: اردو متن میں کسی ابہام کی صورت میں انگریزی متن کو ترجیح دی جائے۔)


Faisal Iqbal
Chief Financial Officer


Ali J. Hamdani
Managing Director / CEO


Roohi Raees Khan
Chairperson

جائزہ چیمپرسن اور ڈائریکٹرز رپورٹ

جائزہ کارکردگی برائے بورڈ، منتظم اعلیٰ اور اعلیٰ انتظامیہ

پبلک سیکٹرز کمپنیز (کارپوریٹ گورننس) رولز 2013ء اور سڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء میں درج ضروریات کے عین مطابق بورڈ اور کمیٹیوں کی کارکردگی کا جائزہ بذریعہ تھرڈ پارٹی (Third Party) یعنی پاکستان انسٹیٹ آف کارپوریٹ گورننس (PICG) سے کروایا گیا، جو کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) سے تصدیق یافتہ ادارہ ہے، جس میں آن لائن سوالنامہ بورڈ ارکان میں تقسیم کیا جاتا ہے اور اس کے ذریعے ان کی کارکردگی کا جائزہ لیا جاتا ہے۔ کارکردگی کا جائزہ سالانہ بنیادوں پر لیا جاتا ہے۔ تاکہ بورڈ کی افادیت اور اس کے کردار اور ذمہ داریوں کو بہتر طور سمجھا جاسکے۔

ڈائریکٹرز کا معاوضہ

ایکٹ اور ریگولیشن کے تناظر میں بورڈ آف ڈائریکٹرز کے مشاہرہ کا ایک شفاف طریقہ کار ہے۔ ہر نان ایگزیکٹو ڈائریکٹر کو ایک لاکھ روپے مشاہرہ کے علاوہ، پاکستان کے اندر رہائش سے میٹنگ کی جگہ تک دوطرفہ فضائی سفر کا کرایہ، دوسرے سفری اخراجات اور رہائش کی سہولیات دی جاتی ہیں، مذکورہ بالا کے علاوہ چیمپرسن کو ماہانہ ایک لاکھ روپے اعزاز یہ، کمپنی کی گاڑی بمعدہ ایندھن اور خود اور شریک حیات کیلئے طبی سہولیات بھی دی جاتی ہیں۔ ڈائریکٹرز کو ادائیگی والی فیس اور CEO کو ادائیجا جانے والے معاوضہ کی تفصیلات مالی بیانات کے نوٹ نمبر 46 میں درج ہیں۔

احوال بعد از میزانیہ

1 جولائی 2022ء تک، جو کہ مالیاتی گوشواراجات کی منظوری کی تاریخ ہے، ڈائریکٹرانے کسی بھی قسم کی معلومات وصول نہیں کی جن کا تعلق منظوری تک آنے والی کسی بھی ایسی بات سے ہو جو پیش کردہ گوشواروں پر اثر انداز ہو سکیں۔

ادارتی نظم و نسق

بورڈ آف ڈائریکٹرز نے پبلک سیکٹرز کمپنیز (کارپوریٹ گورننس) رولز 2013ء اور سڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء میں ادارتی نظم و نسق کے متعلقہ اصولوں کی تعمیل کی ہے۔

بیان برائے ادارتی اور مالیاتی ضابطہ کار

بورڈ آف ڈائریکٹرز سال مختتمہ 30 جون 2021ء کیلئے اعلان کرتے ہیں کہ:

(الف) مالیاتی گوشوارے اور ان سے متعلقہ نوٹ کمپنیز ایکٹ 2017ء کے جدول نمبر 4 سے

مطابقت رکھتے ہیں۔ ان بیانات میں کمپنی کو چلانے کیلئے ترسیلات زر (Cash Flow) اور ایکوٹی میں تبدیلیوں کو احسن طریقے سے بیان کیا گیا ہے۔

(ب) کمپنی کے حسابات کو احسن طریقے سے سنبھالا گیا ہے۔

(پ) درست محسوب حکمت عملی (Accounting Policies) تسلسل کے ساتھ نافذ العمل ہے اور تمام مالیاتی گوشواروں اور محسوب اندازوں کی تیاری کی بنیاد مناسب اور محتاط فیصلے ہیں۔

(ت) بین الاقوامی مالیاتی معیارات برائے رپورٹنگ کے تحت، جو کہ پاکستان میں نافذ العمل ہیں، مالیاتی گوشواراجات کی تیاری کی گئی ہے اور کسی بھی اخراج کو پوری وضاحت کے ساتھ بیان کر دیا گیا ہے۔

(ث) اندرونی کنٹرول کا نظام اپنی وضع کے لحاظ سے مستحکم ہے اور موثر نفاذ کے ساتھ مسلسل نگرانی میں ہے۔

(ث) اچھی روایات کے مطابق چیمپرسن صاحبہ اور بورڈ کے دیگر ارکان کی تعیناتی اور اُن کے معاوضہ جات کی ادائیگی کے طریقہ کار میں کمپنی کے بہترین مفاد کو مد نظر رکھا گیا ہے۔

(ج) بطور "ایک کامیاب ادارہ" کمپنی کی اہلیت کے تسلسل پر کوئی ابہام نہیں ہے۔ بورڈ پُر اعتماد ہے کہ کمپنی کے وسائل مستقبل میں آپریشنز جاری رکھنے کیلئے کافی ہیں۔ کمپنی کے مالیاتی گوشواراجات بطور "ایک کامیاب ادارہ" کی بنیاد پر تیار کئے گئے ہیں۔

(ج) پچھلے سال کے تجارتی نتائج سے اہم متفرقات کو جیسا مناسب سمجھا گیا "جائزہ چیمپرسن اور ڈائریکٹرز رپورٹ" اور گوشواراجات سے متعلقہ نوٹس جو کہ اس سالانہ رپورٹ کے ساتھ منسلک ہیں، میں پیش کر دیا گیا ہے۔

(ج) گزشتہ 6 سالہ اہم افعالی و مالیاتی اعداد و شمار اختصار کے ساتھ اس سالانہ رپورٹ کا حصہ بنادیئے گئے ہیں۔

(خ) تمام وہ قانونی ادائیگیاں جو کہ 30 جون 2021ء تک قابل ادائیگی جن میں محصولات، ڈیوٹیز (Duties)، لگان اور کاروباری مصروفیات میں آنے والے اخراجات شامل ہیں، سال کے آخر تک ادا کئے جائچکے ہیں۔

(د) ملازمین کی ریٹائرمنٹ کے فنڈ میں کی جانے والی سرمایہ کاری کی قدر، جو کہ فنڈز کے سال مختتمہ 30 جون 2021ء کے پڑتال شدہ گوشوارہ جات پر مشتمل ہے، درج ذیل ہے:

(روپے ہزاروں میں)

SN سنئیر سٹاف پینشن فنڈ	4,531,022
SN جونیئر سٹاف پینشن فنڈ	24,547,298
SN ایگزیکٹو سٹاف گریجویٹ فنڈ	240,007
SN نان ایگزیکٹو سٹاف گریجویٹ فنڈ	7,576,904
SN ٹرسٹی پروپڈرینٹ فنڈ	17,157,662
SNGPL سپرائیوالمیشن فری گیس سیورڈینیٹ فنڈ	170,379
SNGPL سپرائیوالمیشن کمپنیڈائٹمنس فنڈ ایگزیکٹو فنڈ	7,443,449
SNGPL سپرائیوالمیشن کمپنیڈائٹمنس فنڈ ایگزیکٹو فنڈ	923,171
SNGPL سپرائیوالمیشن کمپنیڈائٹمنس فنڈ سیورڈینیٹ فنڈ	1,730,573
SNGPL سپرائیوالمیشن میڈیکل ایگزیکٹو فنڈ	5,671,295
SNGPL سپرائیوالمیشن میڈیکل سیورڈینیٹ فنڈ	10,889,984
SN ملازمین حادثاتی اموات وقف فنڈ	10,980
نوٹس	80,892,724

(د) بورڈ اور کمیٹیوں کے اجلاس کی تعداد اور حاضری اس رپورٹ کے ادارتی نظم و نسق (Corporate Governance) سے متعلقہ جزو میں بیان کر دی گئی ہیں۔

(ذ) اس رپورٹ کے تعمیلی بیان میں بورڈ اور اُن کی کمیٹیوں میں شامل تمام مرد و خواتین خود مختار، نان-ایگزیکٹو ڈائریکٹرز (Directors) کے اسمِ گرامی اور تعداد بیان کر دی گئی ہے۔

(ز) کمپنی پبلک سیکٹرز کمپنیز (کارپوریٹ گورننس) رولز 2013ء اور سڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء کے تحت ڈائریکٹرز بتی پروگرام پر عمل پیرا ہے۔

(ر) حصّے داران کی درجہ بندی اور پیٹرن برائے سال مختتمہ 30 جون 2021ء کو بطور علیحدہ جزو رپورٹ کا حصہ بنا دیا گیا ہے۔

(ز) قرضہ جات کی ادائیگی میں کوئی کوتاہی ہوئی نہ ہی اس کا امکان ہے۔

(ژ) ڈائریکٹران، منتظم اعلیٰ (CEO)، کمپنی سیکریٹری اُنکے Spouse، زیرکفالت بچوں (اگر کوئی ہیں) نے کسی بھی حصص سے متعلقہ تجارتی سرگرمی، علاوہ وہ جو کہ قانونی طور پر بیان کر دی گئی ہیں، میں حصہ نہیں لیا۔ اس رپورٹ کے اندر درجہ بندی برائے حصص داران میں اُن کے حصص کی تعداد کو اگر کوئی جوہر رکھتے ہیں بیان کر دیا گیا ہے۔

پڑتال کنندگان (Auditors)

میسرز یوسف عادل، چارٹرڈ اکاؤنٹینٹس کو کمپنی کے حسابات برائے سال 2020-21ء کی پڑتال کے لیے مورخہ 29 جولائی 2021ء کے سالانہ اجلاس عام میں بطور بیرونی پڑتال کنندہ (External Auditors) تعینات کیا گیا تھا 22-2021ء کے مالی سال کیلئے بھی اُنہوں نے بطور پڑتال کنندگان اپنی خدمات کی سرانجام دی کیلئے رضا مندی کا اظہار کیا ہے۔ آڈٹ کمپنی کی سفارش پر بورڈ آف ڈائریکٹرز نے مالی سال 22-2021ء کیلئے میسرز یوسف عادل کا نام بطور پڑتال کنندگان، تقرری کیلئے تجویز کیا ہے۔

حصص کی صورت حال (Share Watch)

1 جولائی 2020ء کو کمپنی کے حصص کی خرید و فروخت 55 روپے سے شروع ہوئی اور 30 جون 2021ء کو 48 روپے 58 پیسے پر بند ہوئی۔ زیر جائزہ عرصہ کے دوران زیادہ سے زیادہ قیمت 69 روپے 35 پیسے اور کم سے کم قیمت 36 روپے رہی۔ 30 جون 2021ء کو حصص کی مجموعی مالیت 30 ارب 81 کروڑ روپے تھی۔

پیش بینی (Future Outlook)

آپ کی کمپنی صارفین کو گیس کی فراہمی کو بہتر بنانے کے لیے متعدد اقدامات کر رہی ہے جو کہ درج ذیل ہیں:

* تکنیکی اور عملی طور پر بلند غیر محسوب گیس والے علاقوں کو قابل قبول سطح پر لانے کے لیے مرکز کوششیں۔

* تلاش اور پیداوار کی کمپنیوں (E&P) کے لیے پائپ لائن انجینئرنگ اور تعمیراتی کام سمیت منافع کے دیگر راستوں پر فعال طریقے سے آگے بڑھنا۔ آپ کی کمپنی کی انتظامیہ کو یقین ہے کہ اس لائحہ عمل، جس کا مختصر خلاصہ اوپر بیان کیا گیا ہے، آپ کی کمپنی مستقبل میں حوصلہ افزا نتائج دکھاسکے گی۔

* آپ کی کمپنی جیوگرافک انفارمیشن سسٹم (GIS) ٹیکنالوجی کے استعمال کے ذریعے ٹریمیشن اور ڈسٹری بیوشن سسٹم کے ڈیجیٹل نقشے تیار کرنے کے منصوبے پر کام کر رہی ہے۔ (GIS) نقشے انتظامیہ اور صارفین کو انٹرا ایکٹو ویب ایپس اور GIS ڈیش بورڈ کے ذریعے پائپ لائن نیٹ ورک اور صارفین سے متعلق معلومات کو دیکھنے میں مدد کر رہے ہیں۔ اب تک، پانچ شہروں کے ڈسٹری بیوشن پائپ لائن نیٹ ورک ("4"-24 dia)، پورے ٹریمیشن پائپ لائن نیٹ ورک، تمام صارفین کے مقامات، صارفین کی شکایات، رساؤ کا پتہ لگانے کے پوائنٹس اور TBS سروس ایریا کی حدود پوری کمپنی میں GIS پورٹل کے ذریعے میپ کی گئی ہیں اور دستیاب ہیں۔

© 2021 Sui Northern Gas Pipelines Limited

صنعتی تعلقات

آپ کی کمپنی نے صنعتی امن کو یقینی بنانے کے لئے سی بی اے کے ساتھ خوشگوار تعلقات برقرار رکھے۔ اس عرصے کے دوران مینجمنٹ اوری سی اے کے درمیان 2021-2019 کی مدت کے لئے سی بی اے معاہدے کو حتمی شکل دی گئی۔

بلڈ ریلیشن کوئٹہ کے تحت متونی کوئٹہ کے تحت کل 36 افراد کو بھرتی کیا گیا جبکہ پیشہ ورانہ اہلیت کے حصول کے لئے ملازمین کے بچوں کو 80 وظائف دیئے گئے۔

معذور افراد کا روزگار (پی ڈبلیو ڈی)

سماجی طور پر ذمہ دار کمپنی ہونے کی وجہ سے، آپ کی کمپنی مختلف طور پر قابل ملازمین کے لئے مناسب موقع اور معاون ماحول فراہم کرتی ہے جو انہیں اپنی حقیقی صلاحیت حاصل کرنے کے قابل بناتی ہے۔ کمپنی نے معذور افراد (روزگار اور بحالی) آرڈیننس 1981ء کی تعمیل میں 2 فیصد کوئٹہ مختص کیا ہے۔

بدعنوانی کے خلاف اقدامات اور کاروباری اخلاقیات

کمپنی نظم و ضبط، اخلاقی رہنما خطوط اور اچھی کارپوریٹ گورننس پالیسیوں کے اعلی ترین معیارات پر عمل پیرا ہے اور ایک ایسا ماحول جو پیداواری صلاحیت کے لئے سازگار ہو، تمام ملازمین کے ذریعہ اس کی تعمیل کے طریقہ کار پر عمل پیرا ہے۔ کمپنی کے پاس ایک واضح ڈسپلنری فریم ورک پالیسی ہے جو بدعنوانی یا کسی اور قسم کے خطرے کو ختم کرنے کے لئے احتیاطی اور نشاندہی کنٹرول کے طور پر کام کرتی ہے۔ یہ پالیسیاں بدعنوانی سے وابستہ خطرات کو کم کرنے اور بدانتداری کے اعلی معیارات حاصل کرنے میں مدد کرتی ہیں۔

ٹریڈنگ اینڈ ڈیولپمنٹ

آپ کی کمپنی اپنے جدید ترین تدریسی ادارے بنام ”سوئی ناردرن گیس ٹریڈنگ انسٹی ٹیوٹ (SNGTD)“ کے ذریعے تکنیکی اور سائنسی سکھوتریبت سارا سال مہیا کرتی ہے۔

ڈیجیٹل مینیکالوجی کے تیزی سے ارتقاء کے صنعتوں پر نمایاں اثرات مرتب ہو رہے ہیں۔ کم لاگت کے ساتھ زیادہ سے زیادہ کارکردگی کے لیے دلچسپ نئے مواقع فراہم کرنے کے لئے، آپ کی کمپنی نے وہاے کی صورت حال کے دوران بھی ملازمین کی صلاحیت سازی میں اضافہ کرنے کے لئے ایک مہبل کی ہے۔ اس کے نتیجے میں 2020ء میں ورچوئل لرننگ پلیٹ فارم یعنی ”سوئی ناردرن گیس ورچوئل لرننگ پلیٹ فارم“ (ایس این جی وی ایل پی) کا آغاز کیا۔ اس کے بعد سے اب تک 70 آن لائن کورسز ڈیزائن، ریکارڈ اور اپ لوڈ کیے جا چکے ہیں۔

رسک مینجمنٹ (Risk Management)

آپ کی کمپنی سالانہ رسک مینجمنٹ پلان کے ذریعے اسٹریٹجک فیصلہ سازی کے عمل میں انٹر پرائز رسک مینجمنٹ (ای آر ایم) کے تصورات کو شامل کرنے کے لئے پُر عزم ہے۔

ایس این جی پی ایل میں ای آر ایم فریم ورک بہترین بین الاقوامی طریقوں اور کمیٹی آف

اسپانسرنگ آرگنائزیشنز ISO 31000 & COSO) کے فریم ورک پر مبنی ہے۔ یہ واضح حکمرانی کے ساتھ کمپنی بھر میں تمام سرگرمیوں کے خطرات کا انتظام کرنے کے لئے ایک منظم اور جامع رسک مینجمنٹ نقطہ نظر فراہم کرنے کے لئے موجود ہے۔ محکمہ کی سطح پر اہم حکمانہ خطرات کی نشاندہی کے لئے رسک رجسٹر تیار کیے جا رہے ہیں۔ ان خطرات کو کم کرنے کے لئے کنٹرول سسٹم کا باقاعدگی سے جائزہ لیا جاتا ہے اور اپ گریڈ کیا جاتا ہے۔

تنظیمی سطح پر انتظامیہ کی جانب سے خطرات کی نشاندہی، تشخیص اور وقتاً فوقتاً نگرانی کی جارہی ہے اور بورڈ آف ڈائریکٹرز کی رسک مینجمنٹ اور پوائف جی سی کمیٹی کو رپورٹ کی جارہی ہے۔

رسک پروفائل انڈیکس (RPI) کا ایک تصور متعارف کرایا گیا ہے جو پہلے سے متعین خطرے کے منظر، خطرے کی اصل اقدام کا موازنہ کر کے کمپنی کے اعلی فطری خطرات کی نگرانی میں مدد کرتا ہے۔ کمپنی کو درپیش بیرونی اور اندرونی خطرات کا انتظامیہ کی سطح پر جائزہ لیا جاتا ہے اور ان خطرات کو کم کرنے کے لئے حکمت عملی پر عمل درآمد کیا جاتا ہے اور باقاعدگی سے نگرانی کی جاتی ہے۔

فریم ورک

رسک مینجمنٹ فریم ورک

رسک مینجمنٹ فریم ورک پالیسیوں، طریقہ کار اور طریقوں پر مرکوز ہے اور چارہ (04) مراحل پر مشتمل ہے؛ خطرے کی شناخت، خطرے کی تشخیص اور ترجیحات، خطرے کا علاج، اور خطرے کی نگرانی اور جائزہ۔ رسک آگہی رسک مینجمنٹ فریم ورک کی پیشگی شرط ہے اور یہ آگاہی سرگرمیاں تنظیم کے تمام محکموں اور افعال میں بڑے پیمانے پر انجام دی جاتی ہیں۔

اندرونی کنٹرول سسٹم (Internal Control System)

ذمہ داری:

بورڈ اس بات کو یقینی بنانے کی مجموعی ذمہ داری قبول کرتا ہے کہ مضبوط اندرونی کنٹرول کا نظام نافذ ہو، جسے کمپنی کے اندر ہر سطح پر موثر طریقے سے نافذ اور برقرار رکھا جائے۔ اندرونی کنٹرول کے عمل کمپنی کے اثاثوں کی حفاظت اور کمپنی کو درپیش ابھرتے ہوئے خطرات سے مناسب طور پر نمٹنے اور یا کم کرنے کے لئے ڈیزائن کیے گئے ہیں۔ بورڈ نے حکمرانی، خطرات اور کنٹرول کے لئے بورڈ آڈٹ کمیٹی کے ذریعے اپنی مجموعی ذمہ داری برقرار رکھتے ہوئے اپنا تفصیلی ڈیزائن، نفاذ اور نگرانی انتظامیہ کو تفویض کی ہے۔ بورڈ آڈٹ کمیٹی کا کردار بورڈ کو اندرونی کنٹرول کی سالمیت، قانونی اور ریگولیٹری تقاضوں کی تعمیل اور انٹرل آڈٹ کی کارکردگی کے حوالے سے اپنی نگرانی کی ذمہ داریوں کو پورا کرنے میں مدد کرتا ہے۔

فریم ورک:

کمپنی مندرجہ ذیل پر مشتمل کنٹرول فریم ورک برقرار رکھتی ہے:

اول۔ واضح رپورٹنگ لائنوں کی تشکیل (Organogram)،

دوم۔ اتھارٹی کی حدود (مالی اور انتظامی اختیارات)،

سوم۔ اچھی طرح سے مطلع اور سمجھ کے قابل پالیسیاں/ طریقہ کار (منظور شدہ محکمہ مینوئل)؛ اور

چہارم۔ نگرانی کا طریقہ کار

یہ پالیسیاں اور طریقہ کار کمپنی نے اپنے کاروبار کے منظم اور موثر طرز عمل کو یقینی بنانے کے لئے اختیار کیے ہیں جن میں قواعد و ضوابط اور کمپنی کی پالیسیوں کی پاسداری، اس کے اثاثوں کی حفاظت، دھوکہ دہی اور غلطیوں کی روک تھام اور پید لگانا، اکاؤنٹنگ ریکارڈ کی درستگی اور تکمیل اور قابل اعتماد مالی معلومات کی بروقت تیاری شامل ہیں۔

انٹرل آڈٹ فنکشن:

انٹرل آڈٹ فنکشن کمپنی کے گورننس ڈھانچے کا لازمی حصہ ہے۔ انٹرل آڈٹ کا سربراہ عملی طور پر بورڈ آڈٹ کمیٹی اور انتظامی طور پر مینجنگ ڈائریکٹر کو رپورٹ کرتا ہے۔ یہ رپورٹنگ ڈھانچہ انٹرل آڈٹ فنکشن کی آزادی اور معروضیت کو یقینی بناتا ہے۔

انٹرل آڈٹ فنکشن کے مقصد، کردار، اختیار اور ذمہ داریوں کی منظوری بورڈ آڈٹ کمیٹی نے انٹرل آڈٹ چارٹر کے ذریعے دی ہے۔ جس کا مقصد منظم اور مربوط طریقہ کار کے اطلاق کے ذریعے کمپنی کی حکمت عملی، حکمرانی، رسک مینجمنٹ اور اندرونی کنٹرول کا جائزہ اور بہتری لیکر آتا ہے۔ انٹرل آڈٹ ڈیپارٹمنٹ کو تمام ریکارڈز اور معلومات تک غیر محدود رسائی حاصل ہے تاکہ وہ اپنے فرائض اور افعال کو موثر طریقے سے انجام دے سکے۔

آڈٹ مصروفیات کا دائرہ کار طے کرنے، آڈٹ کے لیے کاروباری محکموں کے انتخاب اور ان کی فریکوئنسی میں انٹرل آڈٹ مینجمنٹ سے آزاد ہے۔ محکموں کے سالانہ خطرے کی تشخیص کی بنیاد پر بورڈ آڈٹ کمیٹی سالانہ آڈٹ پلان کی منظوری دیتی ہے۔

انٹرل آڈٹ کا کردا کنٹینر ایکٹ 2017، پبلک سیکٹر کنٹینر (کارپوریٹ گورننس) رولز 2013ء کے تحت داخلی آڈٹ کے لئے بیان کردہ افعال سے بھی مطابقت رکھتا ہے اور لسٹڈ کمپنیاں (کارپوریٹ گورننس کا ضابطہ) ضوابط 2019 کے ساتھ ساتھ انسٹی ٹیوٹ آف انٹرل آڈیٹرز (آئی آئی اے) کے ذریعہ تصور کردہ بہترین طریقوں کا بھی تصور کیا گیا ہے۔

سال کے دوران؛ بورڈ آڈٹ کمیٹی نے انٹرل آڈٹ فنکشن میں ٹیکنیکل اور ڈیجیٹل آڈٹ ونگز قائم کیے جس کا مقصد تکنیکی نقطہ نظر سے کمپنی کے آپریشنز کی آزادانہ تشخیص کرنے کے لئے اندرونی آڈٹ کی صلاحیت کو مزید بڑھانا ہے۔

سال کے دوران؛ بورڈ آڈٹ کمیٹی نے آئی آئی اے کے معیارات اور بہترین طریقوں کے مطابق داخلی آڈٹ کی آزادانہ بیرونی آڈٹ کا انتظام کیا۔ بیرونی آڈٹ کی رپورٹ آئی آئی اے کے معیارات کے مطابق ہونے کی اطمینان بخش سطح کی عکاسی کرتی ہے۔

مستقبل کے منصوبہ جات:

1۔ اسٹیشل اکناک زونز:

صنعتی اور کاروباری ترقی کے فروغ کے لیے اسٹیشل اکناک زونز قیام حکومتِ پاکستان کی اولین ترجیح ہے۔ آپ کی کمپنی خصوصی اکناک زونز کو قدرتی گیس کی بلا تعطل فراہمی کے لیے تمام اقدامات کر رہی ہے۔

بورڈ آف ڈائریکٹرز کے انتخابات

حصص یافتگان کی ایک غیر معمولی جنرل میٹنگ (EOGM) 06 جولائی 2020 کو منعقد ہوئی، جس میں بورڈ آف ڈائریکٹرز کا انتخاب ہوا اور ایک نیا بورڈ جس میں محترمہ روجی رئیس خان (چیئر پرسن)، جناب احمد عقیل، جناب منظور احمد، جناب رضوان اللہ خان، ڈاکٹر سہیل راضی خان، جناب محمد ہارون، جناب محمد ایوب چوہدری، جناب ساجد محمود قاضی، جناب نوید کامران بلوچ، جناب یوسف نسیم کھوکھر اور جناب عفاف عزیز کو شیئر ہولڈرز نے تین سال کی مدت کے لیے ریٹائر ہونے والے ڈائریکٹرز کی جگہ منتخب کیا۔

بورڈ میں ردوبدل

دورانِ سال سید اختر علی، جناب محمد صالح احمد فاروقی، جناب کامران علی افضل اور جناب محمد ہارون الرفیق بالترتیب جناب رضوان اللہ خان، جناب یوسف نسیم کھوکھر، جناب نوید کامران بلوچ اور جناب محمد ایوب چوہدری کی جگہ پر بطور ڈائریکٹر مقرر ہوئے۔ جناب علی جاوید ہمدانی 31 دسمبر 2020ء کو جناب عامر طفیل کی جگہ پر مینجنگ ڈائریکٹر تعینات ہوئے۔ بورڈ آف ڈائریکٹر سبکدوش ہونے والے ارکان بورڈ کی محنت، راہنمائی اور حمایت پر بطور سند اظہار تحسین و تشکر پیش کرتا ہے۔

ترکیب بورڈ

زیر جائزہ سال کے دوران جناب محترمہ روجی رئیس خان، جناب رضوان اللہ خان، جناب عفاف عزیز، جناب احمد عقیل، جناب منظور احمد، جناب محمد ہارون، جناب محمد ایوب چوہدری، جناب نوید کامران بلوچ، جناب ساجد محمود قاضی، ڈاکٹر سہیل راضی خان، سید اختر علی، جناب محمد صالح احمد فاروقی، جناب کامران علی افضل، جناب محمد ہارون الرفیق، جناب شبیر حسین ہاشمی، جناب حمایت اللہ خان، جناب یوسف نسیم کھوکھر، مرزا محمود احمد، جناب مصطفیٰ احمد خان، جناب عامر طفیل اور جناب علی جاوید ہمدانی کمپنی کے بورڈ میں شامل رہے۔

فی الوقت موجودہ بورڈ محترمہ روجی رئیس خان (چیئر پرسن)، جناب علی جاوید ہمدانی (مینجنگ ڈائریکٹر)، جناب احمد عقیل، ڈاکٹر سہیل راضی خان، جناب منظور احمد، جناب محمد ہارون، سید اختر علی، جناب محمد صالح احمد فاروقی، جناب محمد ہارون الرفیق، سید ذکریا علی شاہ اور جناب حامد یعقوب شیخ پر مشتمل ہے۔

بورڈ اور نیشنل پروگرام

منتخب اور مقرر کردہ ڈائریکٹرز کو سال کے دوران کمپنی کے کاروبار، آپریشنز اور ماحولیات کے ساتھ ساتھ ڈائریکٹرز کے فرائض کے بارے میں بریفنگ دی گئی۔

ویورڈ پوکمیونٹیکشن سسٹم چلا رہی ہے جس سے وائس، ڈیٹا، ویڈیو اور SCADA خدمات میں سہولت فراہم ہو رہی ہے۔

زیر جائزہ سال کے دوران، آپ کی کمپنی نے مائیکرو ویو SCADA آئی پی اور ٹیلی فون نیٹ ورک سے متعلق بلا قطل آپریٹسز کو اپنی تمام خدمات میں بغیر کسی ڈاؤن ٹائم کے یقینی بنایا۔ کمپنی نے مختلف منصوبوں کے تحت ٹرانسمیشن نیٹ ورک کے 350 تحویل منتقلی پوائنٹس ایس سی اے ڈی اے سسٹم کی سہولیات کی توسیع کے لئے منصوبہ بندی اور خریداری پر بھی وسیع پیمانے پر کام کیا۔

زیر جائزہ سال کے دوران تقسیمی نیٹ ورک کے صنعتی سی ایم ایس کے جی پی آر ایس پر مبنی SCADA مواصلات کو 1359 جگہوں پر فعال کیا گیا تھا۔ ڈسٹری بیوشن نیٹ ورک کے 1839 صنعتی کنزرویمر میٹرائسٹیشنوں (سی ایم ایس) کی نگرانی اب ایس سی اے ڈی اے سسٹم کے ذریعے حقیقی وقت کی بنیاد پر کی جارہی ہے۔ ایس سی اے ڈی اے ہوسٹ سسٹم اور سینٹرل اور بیکل میڈی سی بی سسٹم کے درمیان ایک ایپلی کیشن انٹرفیس تیار کیا گیا ہے جو رینٹل ٹائم کنزرویمرز وائز کنٹرول ڈیٹا کے مطابق منظور شدہ لوڈ اور انسانل میٹر کی گنجائش کی خود کار تعریف کے لئے تیار کیا گیا ہے۔ انٹرئل ویڈیو کانفرننگ کی سہولت کو کمپنی کے اپنے مائیکرو ویو نیٹ ورک پر 11 نئے کمپنی مقامات تک بڑھا دیا گیا ہے۔ الیکٹرانک کلید پر مبنی جدید ترین ٹیکنالوجی کے استعمال کے ذریعے 200 سائنس تک غیر مجاز رسائی کو محدود کرنے کے لئے صنعتی سی ایم ایس سائنس کے لئے سائبر لاکس خریدے گئے ہیں۔ الیکٹریکل سرج پروفیکشن سسٹم 12 مائکرو ویور پیچڑ اسٹیشن پر تعینات کیا گیا ہے۔۔

SCADA سسٹم کو پھیل بار گیس انجکشن اور ڈیلیوری پوائنٹس پر ”تھرڈ پارٹی ایکسیس“ (ٹی پی اے) روکڑ کے تحت تعینات کیا گیا تھا۔ ٹی پی اے معاہدے کے تحت سپلائی کی جانے والی گیس کی رینٹل ٹائم نگرانی کے لئے گھوگی، سندھ میں ماڑی گیس کمپنی کے انجکشن پوائنٹ پر اور ملتان میں پاک عرب فریٹلائزر کے کنزرویمر میٹرائسٹیشن پر رینٹل ٹائم ایس سی اے ڈی اے مانیٹرنگ کو فعال کیا گیا۔

ڈنیا بھر میں سائبر سیکیورٹی کے بڑھتے ہوئے خدشات کی وجہ سے، آپ کی کمپنی نے کمپنی کے ایس سی اے ڈی اے سسٹم ڈیٹا سینٹر کے لئے مصدقہ ”انفارمیشن سیورٹی مینجمنٹ سسٹم“ (آئی ایس ایم ایس)“ کے لئے آئی ایس او 2700 سرٹیفیکیشن حاصل کرنے کا عمل شروع کیا ہے۔ تصدیق کا عمل دسمبر 2021 تک مکمل ہو جائے گا۔

ایس این جی پی ایل کے خصوصی مائیکرو پوائنٹ ورک پر ایس این جی پی ایل کے ساتھ تمام علاقوں میں ویڈیو کانفرننگ سسٹم کو وسیع دی گئی ہے۔ اسی کو بیرونی اداروں کے ساتھ ورچوئل میٹنگز کے لئے تھرڈ پارٹی ویڈیو کانفرننگ ایپلی کیشنز کے ساتھ بھی مربوط کیا گیا ہے، جو ورچوئل میٹنگز کے لئے کوویڈ 19 وبا کے دوران بہت مفید رہا ہے۔

صحت کی حفاظت ماحولیات کا بنیادی ڈھانچہ (HSE)

کمپنی کے تمام آپریٹسز کے لیے بہترین طریقوں کے منظم نفاذ کے لئے آئی ایس او 14001:2015 اور آئی ایس او 2018:45001 معیارات پر مبنی ایک مربوط ایچ ایس ای مینجمنٹ سسٹم (آئی ایم ایس) موجود ہے۔

ایس این جی پی ایل نے حال ہی میں ایچ ایس اے 200:18001 سے آئی ایس او 2018:45001 میں اندرون ملک وسائل کا استعمال کرتے ہوئے اپ گریڈ کیا ہے۔ آئی ایس او 2015:14001 / آئی ایس او 2018:45001 معیارات کی تعمیل اور صنعت کے بہترین طریقوں کی نگرانی سالانہ بنیادوں پر فریق ثالث کی طرف سے دو نگرانی آڈٹ کے نظام کے ذریعے کی جاتی ہے۔ ان آڈٹوں کا کامیاب نفاذ ایچ ایس ای مینجمنٹ سسٹم کی تائید کو ظاہر کرتا ہے۔ آڈیٹرز کی طرف سے ایچ ایس ای کے تین انتظامی عزم کو بے حد سراہا جاتا ہے۔

ایچ ایس ای کی ٹریننگ کمپنی کے ایگزیکٹوز اور عملے کو دی جاتی ہے جس کا بنیادی مقصد ایچ ایس ای کے علم اور مہارت کو یکھنا، تازہ کرنا اور اپ ڈیٹ کرنا ہے تاکہ کام پر ان کی ایچ ایس ای کارکردگی کو مسلسل بہتر بنایا جاسکے۔ ایس این جی پی ایل ٹینٹل سفٹی کونسل، کارکن ہے جو ایک غیر منافع بخش تنظیم ہے جس کا مشن کام پر، گھروں اور کمیونٹیز میں زخموں اور اموات کو روک کر زندگیاں بچانے کا ہے۔ اس کے علاوہ ایچ ایس ای انجینئرز امریکن سوسائٹی آف سفٹی پروفیشنلو (اے ایس ایس پی) کے بین الاقوامی رکن ہیں۔

پیشہ ورانہ صحت

پیشہ ورانہ صحت موبائل یونٹ کے استعمال کے ذریعے ملازمین کی آن اسپاٹ ہیلتھ اسکریننگ کا ایچ ایس ای اقدام دستیاب ہے۔

ایس این جی پی ایل نے ذمہ دار کارپوریٹ شہری کی حیثیت سے این سی اوسی، پاکستان کی جانب سے مطلع کردہ ہدایات اور ٹینٹل ہیلتھ سروسز ریگولیشن اینڈ کوآرڈینیشن، اسلام آباد کی وزارت کی جانب سے جاری کردہ رہنما خطوط کی تعمیل کے مطابق کوویڈ 19 انتظامیہ کو موثر انداز میں جواب دیا ہے۔ این سی اوسی کی ہدایت کے مطابق ایس این جی پی ایل نے پنجاب اور خیبر پختونخوا کے دور دراز علاقوں میں 28 ویکسینیشن کیسپس کا انتظام کیا ہے۔ جس میں 4188 عام لوگوں کو ٹیکے لگائے گئے۔

ایس این جی پی ایل نے مختلف شہروں میں کوویڈ 19 کے خلاف ویکسینیشن کے لئے 150 ایم وی ٹی (موبائل ویکسینیشن ٹیمیں) بھی تیار کی ہیں۔

سماجی فاصلے، ہاتھوں کی حفظان صحت اور ماسک پہننے، داخلی دروازوں پر تھرمل چیک، زائرین کو فیس ماسک کی فراہمی اور کسٹمر سروس سینٹر میں جسمانی رکاوٹوں کی تنصیب کے تمام رہنمائی اقدامات پر ابھی بھی عمل کیا جا رہا ہے جیسا کہ پاکستان میں وبا کے دور میں پہلے دیکھا گیا تھا۔ جسمانی فاصلے سے متعلق ملازمین میں کسی بھی طرز عمل کی تبدیلی سے بچنے کے لئے، ایچ ایس

ای ڈیپارٹمنٹ اور ایڈمن ڈیپارٹمنٹ کی جانب سے فیس ماسک پہننے کے حوالے سے مسلسل نگرانی، سماجی/جسمانی فاصلے کا رویہ اور کوویڈ 19 مثبت کیسز کا رابطہ دیکھا جا رہا ہے تاکہ کوویڈ 19 کے پھیلاؤ سے بچا جاسکے۔ کوویڈ 19 ایس او پی قہیل کی جانچ و فائر، فیلڈ ٹیموں، پروجیکٹ سائنس، ورکشاپس، سٹورز، رہائشی کالونیوں اور ایچ ایس ای ہیڈ آفس کے ایچ ایس ای انجینئرز اور ایگزیکٹوز کی جانب سے اچانک ایچ ایس ای معائنے کے دوران بھی کی جاتی ہے۔

روزانہ کوویڈ 19 کیسز اپ ڈیٹ اور آگاہی سے متعلق ایچ ایس ای الرٹ فروری 2021ء سے تمام ملازمین ساتھ شیئر کیا جا رہا ہے۔

آگ سے بچاؤ

ایس این جی پی ایل کمپنی کے تمام دفاتر میں آگ بجھانے والے آلات، فائر ہائیڈرنٹ سسٹم، فائر ٹرکس، فائر الارم اور سموک ڈٹیکشن سسٹم متعارف کرانے کے ذریعے آگ سے متعلق کسی بھی ہنگامی صورت حال کی صورت میں تخفیف کے انتظام کو یقینی بنانے کے لئے فائر سیفٹی پروزور دیتا ہے۔

ذاتی حفاظتی سازوسامان

اپنے ملازمین کو ممکنہ چٹوٹوں سے بچانے کے لئے ایس این جی پی ایل پی پی ایز فراہم کرتا ہے جن میں سیفٹی ہیلمٹ، کورل، جوتے، دستاں، فیس شیلڈز وغیرہ شامل ہیں۔ 2021ء کے دوران 65,058 پی پی پی ایز خریدے اور عملے میں تقسیم کیے گئے۔

سوئی ناردرن گیس پائپ لائنز لمیٹڈ ماحولیات کے تحفظ کے لئے پرعزم ہے۔ ماحولیات کا تحفظ بھی ایس این جی پی ایل کارپوریٹ سماجی ذمہ داری پالیسی کا ایک بڑا مقصد ہے۔ ایچ ایس ای ڈیپارٹمنٹ صاف ستھرے اور سبز پاکستان کے لئے حکومت کے وژن کو تیز کرنے کے لئے مؤثر طریقے سے درختوں کی شجرکاری ہم چلا رہا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی میں کارپوریٹ سماجی ذمہ داری کا کام باضابطہ طور پر 2013ء میں شروع کیا گیا تھا۔ بی او ڈی کی جانب سے منظور کردہ کمپنی کی سی ایس آر پالیسی کے مطابق سی ایس آر اقدامات بنیادی طور پر صحت، تعلیم اور ماحولیات کے شعبوں میں مرکوز ہیں۔

ایس این جی پی ایل کی کارپوریٹ سماجی ذمہ داری کی پالیسی معاشرے اور ماحولیات پر مجموعی طور پر مثبت اثرات مرتب کر کے کاروباری عمل کے انتظام کا تصور کرنے والے عالمی بہترین طریقوں پر مبنی ہے۔ سی ایس آر پالیسی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) 201۳ء کی جانب سے فراہم کردہ رہنما خطوط، اوگرا کی جانب سے پاکستان میں ریگولینڈ گیس سیکٹر کے لئے نئے ٹیرف نظام، اقوام متحدہ کے گلوبل کمپیکٹ (یو این جی سی) کے اصول۔ متعلقہ پائیدار ترقیاتی اہداف (ایس ڈی جیز) اور کمپنی کے وژن، مشن اور کاروباری ضابطا اخلاق کی تعمیل کرتی ہے۔

ایس این جی پی ایل کا یقین

☆ کاروبار جو معاشرے کے لئے منافع بخش اور فائدہ مند ہونا چاہئے۔

☆ گیس فیلڈز کے 15 کلومیٹر کے دائرے میں رہنے والی کمیونٹی کو ترجیح دیتے ہوئے ترقی یافتہ/ مراعات یافتہ/ گیس پیدا کرنے والے علاقوں کے تحت کمیونٹیز کے معیار زندگی کو بہتر بنانا۔

☆ پائیدار ترقی کے اصولوں کے ذریعے کمیونٹی، حکومت اور این جی اوز کے اشتراک سے کام کر کے اپنے اسٹیک ہولڈرز کے ساتھ ہم آہنگی کے تعلقات کو یقینی بنانا۔

ایس این جی پی ایل نے مالی سال 2020-21 میں کارپوریٹ سماجی ذمہ داری کے تحت مندرجہ ذیل منصوبوں کے خلاف اخراجات کیے:

صحت:

☆ ڈی ایچ کیو اسپتال بنگلو میں شیڈ کے ساتھ ایک آراو پلانٹ کی تنصیب

☆ کرک میں شیڈ کے ساتھ دو آراو پلانٹ کی تنصیب
☆ ڈی ایچ کیو ٹچنگ اسپتال کو باٹ کے لئے دس اسٹرپچر اور ڈنیل چیئرز کی فراہمی

ماحول:

☆ ڈبلیو ڈبلیو ایف کے تعاون سے چھانگا مانگا (26000) میں درختوں کی شجر کاری

☆ محکمہ جنگلات خیبر پختونخوا کے تعاون سے شجرکاری (45,000)
☆ **تعلیم:**
☆ گورنمنٹ ٹیکنیکل کالج کرک کے طلبا کو مرٹ اسکالرشپ (9نمبر) کا ایوارڈ
☆ غلام اسحاق خان انسٹی ٹیوٹ آف انجینئرنگ سائنس اینڈ ٹیکنالوجی کے طلباء کو 01 گولڈ میڈل دینے کا اعزاز
☆ گورنمنٹ کالج آف ٹیکنالوجی کو باٹ میں کمپیوٹر لیب اپ گریڈیشن

اعزاز:

ایس این جی پی ایل نے سی ایس آر کے تحت قابل ذکر کوششوں اور اقدامات کے لئے ٹینٹل فورم فار انوائزمنٹ اینڈ ہیلتھ (این ایف ای ایچ) کارپوریٹ سوشل رسپانسیبلٹی ایوارڈ 2021ء جیتا۔

ایس این جی پی ایل نے ٹینٹل فورم فار انوائزمنٹ اینڈ ہیلتھ (این ایف ای ایچ) 18 واں سالانہ انوائزمنٹ ایکسپنس ایوارڈ 2021ء جیتا۔

سوئی ناردرن گیس پائپ لائنز لمیٹڈ ماحولیات کے تحفظ کے لیے پرعزم ہے اور اس مقصد کے لیے ورلڈ وائیڈ فنڈ (ڈبلیو ڈبلیو ایف) کا کارپوریٹ پارٹنر ہے۔

ہمیں یقین ہے کہ سال کے دوران ہماری تمام کوششوں نے ہمیں اپنے مقصد کے حصول کے لئے چیلنجنگ ماحول میں کام کرنے کے لئے مزید مضبوط بنایا ہے۔ ہم مسلسل بہتری کے وعدے کے ساتھ آنے والے ایک محفوظ سال کی خواہش رکھتے ہیں۔

(سے تصدیق/ منظور کروانے کیلئے مصروف عمل ہیں۔

میٹر شاہیں صحت، حفاظت اور ماحولیاتی مینجمنٹ کے اصولوں پر کام کر رہی ہیں اور اس ضمن میں OHSAS-45001:2015 اور ISO-14001:2015 کے سرٹیفیکیشن بھی حاصل کر چکی ہیں۔

آپ کی کمپنی میٹرنگ ڈیپارٹمنٹ میں بہتری لانے کیلئے بھرپور کوششیں کر رہی ہے جس کیلئے جدید پیمائشی طریقہ کار کو اپنایا جا رہا ہے جو بین الاقوامی اصولوں کے مطابق ہوں اور پیمائشی آلات کی استقامت کو تصدیق و تحقیق اور جدت کے ذریعے بہتر بنایا جا رہا ہے۔ موجودہ سال 2020-21 میں سینٹرل / ریجنل میٹر شاہیں کی مختلف سرگرمیوں کی کوالٹی اور پیداوار کو بہتر بنانے کیلئے مندرجہ ذیل جدید آلات متعارف کروائے گئے ہیں۔

- سینٹرل میٹر شاہ لاہور میں صنعتی/ تجارتی گیس میٹر کو توڑنے کیلئے ہیوی ڈیوٹی ڈرل آپریٹڈ مشین کی انسٹالیشن اور کمیشننگ کر لی گئی ہے۔
- ریجنل میٹر شاہ اسلام آباد میں گھریلو گیس میٹر کی لکچ چیک کرنے کیلئے انڈروائر لیک ٹیسٹ مشین نصب کر لی گئی ہے۔
- سینٹرل میٹر شاہ لاہور میں صنعتی گیس میٹر کی ریویئرنگ کیلئے پاور ٹولز خرید لیے گئے ہیں جو کہ زیر استعمال ہیں۔

میٹر انسپیکشن رپورٹ (IT/MIS (Archiving Module) ڈیپارٹمنٹ کی باہمی مشاورت سے کامیابی سے بنالیا گیا ہے جو کہ میٹر انسپیکشن رپورٹ کی سکین کا پی اور اس سے متعلقہ دستاویزات کو محفوظ بنانے میں مدد دے گا۔ اس کے علاوہ شیئر ڈرائیو IT/MIS ڈیپارٹمنٹ نے فراہم کی ہے جو کہ ای دی سی کے ڈیٹا لاگ کو محفوظ بنانے میں مدد دے گی۔ پچاس فیصد صنعتی صارفین کو GPRS میں ریموٹ کمیونیکیشن سسٹم سے آراستہ کر دیا ہے۔ اس سال ان پچاس فیصد صارفین کو سکاڈا سسٹم سے منسلک کر دیا گیا ہے اور تقریباً 1800 گیس میٹر ز اس کام کو مکمل کرنے کیلئے ڈسٹری بیوشن ریجن کو مہیا کیئے گئے۔

اس کے علاوہ SNGPL میں پہلی دفعہ EVCs with built in GPRS modems خریدے گئے ہیں اور 450 گیس میٹر ز کے ساتھ EVCs with built in GPRS modems لاگ کر ڈسٹری بیوشن ریجن کو سائینٹس پرائسٹال کرنے کیلئے مہیا کر دیئے گئے ہیں۔

سوئی ناردرن گیس ٹرینگ انسٹیٹیوٹ (SNGT) میں پیمائش کی تکنیک اور پیمائشی آلات کی سمجھ بوجھ کو بہتر بنانے کیلئے مختلف موضوعات پر ایگزیکٹو اور عملے کو باقاعدگی سے ٹریینگ دی جا رہی ہے۔

مزید یہ کہ 16 ڈومیسٹک میٹر انسپکشن شاہس (DMISS) جنرل مینجر میٹرنگ کی زیر نگرانی

کام کر رہی ہیں۔ ڈومیسٹک میٹر انسپیکشن شاہ ملتان، گوجرانوالہ اور فیصل آباد کی علیحدہ بلڈنگز

زیر تعمیر ہیں

کوالٹی اشورنس

آپ کی کمپنی کوالٹی ایشرنس کے لئے آئی ایس اے 9001:2015 سرٹیفائیڈ ہے جو عام طور پر متعلقہ معیارات خصوصاً اے ایس ایم ای اور اے پی آئی اسٹینڈرڈز، قومی اور بین الاقوامی کوڈز اور طریقوں، متعلقہ حکمانہ مینوکلز، منظور شدہ طریقہ کار اور ٹرانسمیشن اور ڈسٹری بیوشن گیس نیٹ ورک کی تعمیر، آپریشنز اور دیکھ بھال، کمپنی کی تخصیص میں کام کرنے والے اہلکاروں کی تربیت اور اہلیت کے نفاذ کا احاطہ کرتی ہے۔

ڈسٹری بیوشن لائنوں اور ٹرانسمیشن لائنوں کی تعمیر کے دوران محکمہ کیو اے کی ٹیم قابل اطلاق معیارات کے مطابق سخت چیکنگ کو یقینی بناتی ہے۔ مالی سال 2020-21 کے دوران ایم ایس اور پی ای دونوں مین لائن کے کل 2728 کلو میٹر کو الٹی ایشرنس ڈیپارٹمنٹ نے معائنہ کیا۔

ویلد ڈوائنٹس کی سالمیت کی جانچ غیر تباہ کن ٹیسٹنگ تکنیک یعنی ریڈیو گرافی، الٹراسونک ٹیسٹنگ اور ڈائٹ پیئیریشن ٹیسٹنگ کا استعمال کرتے ہوئے تھرڈ پارٹی این ڈی ٹی فرموں کی طرف سے کی جاتی ہے جو پی پی آر اے کے قواعد کے مطابق کیو اے ڈیپارٹمنٹ کی جانب سے پہلے سے اہل اور معاہدے کے مطابق مصروف ہیں۔ مزید برآں پائپ لائن نیٹ ورک کی سالمیت کو یقینی بنانے کے لئے تمام ویلد شدہ جوڑوں 100ک فیصد بصری معائنہ بھی کیا جا رہا ہے۔ مالی سال 2020-21 دوران 153744 نمبر ویلد ڈوائنٹس کا معائنہ کیا گیا جن میں سے مین لائن جوڑوں کے ساتھ ٹی بی ایس کے 21280 ویلد ڈوائنٹ کو ریڈیو گرافی کے ذریعے چیک کیا گیا۔

کوئنگ پلانٹ آج شریف میں کی جانے والی بلکے اسٹیل لائن پائپ کی تین پرت پولی تھیلین کوئنگ کے عمل کی کوالٹی ایشرنس ڈیپارٹمنٹ کی جانب سے سختی سے نگرانی اور معائنہ کیا جاتا ہے اور اس کے ساتھ ساتھ میدان میں گرمی کے سکڑنے والی آستیموں کا اطلاق بھی کیا جاتا ہے۔ گزشتہ مالی سال کے دوران مجموعی طور پر بالترتیب 70037 غیر کوئڈ اور 69608 کوئڈ پائپوں کی جانچ کی گئی جن میں سے 429 غیر کوئڈ پائپ اور 250 کوئڈ پائپ مسز وکریڈے گئے۔ ایم ایس لائن پائپ کی ٹیپ کوئنگ (4" O سے نیچے) علاقائی کوئنگ گز پرترتیب دیا گیا ہے۔

ریجنل کوالٹی ایشرنس ٹیمیں خصوصی معائنہ سرگرمیاں انجام دے رہی ہیں جن کی براہ راست نگرانی کی جا رہی ہے۔ جس میں کیو اے انجینئرز ذاتی طور پر سائٹ کی سرگرمیوں کو کراس چیک کرتے ہیں اور خصوصی معائنہ رپورٹ پیش کرتے ہیں۔ یہ رپورٹیں زمین اور زیر زمین لیکچر کے اوپر کی نشاندہی کی گئی بے ضابطگیوں اور ان کے نتیجے میں اصلاح کی عکاسی کرتی ہیں۔ اس کے نتیجے میں کیو اے ڈیپارٹمنٹ کمپنی کے یو ایف جی نقصانات میں کمی میں کلیدی کردار ادا کر رہا ہے۔

شعبہ بلنگ (Billing)

آپ کی کمپنی میٹر ریڈنگ اور بلا نقص بلنگ میں شفافیت کو یقینی بناتے ہوئے صارفین کو گیس بلوں کی بروقت فراہمی کے حوالے سے اپنے مشن کے لئے پرعزم ہے۔ ہمارے قابل قدر صارفین کی شکایات کے فوری ازالے پر خصوصی زور دیا جا رہا ہے تاکہ ان کا پورا اطمینان حاصل کیا جاسکے۔

کمپنی تمام ممکنہ اقدامات پر غور کر رہی ہے تاکہ سائٹ پر نوٹ کیے گئے بصری مشاہدات کی فوری طریقے سے اطلاع دی جائے اور متعلقہ محکموں کو ان کے فوری تدارک کے اقدامات کے لئے مطلع کیا جائے۔ اس سے نہ صرف صارفین کی شکایات میں کمی آئی ہے بلکہ میٹر کی بروقت تبدیلی اور مکنا ایڈجسٹمنٹ کی چارجنگ کے ذریعے کمپنی کی یو ایف جی میں کمی لانے میں بھی تعاون کیا گیا ہے۔ اس کے مطابق میٹر انسپکشن رپورٹوں پر کارروائی کو یقینی بنانے کے لئے تمام تر کوششیں کی جارہی ہیں اور مالی سال 2020-21 میں 6 لاکھ سرائغ رسانی کے معاملات کو حتمی شکل دی گئی۔ چوری/ غیر چوری کے حجم کی چارجنگ کے لئے درکار تمام معاملات پرتیزی سے کارروائی کی جاتی ہے اور اسے نظام میں شامل کیا جاتا ہے تاکہ بروقت بحالی کو یقینی بنایا جاسکے۔ آپ کی کمپنی نے گیس کی چوری/ چوری میں ملوث صارفین سے لائقتی/ وصولی سے متعلق OGRA کی جانب سے متعارف کرائے گئے کے ایم آئی بیسڈ یو ایف جی بیج مارک کے مقابلے میں 91 فیصد مطلوبہ اہداف حاصل کیے ہیں۔

ناہندگان صارفین سے بقایا واجبات کی وصولی ایک اور اہم پہلو ہے اور اس کے مطابق فعال اور مدعی صارفین کے خلاف موثر اور وسیع پیمانے پر بحالی مہم شروع کی گئی ہے تاکہ بقایا واجبات کے خلاف زیادہ سے زیادہ وصولیاں کی جاسکیں۔ منقطع ذیالقات صارفین سے زیادہ سے زیادہ ریکوری کے لئے اعلی قدر کے صارفین کو ترجیح دی جاتی ہے اور ان معاملات پر خصوصی زور دیا جاتا ہے کہ وہ کچھ موثر طریقہ کار وضع کریں تاکہ ان صارفین کے خلاف وصولیوں کو عملی شکل دی جاسکے۔ مقدمات گیس (چوری کنٹرول اور وصولی) ایکٹ 2016 کی دفعہ 27(2) کے تحت متعلقہ ریونیو اتھارٹیز کو بھیجے جا رہے ہیں۔ اس کے مطابق اراضی کی آمدنی کے بقایا جات کے طور پر وصولی کے لئے ناہندگان منقطع صارفین کے 5520 مقدمات متعلقہ ضلع کلکٹر کے پاس دائر کیے ہیں۔ عدالتوں کی ہدایات کے بعد فہرست میں شامل کمپنیوں/ صنعتوں کو نوٹس ختم کرنے اور نادرا کے ذریعے سی این سی کی رکاوٹ کے احکامات جاری کئے گئے مقدمات میں بھی استعمال کیا جا رہا ہے۔

آپ کی کمپنی جدید ترین ٹیکنیکی اپیلی کیشنز کو بروئے کار لا کر ہر صارف کی دہلیز پر گیس کے درست بلوں کی بروقت فراہمی کو یقینی بنانے کے لئے پرعزم ہے۔ ڈیجیٹل انیکنگ (انچ بیج یو) میٹر ریڈنگ صارفین کے تمام زمروں میں کمپنی بھر میں پھیلائی گئی ہے جس نے صارفین کی شکایات میں کمی اور بلنگ کے معیار کو بہتر بنانے میں تعاون کیا ہے۔

شعبہ آئی ٹی (IT)

وبائی مرض (کووڈ۔19) نے ہمیں چیلنج کیا کہ ہم گزشتہ سال میں طے شدہ سرگرمیوں سے زیادہ کام کریں۔ آئی ٹی ڈیپارٹمنٹ کا دیگر محکموں کے ساتھ صارفین کو اس وبا کے مشکل وقت میں مسلسل آئی ٹی خدمات کی فراہمی کو یقینی بنانا، گزشتہ سال کے دوران قابل ذکر کامیابوں میں شامل ہیں۔

انٹرپرائز سسٹم:

* انٹرپرائز سسٹم جیسے سی این بی، ای آر پی کمپنی کے بنیادی کاروباری عمل کو ڈیجیٹائز اور مربوط کرتا ہے۔ کاروبار کے اضافی ضروریات کو پورا کرنے کیلئے آئی ٹی ڈیپارٹمنٹ ان نظاموں کو مسلسل بہتر کر رہا ہے۔

سی سی این بی اور ای آر پی میں خدمات:

- ایس ایم ایس الرٹس کا تعارف اور صارفین کی رائے
- بلنگ کے عمل میں خودکاری مثلاً ایل پی ایس کا حساب، جی آئی ڈی سی قسط، تقسیم کا حساب اور سبسڈی، وصولی اور قسطیں وغیرہ۔
- ERP کے مختلف ماڈیولز میں بہتری جیسے کمپیریشن اور پراجیکٹ ڈیپارٹمنٹ میں انٹرپرائز مینجمنٹ، HR میں پرفارمنس مینجمنٹ سسٹم، Subordinate شاف کے بچوں کے اسکالرشپ کی ادائیگی، PF لون کی پے رول کے ذریعے ادائیگی

آئی ایس او 27001 سرٹیفیکیشن:

آئی ایس او/ آئی ای سی 27001 انفارمیشن سکیورٹی کا بین الاقوامی معیار ہے۔ یہ انفارمیشن سکیورٹی مینجمنٹ سسٹم (آئی ایس ایم ایس) کی وضاحت کرتا ہے۔

آئی ایس او 27001 معیار سرٹیفیکیشن دنیا بھر میں اس بات کی طرف اشارہ ہے کہ کمپنی کا آئی ایس ایم ایس انفارمیشن سکیورٹی کے بہترین عمل کے ساتھ منسلک ہے۔ آئی ٹی/ ایم آئی ایس نے اپنے آئی ٹی اثاثوں کو محفوظ بنانے کیلئے تجویز کردہ کنٹرولز اور طریقہ کار نافذ کئے ہیں اور اس سال آئی ایس او 27001 سرٹیفیکیشن حاصل کرنے کیلئے پراعتماد ہیں۔

مندرجہ بالا کے علاوہ درج ذیل پراجیکٹ بھی زیر عمل ہیں:

- * جی آئی آر اور SCADA کا انضمام،
- * انفرا سٹرکچر میں اضافہ انفارمیشن سکیورٹی میں مسلسل بہتری
- * Digitization انفارمیشن سکیورٹی کے نظام میں مسلسل بہتری
- * ای میل Migration طریقہ کار،

ٹیلی کمیونیکیشن (Telecommunication)

ایس این جی پی ایل 1963ء میں کمپنی کے قیام سے کمپنی کے ٹرانسمیشن رائٹ آف وے (آر او او) کے ساتھ وائریس ٹیلی کمیونیکیشن نیٹ ورک برقرار رکھے ہوئے ہے۔ کمپنی سوئی اور ساون سے پشتاور تک ہائی پریشر گیس پائپ لائن نیٹ ورک کے ساتھ خصوصی ڈیجیٹل مائیکرو

ر) نقصانات کی نگرانی:

* تمام 425 ایس ایم ایس پریگس نقصانات کی نگرانی

* 823 الگ تھلک ٹی ٹی ایس پر ماہانہ مفاہمت کے ذریعے گیس کے نقصانات کی مانیکرو مانیٹرنگ

ب۔ جزو 2:

کے پی کے صوبہ میں کرک وغیرہ کے نقصانات والے علاقے کمپنی کے لئے براچیلنج ہیں۔ مالی سال 2019-20 تک ان علاقوں میں نقصانات میں تیزی سے اضافہ ہو رہا تھا اور مالی سال 2019-20 میں کمپنی کے مجموعی حجم کے نقصان میں تقریباً 34 فیصد حصہ ڈالا گیا۔ ان علاقوں میں نقصانات کی بنیادی وجہ غیر قانونی ٹینگ اور غیر قانونی گیس نکلتن تھے۔

وفاقی حکومت، وزارت توانائی، کمپنی کے بورڈ، اوگرا اور صوبائی حکومت سمیت تمام حصص داروں کو اس معاملے پر حساس بنایا گیا تھا۔ کمپنی کی انتظامیہ کی جانب سے اعلیٰ سطح پر اجلاس کا سلسلہ منعقد کیا گیا اور وفاقی حکومت، صوبائی حکومت خیبر پختونخوا، مقامی انتظامیہ اور قانون نافذ کرنے والے اداروں کی معاونت سے دوطرفہ حکمت عملی اختیار کی گئی یعنی گیس نکلتن کی فراہمی اور غیر قانونی ٹینگ/گیس نکلتن ختم کرنا۔

9.039 ارب روپے کی کل لاگت سے کرک وغیرہ کے 14 ایس ایم ایس کے تحت گیس نیٹ ورک کی توسیع/بحالی کے منصوبہ کی کمپنی کے بورڈ نے منظوری دے دی۔

اس پروجیکٹ کا مرحلہ اول:

* ای سی سی کی جانب سے چار ایس ایم ایس (شکرودار، چوکارا، کرک اور ہنگو) کے لیے 1.945 ملین روپے (حکومت خیبر پختونخوا سے 0.694 ارب روپے کا حصہ) کی منظوری دی گئی جس کی وفاقی کابینہ نے توثیق کی۔

* اس پروجیکٹ پر عمل درآمد کیا گیا اور 440 کلومیٹر سے زیادہ نیٹ ورک قائم کیا گیا ہے۔
* اب تک گیس نکلتن کی فراہمی کے لئے 4131 درخواستیں موصول ہوئی ہیں اور جمع شدہ ڈیمانڈ نوٹمز کے خلاف ترجیحی بنیادوں پر 2075 گیس نکلتن نصب کیے گئے ہیں۔
اس سے عام لوگوں میں یہ امید پیدا ہوئی ہے کہ انہیں قانونی گیس نکلتن ملیں گے۔

صوبہ کے پی کے کے علاقوں کرک وغیرہ میں یو ایف جی کے نقصانات پر قابو پانے کی کوششیں:

☆ گیس کے غیر قانونی استعمال کی حوصلہ شکنی کے لئے عوامی نمائندوں کی حمایت حاصل کرنا
☆ ٹرانسمیشن لائن کے متاثرہ حصے کے ساتھ چوہیں گھٹے گشت اور غیر قانونی ٹینگ سے بچنے کے لئے 337 ایف سی الیکاروں کی تعیناتی
☆ گیس چوری کرنے والوں کے خلاف مجموعی طور پر 6682 غیر قانونی ٹل بنائے گئے اور 91 ایف آئی آر درج کی گئی ہیں۔
☆ مذکورہ بالا کے علاوہ گیس چوری کرنے والوں کو پکڑنے کے لئے 02 وقف تھانوں کا قیام

آخری مراحل میں ہے۔

☆ گیس کے غیر قانونی استعمال کے خلاف کوششوں کے نتیجے میں کرک وغیرہ کے نقصانات مالی سال 2019-20ء میں 16,176 ایم سی ایف سے کم کر کے مالی سال 2020-21ء میں 10,068 ایم سی ایف یعنی 38 فیصد کم ہو گئے۔

پروجیکٹ کا مرحلہ دوم:

* بقیہ 110 ایس ایم ایس کے تحت گیس نیٹ ورک میں توسیع/بحالی کے لئے فنڈز کی فراہمی کے لئے خیبر پختونخوا کی حکومت سے مسلسل روابط جاری ہیں۔ اس سلسلے میں ایک ارب روپے کے فنڈز موصول ہوئے ہیں۔
* فیئر-2 کی ڈی ڈبلیو پی، بورڈ اور ای سی سی نے منظوری دے دی ہے اور وفاقی کابینہ نے اس کی توثیق کر دی ہے۔
* مرحلہ دوم پر عمل درآمد جلد ہی شروع کیا جائے گا۔

ایل پی جی (Liquefied Petroleum Gas) :

آپ کی کمپنی ایس این جی پی ایل (SNGPL) کی تاریخ میں گلگت میں پہلا (ایل پی جی) ایئرکس پلانٹ نصب کر رہی ہے۔ پلانٹ کی گنجائش 300 ایم ایم بی ٹی یونی گھنٹہ ہے اور یہ پہلے مرحلے میں گلگت شہر کے صارفین کو ایل پی جی (LPG) ایئرکس یا سٹھٹیک نیچرل گیس (SNG) فراہم کرے گا۔ اس منصوبے سے نہ صرف گلگت شہر کے عوام کی توانائی کی ضروریات پوری کرنے میں مدد ملے گی بلکہ جنگلات کی کٹائی میں بھی کمی آئے گی جو ملک میں موسمیاتی تبدیلی کی بنیادی وجہ ہے جس کے نتیجے میں لینڈ سلائیڈنگ اور سیلاب آنے سے علاقے کو خطرہ لاحق ہوتا ہے۔

گیس کی کمریشن

آپ کی کمپنی اس علاقے میں گیس ٹربائٹوں کے سب سے بڑے بیڑے کی مالک ہے، جو پوری کمپنی میں موجود 11 کپریسرز اسٹیشنوں پر کل نصب شدہ 226,200 ہارس پاور کے ساتھ 69 ٹربوشینری ٹیکنیجز کو چلاتا ہے تاکہ نیشنل گیس گرڈ کو پائیدار طریقے سے گیس فراہم کی جا سکے۔ پچھلے تین سالوں کے دوران، کمپنی نے مختلف کپریسرز اسٹیشنوں پر 1,095BCF RLNG اور قدرتی گیس کو 122,983 مجموعی آپریٹنگ گھنٹوں کے ذریعے گیس ٹربائن کپریسرنیٹجز کے ذریعے کپریس کیا، تاکہ کم اور متغیر پریشر گیسوں کو مختلف ذرائع بشمول ختم ہونے والے ذرائع سے منتقل کرنے میں کمپنی کے ٹرانسمیشن نیٹ ورک اور ڈیمانڈز اور سپلائی میں بڑی تبدیلیوں کے درمیان استحکام اور یکساں سسٹم آپریشن کو برقرار رکھا جاسکے۔ اس کے ساتھ ساتھ، کمپنی نے بہتر کارکردگی پیش کرنے کے لیے مسلسل بہتری اور تکنیکی ترقی پر مختلف سنگ میل بھی حاصل کیے۔

ISO-9001-2015 کو ایٹمیٹ منجمنٹ سسٹم کی سرٹیفیکیشن اور نفاذ:

کمپنی کو آئی ایس او 9001-2015 سرٹیفیکیشن کا درجہ حاصل کرنے کا اعزاز حاصل ہے۔

ڈی اے ایس انٹرنیشنل بی الاقوامی سرٹیفیکیشن باڈی کے ذریعے، اپنے تمام کاموں میں معیاری اہداف کی کامیابیوں اور سرگرمیوں کو اپ گریڈ کرنے کے لیے سرگرم عمل ہیں۔ اس سلسلے میں، آپ کی کمپنی نے ایک معیار کی پالیسی بنائی ہے جو بین الاقوامی کوڈز اور معیارات، ISO-9001-2015 اور ISO-14001:2015 HSAS کے مطابق اہداف کو یقینی بناتی ہے۔ آپ کی کمپنی کو کامیابی کے ساتھ سال 2018-45001 کے لیے تمام نظاموں کے مکمل آڈٹنگ کے بعد سرٹیفیکیشن باڈی کے ذریعے دوبارہ اس اعزاز سے نوازا گیا

آپ کی کمپنی کو جو ٹیکنالوجی اور تجربہ مل گیا ہے اس کے ذریعے آج ہم پینائش اور بہتر بنانے کے مسلسل عمل کے ذریعے اپنے تکنیکی معیار کو بڑھانے کے لیے زیادہ پرعزم ہیں۔

خوردگی کنٹرول (Corrosion Control)

ایس این جی پی ایل ایم ایس نیٹ ورک کے لئے 1,845 سی پی اسٹیشنوں کے ذریعے یکتھوڈک پمپیشن (سی پی ٹکنیک کا اطلاق کر کے زیر زمین قیمتی اسٹیل پائپ لائن نیٹ ورک کو زوال سے تحفظ دینے کے لئے مکمل طور پر پرعزم ہے جس کی نگرانی بالترتیب ڈسٹری بیوشن اینڈ ٹرانسمیشن محکموں میں 32,801 اور 6,609 ٹیسٹ پوائنٹس کے ذریعے کی جارہی ہے۔ مالی سال 2021-20ء کے دوران نظام میں 21 نئے سی پی اسٹیشن شامل کیے گئے جبکہ موجودہ سی سسٹم کے 71 ہوسیدہ زمینی بستروں کو تبدیل کیا گیا۔ اے ایس ایم ای ٹی 31.8 ایس کی ضروریات کے مطابق ٹرانسمیشن پائپ لائن نیٹ ورک پرائیمر بنی منجمنٹ پروگرام کا نفاذ جاری ہے اور این اے سی ای معیارات کے مطابق براہ راست تنقیص کے طریقہ کار کے ذریعے 289 کلومیٹر ٹرانسمیشن لائنوں کی سالمیت کی تنقیص جاری ہے۔ کمپنی 35,433 کلو میٹر گیس نیٹ ورک کو کامیابی سے اسکین کرنے اور 40,116 زیر زمین رساؤ کا پتہ لگانے/شناخت کرنے میں بھی کامیاب رہی ہے۔ یو ایف جی میں کمی کے لئے اوگرا کی طرف سے مقرر کردہ کے اہداف کی روشنی میں سال کے دوران لیزر مییڈ ڈیٹیکشن آلات کا استعمال کرتے ہوئے لیکس کے ضروری سروے کے بعد 904 کلو میٹر مختلف قطر کی پائپ لائن کی تبدیلی کی تجویز پیش کی گئی تھی۔

مالی سال 2021-20ء کے دوران ٹرانسمیشن لائنز کے 13,734 فٹ پرکوننگ مرمت کے کام تمام ٹرانسمیشن سیکشنز میں کیے گئے ہیں جن میں سالمیت کی تنقیص کے سروے کے دوران نشاندہی شدہ گرم مقامات کی مرمت بھی شامل ہے۔ ڈیپ ویل/افقی گراؤنڈ بیڈز کے لئے کارپوشن بیک فال مواد (463 میٹرک ٹن) تیار کیا گیا ہے جس میں اسکریننگ، ملنگ اور پیکنگ شامل ہے۔ ٹی / آر پینٹس (187 نمبر) کی مرمت کے ساتھ ایئر کولڈ ٹی / آر پینٹس (80 نمبر) کی بناوٹ ٹی / آر روشپ اور 132 نمونوں کی مادی جانچ میٹرل ٹیسٹنگ لیبارٹری، خوردگی کنٹرول سینٹر میں انجام دی گئی۔

ریسرچ اینڈ ڈویلپمنٹ کے حصے کے طور پر جی ایس ایم بیسڈ ریموٹ مانیٹرنگ یونٹس کو سی پی

اسٹیشنوں کی پیداوار کی نگرانی کے لئے تیار کیا گیا تھا اور 1,323 ریموٹ مانیٹرنگ یونٹس (جی ایم بیسڈ) سی پی اسٹیشنوں پر کامیابی سے نصب کیے گئے ہیں۔ مالی سال 2020-21ء کے دوران ریموٹ 350 مانیٹرنگ یونٹس (جی ایس ایم بیسڈ) خریدے گئے ہیں اور تنصیب کا کام جاری ہے۔ آئی ٹی / ایم آئی لائن ڈیپارٹمنٹ کے ساتھ ہم آہنگی سے ڈیٹا میجمنٹ سافٹ ویئر کی تخصیص جاری ہے۔ ریمورٹ مانیٹرنگ سسٹم کو بروئے کار لاکر حکمہ کی مجموعی کام کی کارکردگی میں قابل ذکر بہتری آئی ہے۔

مزید برآں، تمام ڈسٹری بیوشن رجسٹر میں زیر زمین گیس لکچ کا پتہ لگانے کے سروے میں اضافے کے لئے خوردگی سینٹر میں کارپٹ پروب ڈیزائن کیا گیا ہے اور ایم ایم او ایوڈز کے ساتھ پول ماؤنڈ سی پی سسٹم کو بھی ہمارے اندرونی وسائل کو بروئے کار لاتے ہوئے فصل آباد رجین میں ڈیزائن، تیار اور کمیشن کیا گیا ہے۔

میٹرنگ

میٹر اور ای وی سی (Electronic Volume Corrector) نہ صرف کمپنی کے کیش رجسٹر ہیں بلکہ یہ کمپنی کی یو ایف جی (UFG) کو کم کرنے اور گیس چوری کو پکڑنے میں بھی اہم کردار ادا کرتے ہیں۔ ہنگ کے ذریعے کمپنی کی آمدن کا انحصار انہی پیمائشی آلات کے درست کام کرنے پر منحصر ہے۔ میٹرنگ ڈیپارٹمنٹ خاص تکنیکی سرگرمیوں کے ذریعے پیمائشی آلات کے گیس کے حجم کی درست پیمائش برقرار رکھنے کی بھرپور کوششیں کر رہا ہے۔ ان سرگرمیوں میں انسپیکشن، فلو پرووگ، کیلبریشن آف میٹرز اور ای وی سی (Electronic Volume Corrector) میں پیمائش کے پیرامیٹرز کی درجہ بندی (Calibration) شامل ہیں جو کہ انٹرنیشنل معیار کے مطابق کی جاتی ہے۔ میٹرنگ ڈیپارٹمنٹ ریپئرنگ (Repairing) اور مینٹنس (Maintenance) کے ذریعے کمپنی کا یونیوپجاری ہے۔ صارفین کے میٹرز جو میٹرنگ شاپس میں آتے ہیں ان میٹروں کی احتیاط سے چھان بین کی جاتی ہے تاکہ صارف کی طرف سے کی گئی ٹیپرنگ کا پتہ لگایا جاسکے۔

موجودہ سال میں ڈومیسٹک میٹر انسپیکشن شاپس ملتان، فیصل آباد، ساہیوال اور لاہور نے جدید کو ایٹمیٹمنٹ سسٹم (QMS) (ISO-9001:2015) کے تحت سرٹیفکیٹ حاصل کیئے ہیں۔

اس کے علاوہ سینٹرل میٹر شاپ اور ریجنل میٹر شاپس (اسلام آباد، فیصل آباد اور ملتان) کی ٹیسٹنگ اور معائنے کو انٹرنیشنل سٹینڈرڈ 2005: 17025 ISO اور ISO-17020:2012 کے تحت پاکستان نیشنل Accreditation کونسل (PNAC)

جاتی ہے۔ مزید برآں، مندرجہ ذیل پر سال کے 365 دن چوبیس گھنٹے شکایات بھی درج کرائی جاسکتی ہیں:

- شکایت مراکز (سی سی) میں واک ان صارفین
- گاہک کے مابین گیس بل کے اوپر دائیں طرف لینڈ لائن نمبر کا ذکر
- کمپنی کی ویب سائٹ: www.sngpl.com.pk
- کمپنی کا فیس بک اکاؤنٹ: SNGPLofficial / www.facebook.com
- کمپنی کا یوٹیوب اکاؤنٹ SNGPLofficial/ www.twitter.com
- کمپنی کا یوٹیوب اکاؤنٹ SNGPLofficial/ www.youtube.com
- کمپنی کا انسٹاگرام اکاؤنٹ sngplofficial/ www.instagram.com
- موبائل ایپلی کیشن (’ایس این جی پی ایل بل‘ ایڈر ویڈیو فونز کے لئے گوگل پلے سٹور پر دستیاب)
- وزیراعظم ڈیلیوریونٹ (پی ایم ڈی یو)

موصولہ شکایات کو اوریکل ہیڈ کٹر کیئر ایجنڈ بنگ (سی سی پی) سافٹ ویئر کے ذریعے نامزد

دفاتر میں بھیج دیا جاتا ہے۔ اس سافٹ ویئر میں ہر گاہک کی مکمل تاریخ اور ڈیٹا میں برقرار رکھا

گیا ہے۔ تمام شکایت مراکز میں شکایت کی اصلاح کرنے والی ٹیمیں آئل اینڈ گیس ریگولیٹری

اتھارٹی (اوگرا) کے طے کردہ معیارات کے مطابق فوری کارروائی کے لئے مناسب آلات سامان اور ٹرانسپورٹ سے لیس ہیں۔

منصوبہ جات

آپ کی کمپنی نے 168.30 کلومیٹر انسٹیشن لائنز بچھا رکھی ہیں جن کا قطر 8 سے 24 تک ہے۔ ٹرانسپیشن لائنز کے علاوہ رواں مالی سال 2020-21 کے دوران نئے منصوبوں کو داؤ کو بہتر بنانے اور گیس کی فراہمی کے لئے 995.57 کلومیٹر ڈسٹری بیوشن مین رکھے گئے جس سے صارفین کے اطمینان کی سطح میں اضافہ ہوا ہے۔

تفصیلی نیٹ ورک میں اضافہ:

ٹیل اینڈ پرائیسی کی فراہمی اور داؤ کو بہتر بنانے کے لیے آپ کی کمپنی نے مختلف شہروں میں گیس نیٹ ورک میں اضافہ کا ایک جامع منصوبہ تشکیل دیا ہے

کاروباری توسیع (Business Development)

آپ کی کمپنی قومی اور کثیر اقوامی کمپنیوں کے ساتھ پائپ لائن کی تعمیر کے مختلف منصوبوں میں مصروف عمل ہے۔ کمپنی کی سہ کار کردگی کے پیش نظر، متعدد اداروں نے اپنے منصوبہ جات کے لیے آپ کی کمپنی سے بہتر و پائیدار کاروباری تعلقات کے لیے رابطہ کیا ہے۔ بیشتر منصوبہ جات، ہمارے اعلیٰ تعمیراتی معیارات پر اعتماد کرتے ہوئے، آپ کی کمپنی کو مراکرات یا واحد بولی کی بنیاد پر تفویض کیے گئے۔ کمپنی نے اپنی مہارت کا لوہا منواتے ہوئے ثابت کیا ہے کہ وہ

اپنے عزم اور کام کے معیار کو پورا کرنے کے لحاظ سے کسی سے کم نہیں ہے۔ کاروباری دنیا میں بے شمار چیلنجز موجود ہیں لیکن ہم انہیں اپنے آپ کو بہتر بنانے کے موقع کے طور پر دیکھتے ہیں۔ کمپنی اپنے کاروباری منصوبہ جات کو متنوع بنانے کے لیے حتیٰ شکل دے رہی ہے اور جہاں ممکن ہو وہاں اپنی متعلقہ آپریشنل سرگرمیوں کو آپس میں ملانے کے لیے سرگرداں ہے۔

غیر محسوب گیس (UFG)

کمپنی 3 سالہ غیر محسوب گیس ریڈکشن پلان پر عمل پیرا ہے یعنی مالی سال 2019-20 سے مالی سال 2021-22 تک، جسے کمپنی کے بورڈ نے باضابطہ طور پر منظور کیا ہے اور آئی ایم ایف کے ساتھ حکومت پاکستان کے میکرو اکنامک وعدوں کے تحت وزارت توانائی کو پیش کیا ہے۔

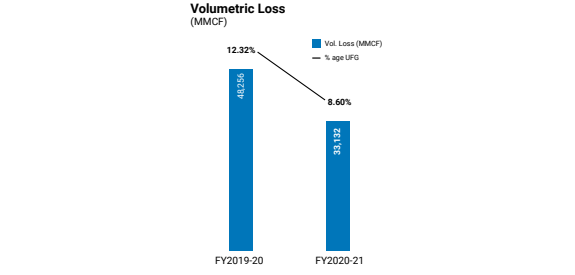
منصوبہ دوا جزاء پر مشتمل ہے:

جزو-1: 16 تقسیمی علاقوں کی جانب سے اوگرا کی طرف سے ۱30 ہم نگرانی اشاریے (کے ایم آئی) پر عمل درآمد کے ذریعے اجتماعی کمی

جزو-2: 2 کے پی کے کے زیادہ یو ایف جی علاقوں میں قریبی رابطہ اور قانون نافذ کرنے والے اداروں کی انتظامی حمایت کی لازمی ضرورت کے ذریعے ٹی اینڈ ڈی نقصانات میں کمی ہے۔

ای سی سی کی جانب سے منظور شدہ یو ایف جی میں کمی کے اہداف کے علاوہ بورڈ نے حجم میں کمی کا ہدف بڑھا کر 12,591 ایم ایم سی ایف اور 3.21 فیصد تک بڑھا کر تفویض کیا ہے۔ اس کے مطابق یو ایف جی میں مجموعی کمی کے حصول کے لئے تمام ڈسٹری بیوشن ریجنز اور ٹرانسمیشن ڈیپارٹمنٹ کو سخت اہداف تفویض کیے گئے۔

مینجمنٹ کی رہنمائی، نگرانی اور وقتاً فوقتاً کارکردگی کے جائزے اور فیلڈ ٹیموں کی انتھک کوششوں کے نتیجے میں کمپنی نے بورڈ کی جانب سے تفویض کردہ یو ایف جی میں کمی کے اہداف سے تجاوز کر لیا ہے۔ حجم میں کمی کے نقصان سے مجموعی کمی ۱5,094 ایم ایم سی ایف اور 3.72 فیصد ہے۔ حجم کے نقصان میں کمی 7500 ملین روپے سے زائد (اوسط لاگت قیمت 541.54 / ایم سی ایف) کی مالی بچت میں تبدیل ہوتی ہے۔ کمپنی کے حاصل کردہ نتائج کو مختلف میٹنگز میں بورڈ کے ساتھ ساتھ وزارت توانائی سمیت تمام حصص داروں نے تسلیم کیا اور سراہا ہے۔



مالی سال 2021-20ء کے دوران مندرجہ ذیل کوششیں کی گئیں:

الف جزو-1 (کرک وغیرہ کے علاوہ 16 تقسیمی علاقوں کی اجتماعی کوششیں):

کرک میں کمپنی کی کوششوں کے علاوہ کمپنی کے تمام علاقوں میں غیر محسوب گیس میں کمی کی گئی ہے۔

الف) گیس چوری کنٹرول پر توجہ میں اضافہ

اس کا مقصد ڈیٹریس پیدا کرنا اور گیس چوری کرنے والوں کو پکڑنا ہے جس کے لئے مندرجہ ذیل اقدامات کیے گئے ہیں:

1839 صنعتی صارفین کی نگران کنٹرول اور ڈیٹا ایکوزیشن (ایس سی اے ڈی اے) کے ذریعے رینل ٹائم مانیٹرنگ اور گیس چوری، پینکشن کی غلطیوں اور لوڈ افزائش کے معاملات کا فوری پتہ لگانے کے لئے بے ضابطگیوں کے خلاف الارم کا استعمال

ii. نگرانی:

3659 صنعتی صارفین مابانہ بنیادوں پر

1,641,61 تجارتی صارفین سہ ماہی بنیادوں پر

20 فیصد گھریلو صارفین یعنی 13 لاکھ 18 ہزار 662 صارفین کی نگرانی

مشتبہ صارفین کی بار بار جانچ پڑتال

غیر قانونی گیس نیٹ ورک اور غیر قانونی گیس نکشن، غیر مجاز توسیع وغیرہ کے لئے خطرہ والے علاقوں کی خصوصی جانچ پڑتال۔

iii. گیس چوری کرنے والوں کو پکڑنا، 3 7 7 ایف آئی آر کا اندراج اور فوجداری کارروائیاں۔

اس سلسلے میں مندرجہ ذیل نتائج حاصل کیے گئے ہیں:

چوری کے واقعات کی نشاندہی= 83,904

والیم بک= 1,604 ایم ایم سی ایف

حجم برآمد= 1,019 ایم ایم سی ایف

بک کی گئی رقم= 1350 ملین روپے

برآمد شدہ رقم= 560 ملین روپے

ب) لکچ کنٹرول پر توجہ میں اضافہ:

اس کا مقصد لکچ کے نقصان کے اثرات کو کم کرنا ہے جس کے لئے مندرجہ ذیل اقدامات کیے گئے ہیں:

* 39,554 لکچور کی شناخت اور اصلاح کے لئے کل زیر زمین نیٹ ورک 20 فیصد یعنی

35,311 کلومیٹر کی اسکیننگ

* لاہور اور پشاور ریجنز کے 11,009 کلومیٹر نیٹ ورک کی فاسٹ ٹریک اسکیننگ یعنی لکچ کی شناخت اور اصلاح۔

* جغرافیائی انفارمیشن سسٹم (جی آئی ایس) پرائیسی لکچ شکایات کی نقشہ بندی کے ذریعے تیار کردہ ہیٹ میپس زیر زمین لکچ اصلاح (یو جی ایل آر) اور سسٹم ری ٹیلی ٹیشن پروگرام (ایس آر پی) کی منصوبہ بندی کے لئے ممکنہ لکچوالے علاقوں/خلوں کی شناخت کریں گے۔

* سسٹم ری ٹیلی ٹیشن پروگرام (ایس آر پی) کے تحت 892 کلومیٹر لیک لائنوں کی

تبدیلی۔

* سیوریج مین ہولز کے پائپ لائنوں میں کرنٹ اور لکچ نقصان کی شناخت۔

* 20 فیصد گھریلو صارفین کا معائنہ اور 967,463 لکچ کی اصلاح۔

* تمام 6,478 ٹی بی ایس کا معائنہ اور دیکھ بھال۔

ج) پینکشن کی غلطیوں پر کنٹرول پر توجہ میں اضافہ:

اس کا مقصد پینکشن کی درستگی کو یقینی بنانا ہے جس کے لئے مندرجہ ذیل اقدامات کیے گئے ہیں:

i. تقریباً 563,068 (یعنی مشتبہ، ناقص اور شیڈولڈ) کی تبدیلی، میٹرنکشن رپورٹوں کی

پیداوار

ii. بنگ چارجز کے تحت 8083 ایم ایم سی ایف کی بنگ

iii. 484 ہائی پریشر کرسٹل اور خصوصی گھریلو لکشنز پر ای سی میٹر کی تنصیب

د) ڈیجیٹائزیشن/آڈیشن:

ڈیجیٹائزیشن کا مقصد مختلف اصلاحی اقدامات، ڈیٹا تجزیات کے لئے معلومات کی دستیابی، رجحان کے تجزیے اور تدارک کے اقدامات کی منصوبہ بندی کے لئے جوابی وقت کو بہتر بنانا ہے۔

- ایس سی اے ڈی اے ڈیش بورڈ کے ذریعے تقریباً 1800 صنعتی نکشنوں کی نگرانی
- خود کار نظام سے رپورٹس کی تیاری کے لئے ماڈیولز نے نقصانات کی نگرانی کے لئے 'ہیل میٹر اٹیشن' (ایس ایم ایس) کی مفاہمت 'اور 'ناؤن بورڈر اٹیشن' (ٹی بی ایس) کی مفاہمت ' کی رپورٹیں تیار کیں
- تفصیلی نیٹ ورک کی جی آئی ایس نقشہ سازی مرحلہ وار شروع کردی گئی
- ڈیٹا تجزیات کے لئے جی آئی ایس (گیس چوری کے معاملات، لکچ شکایات، زیر زمین لکچ، نادہندگان، نیٹ ورک اسبجنگ ڈیٹا) پڑڈیٹ کی نقشہ سازی
- کمپیوٹر پر مبنی ماڈیول کی ترقی برائے:
- الف۔ نگرانی کی سرگرمیوں کی دیکھ بھال
- ب۔ لکچ اصلاح کی سرگرمیاں
- ج۔ میٹر کی تبدیلی کی سرگرمیاں
- vi. براہ راست استعمال کی شناخت کے لئے سی سی پی ڈیٹا سے نکالی گئی مختلف بے ضابطگیوں جیسے کہ نیومیٹر فاؤنڈ، ڈوم ٹوکرسٹ استعمال کیسز ڈی آر، اسٹیپی میٹرز، بی ایس ای، کے بارے میں ڈیش بورڈ کے ذریعے نگرانی
- vii. نیٹ ورک کے زیادہ سے زیادہ آپریشن کے لئے ڈسٹری بیوشن نیٹ ورک کی پریشر مانیٹرنگ کے لئے ڈیش بورڈ

مالی سال 2020-21ء کے لئے کمپنی کی تخمینہ آمدنی کی ضرورت (ای آر آر) کے فیصلے میں 17 اگست، 2021ء کو رائج ٹیرف نظام کے مطابق، سال 22-2021ء کے لئے اوسط خالص اثاثوں پر منافع کی شرح (آر او آر) اور مزید دو سال کی مدت کے لئے 16.60 فیصد پر دوبارہ کام کیا ہے جبکہ 2020-21ء تک 17.43 فیصد کی سابقہ آر او اے شرح کا تعین کیا گیا تھا۔ اسی فیصلے کے ذریعے او گرانے مختلف آپریٹنگ اثاثوں خصوصاً ٹرانسمیشن اینڈ ڈسٹری بیوشن نیٹ ورک اور کمپنی کی متعلقہ سہولیات کی قدر میں کمی کی شرح کو تقریباً 6 فیصد سالانہ کی موجودہ شرح سے بڑھا کر 2.5 فیصد سے 5 فیصد سالانہ تک کی شرح تک مقرر کیا ہے۔ مالی سال 22-2021ء سے شروع ہونے والے تین سال کی مدت کے لئے آر او اے کی شرح میں کمی سے کمپنی کے منافع پر منفی اثرات مرتب ہوں گے، تاہم اس طرح کے اثرات بڑی حد تک کمپنی کے اثاثوں کی بنیاد میں اضافے کے نتیجے میں ختم ہو جائیں گے۔

کمپنی کو درپیش مسائل:

مقامی گیس ذرائع میں تیزی سے کمی:

آپ کی کمپنی کو اس وقت ایک خاص صورتحال کا سامنا ہے جس کی وجہ ہر سال مقامی گیس کی فراہمی میں کمی اور حکومت کے سماجی و اقتصادی ایجنڈے کے مطابق نئی ترقیاتی اسکیموں اور نئے اقتصادی زونز کے نتیجے میں طلب میں اضافہ ہے۔ اس صورت حال نے ایس این جی پی ایل کا آر ایل این جی پر انحصار بڑھا دیا ہے جبکہ اب اس کا حصہ کل رسد کے 50 فیصد سے زیادہ ہو چکا ہے۔ گھریلو سالانہ طلب میں مسلسل اضافہ اب آر ایل این جی کو گھریلو شعبے کی جانب موڑ کر پورا کیا جا رہا ہے۔

طلب اور رسد کے درمیان فرق کو آر ایل این جی کی درآمد کے ذریعے ختم کیا جاتا ہے۔ اس وقت 1200 ایم ایم سی ایف ڈی کی ری گیسٹریکلیشن کی کل صلاحیت والے دو (2) ٹرمینل آپریٹو ہیں۔ ہمیں زیادہ سے زیادہ طلب کے دوران زیادہ سے زیادہ آر ایل این جی کی ضرورت ہوتی ہے جبکہ اگر کسی وجہ سے انتظام نہ کیا جائے تو اپ سٹریم درآمدات طلب کی فراہمی کی پوزیشن کو خراب کرتی ہیں۔ یہ ذکر کرنا مناسب ہے کہ اس موسم سرما کے دوران ہمیں دسمبر میں 925 ایم ایم سی ایف ڈی آر ایل این جی اور جنوری میں صرف ۱850 ایم ایم سی ایف ڈی مل رہی ہے کیونکہ نی ایل ایل 3 کارگو کا آرڈر مکمل نہیں کر سکی۔ اس کے علاوہ، ایک پی ایل ایل فرم کارگو جنوری میں نہیں پہنچے گا جس کی وجہ سے شدید کمی واقع ہوئی ہے۔ آپ کی کمپنی کو گزشتہ دو سالوں کے دوران مالی اور آپریشنل رکاوٹوں کا سامنا ہے، جس کی وجہ ایس ایس جی سی کی جانب سے آر ایل این جی کو مسلسل اور غیر متضابطور پر برقرار رکھنا، کھاد کے شعبے کو آر ایل این جی کی فراہمی شروع کرنے کی ہدایت، اور توانائی کے شعبے کی ضروریات نے میں آخری موقع پر غیر متوقع

تبدیلی ہیں۔ آپ کی کمپنی 100 فیصد بنیادوں پر 2024 تک گورنمنٹ ٹو گورنمنٹ آر ایل این جی کی خریداری کی پابند ہے۔ ایس این جی پی ایل؛ آر ایل این جی کی مانگ سال میں تقریباً 9 ماہ کے لئے 1200 ایم ایم سی ایف ڈی سے تجاوز کرتی ہے خاص طور پر موسم گرما اور سردیوں کے دوران۔ سردیوں میں گھریلو طلب کئی گنا بڑھ جاتی ہے (یعنی 450 سے 1200 ایم ایم سی ایف ڈی)۔

3. جی پی پیز کے کم از کم 66 فیصد ٹیک یا پے کمٹمنٹ کا خاتمہ

ایس این جی پی ایل 100 فیصد ٹیک یا پے کی بنیاد پر گورنمنٹ ٹو گورنمنٹ فروخت اور وصول کی پابند ہے۔ اس طرح ڈاؤن اسٹریم صارفین سے ٹیک یا پے کا خاتمہ کمپنی کے لیے اہم مسئلہ ہے کیونکہ غیر استعمال شدہ RLNG گھریلو شعبہ میں مقامی قیمتوں پر استعمال کی جائے گی۔ جس سے تفریقی قیمت میں اضافہ ہوگا۔ اس تفریق کو حل کرنے کے لیے کابینہ کی اقتصادی رابطہ کمیٹی کے ذریعے حکومت پاکستان کی مدد حاصل کی گئی ہے۔ تاہم منظور شدہ لائحہ عمل پُر عمل درآمد ہونا باقی ہے۔

نئے کنکشن۔ درخواستوں کا التوا:

اس وقت گیس کنکشنز کی 30 لاکھ سے زائد درخواستیں مختلف مراحل پر زیر التوا ہیں۔ کنکشن کی تنصیب گیس کی دستیابی اور اوگرا کی جانب سے منظور کردہ کوٹے کے اندر رہتے ہوئے کمپنی کی میٹر لگانے کی صلاحیت پر ہے

کمپنی تقریباً 400,000 کنکشن (اوسطاً سالانہ) نصب کر رہی ہے جبکہ ہر سال تقریباً 800,000 نئی درخواستیں موصول ہوتی ہیں جس کے نتیجے میں زیر التوا درخواستیں جمع ہوتی ہیں اور گیس کے نئے کنکشنوں کی فراہمی کے لئے انتظار کی مدت طویل ہوتی ہے۔ مقامی گیس کے کم ہوتے رجحان کی وجہ سے مقامی گیس کے خلاف نئے گھریلو کنکشن کی فراہمی طلب کی فراہمی کی پوزیشن کو مزید خراب کر رہی ہے۔

گھریلو اور کمرشل شعبوں کو آر ایل این جی کی فراہمی

طلب اور رسد کے درمیان بڑھتے ہوئے فرق اور مقامی گیس کے وسائل میں کمی کی وجہ سے، آپ کی کمپنی گھریلو شعبے کو انتہائی سبسڈی والی گھریلو گیس کی قیمتوں پر آر ایل این جی کی فراہمی پر مجبور ہے اس کے نتیجہ میں آر ایل این جی قیمت اور سبسڈی والی مقامی گیس کی قیمتوں کے درمیان قیمتوں میں فرق جمع ہو رہا ہے۔

گردش قرضہ

آپ کی کمپنی گیس سیکر کے سرکلر ڈیٹ کا حصہ ہے جس کی بنیادی وجہ مقامی گیس اور آر ایل این جی ٹیکمنٹس میں 446 ارب روپے کی ٹیرف ایڈجسٹمنٹ جمع کرنا اور ایس ایس جی سی کی جانب سے آر ایل این جی کے کچھ حجم کو برقرار رکھنا ہے۔ ان رقوم کی وصولی کا انحصار حکومت پاکستان کی جانب سے براہ راست یا بالواسطہ طور پر تصفیے پر ہے جس میں مستقبل میں گیس کی قیمتوں میں

اضافہ اور ایس ایس جی سی کے ساتھ اکاؤنٹ کا تصفیہ شامل ہے۔

سال کے اختتام کے بعد حکومت کی جانب سے سرکلر ڈیٹ کے معاملے کے حل کے لیے کچھ اقدامات اٹھائے گئے ہیں جن میں آئل اینڈ گیس ریگولیٹری اتھارٹی آرڈیننس 2002ء کے سیکشن 8 میں ترمیم شامل ہے جس میں وفاقی حکومت کے لیے یہ یقینی بنانا لازمی قرار دیا گیا ہے کہ اس طرح مقرر کی گئی فروخت کی قیمت ریگولیٹر کی جانب سے طے کردہ محصولات کی ضرورت سے کم نہ ہو۔ اگر اس ترمیم پر حرف بہ حرف عمل کیا جاتا تو مستقبل میں سرکلر قرضوں کی جمع ہونے والی رقم کو کم کرنے میں مدد ملے گی۔ مزید برآں حکومت نے حال ہی میں آر ایل این جی کو گھریلو شعبے پر موڈ نے کی وجہ سے پیدا ہونے والے مالی خسارے کی لئے کمپنی کو سبسڈی کے طور پر 60 ارب روپے سے زائد کی ادائیگی کی ہے۔ اگر یہ عمل جاری رکھا گیا تو کمپنی کو سرکلر قرض کو کافی حد تک کم کرنے میں مدد ملے گی۔ کمپنی کو سرکلر قرض سے متعلق چیلنجز کا سامنا ہے جو بنیادی طور پر گھریلو گیس کی قیمت میں اضافے میں تاخیر کی وجہ سے پیدا ہوتا ہے۔ 30 جون 2021ء کو ختم ہونے والے سال تک مقامی گیس اور آر ایل این جی ٹیکمنٹس میں ٹیرف ایڈ جسٹمنٹ 454 ارب روپے تک جمع ہو چکی ہے اور 31 دسمبر 2021ء تک پہلے ہی 500 ارب روپے سے تجاوز کر چکی تھی۔ ان رقوم کی وصولی کا انحصار حکومت پاکستان کی جانب سے براہ راست یا بالواسطہ طور پر تصفیے پر ہے جس میں مستقبل میں گیس کی قیمتوں میں اضافہ، سبسڈی اور دیگر طریقہ کار شامل ہیں۔

کمپنی نے یہ معاملہ وفاقی حکومت کے سامنے اٹھایا ہے اور وہ آنے والے برسوں میں ان مسائل کے حل کے لئے پرامید ہے۔

غیر محسوب گیس کے نقصانات

غیر محسوب گیس کے نقصانات کمپنی کے لئے بڑی تشویش ہیں۔ اس سے نہ صرف کمپنی کے منافع پر برا اثر پڑتا ہے بلکہ اس کے نتیجے میں ملک کے قدرتی گیس کے وسائل بھی ضائع ہو سکتے ہیں۔ یو ایف جی نقصانات کی اہمیت اور شدت کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز کی ایک علیحدہ کمیٹی نے اوگرا کی اجازت کے مطابق یو ایف جی نقصانات کو قابل قبول حدود کے اندر رکھنے کے لئے مناسب اقدامات کو اپنانے کے لئے انتظامیہ کی سرگرمی سے رہنمائی کی ہے۔ کمپنی نے قانون نافذ کرنے والے اداروں کی معاونت سے بلند غیر محسوب گیس کے نقصانات والے علاقوں خاص طور پر کرک اور پشاور رینجن میں گمرانی بڑھانے، نیٹ ورک کی تقسیم، بروقت لکچ کا پتہ لگانے اور اس کی اصلاح، جدید ترین ٹیکنالوجیز کی تلاش اور تعیناتی کے ذریعے پینکش کی سہولیات کی مسلسل جانچ پڑتال اور اپ گریڈنگ کے لئے متعدد اقدامات شروع کیے۔

کوویڈ-19 کے دوران ملازمتین کی صحت اور حفاظت کا خطرہ

کوویڈ-19 کے پھیلنے سے آپ کی کمپنی کے کاروبار پر منفی اثر پڑا ہے جس میں ان ملازمتین کی صحت بھی شامل ہے جو کوویڈ-19 سے متاثر ہوئے تھے۔ کوویڈ-19 وبا کے منفی اثرات کو کم

کرنے کے لئے آپ کی کمپنی نے بڑے پیمانے پر کاروباری اداروں کی مدد کے اقدامات اور ہدایات جاری کی ہیں اور سماجی فاصلے کے ذریعے مسلسل کاروبار کو آسان بنایا ہے۔

دوسری، تیسری اور چوتھی لہروں کے عروج کے دوران، آپ کی کمپنی کے لائن حکاموں نے گھر/دفتر سے گردش بنیادوں پر کام کیا اور وبا کے دوران ہموار آپریشن جاری رکھا گیا۔ ملازمتین کی جانب سے کمپنی کے احاطے میں سماجی فاصلے اور فعال اقدامات کئے گئے اور قومی صحت خدمات کی وزارت کی جانب سے جاری کردہ ہدایات کے مطابق معیاری آپریٹنگ پروسیجرز (ایس او بییز) وضع کیے گئے۔ ملازمتین اور ان کے اہل خانہ کو ویکسینیشن کے عمل کو آسان بنا کر اور آگاہی مہم چلا کر ویکسین لگانے کی ترغیب دی گئی۔

کسٹمر سروسز

آپ کی کمپنی کیلئے محدود گیس کی فراہمی اور ناکافی وسائل کے ساتھ 7.3 ملین سے زائد صارفین کی شکایات کو بروقت حل کرنا ایک اہم چیلنج ہے۔ ہر شکایت کو آئن لان سسٹم کے ذریعے لاگ، ایکشن اور مانیٹر کیا جاتا ہے اور بروقت کارروائی کے لئے مناسب سطح پر غیر حل شدہ شکایت کو بڑھایا جاتا ہے۔

آپریشنل جائزہ

آپ کی کمپنی کا ٹرانسمیشن نیٹ ورک فریچائز کے علاقے میں 6 انچ سے 42 انچ قطر تک 9125.75 کلومیٹر ہائی پریشر پائپ لائنوں تک پھیل گیا ہے۔ سال کے دوران 317 نئے قبضوں، دیہاتوں 6078 کلومیٹر ڈسٹری بیوشن مین اور سروس لائنیں بچھا کر موجودہ نظام سے جوڑا گیا۔ کمپنی کے نیٹ ورک پر اب کل 5,223 قصبے، دیہات، ڈسٹرکٹ ہیڈ کوارٹرز اور تحصیل ہیڈ کوارٹرز موجود ہیں۔ کمپنی نے اپنے وژن اور مشن اسٹیکمنٹس کے مطابق سال کے دوران 372,288 نئے گیس کنکشن فراہم کر کے اپنے صارفین کے معیار زندگی کو بہتر بنایا ہے۔

کسٹمر سروسز

ایس این جی پی ایل پالیسیوں اور فیصلہ سازی میں صارفین کا اطمینان ہمیشہ ایک بنیادی قدر رہا ہے جو ہمارے وژن اور مشن میں پوری طرح ظاہر ہوتا ہے۔ ایس این جی پی ایل کے پنجاب، خیبر پختونخوا، اسلام آباد، کینٹیل ٹیریٹری اور آزاد جموں و کشمیر میں 73 لاکھ سے زائد صارفین کی شکایات وصول کرنے اور ان کی اصلاح کے لئے 16 علاقائی دفاتر، 35 ذیلی علاقائی دفاتر، 41 کسٹمر سروس سینٹرز اور 87 کمپلینٹ سینٹرز ہیں۔ ہمارے شکایتی مراکز ہنگامی حالات سے نمٹنے کے لئے سال کے 365 دنوں میں چوبیس گھنٹے کام کرتے ہیں۔ ان دفاتر کے علاوہ ایس این جی پی ایل نے کال سینٹر کے لئے ہر قسم کی شکایات موصول کرنے اور ان کا ازالہ کرنے کے لیے متعلقہ دفاتر کو بھیجنے کا انتظام کیا ہے۔ کال سینٹر تک کمپنی کے آپریشن کے علاقے کے اندر موبائل لینڈ لائن نمبر سے مختصر کوڈ نمبر 1199 کے ذریعے رسائی حاصل کی جاسکتی ہے۔ کمپنی کی خدمات کو بہتر بنانے کے لئے تمام شکایت کنندگان سے ایس ایم ایس رائے بھی طلب کی

جائزہ چیئر پرسن اور ڈائریکٹرز رپورٹ

1	منافع قبل از محاصل	15,842	ملین روپے
2	محاصل کی دستیابی	(4,856)	
3	بعد از محاصل منافع	10,986	

کچھ اہم عوامل جس سے آپ کی کمپنی کو نتائج حاصل کرنے میں مدد ملی وہ درج ذیل ہیں:

(الف) غیر محسوب گیس کے نقصانات 12.32% سے کم ہو کر 8.60% رہ گئے ہیں جس سے غیر محسوب گیس ڈس الاؤنس گزشتہ سال کے 11,742 ملین روپے سے کم ہو کر رواں سال کے دوران 3,426 ملین روپے رہ گیا ہے۔ غیر محسوب گیس میں خاطر خواہ کمی اور اس کی مسلسل پاسداری کے لئے ایک پرعزم ہدف مقرر کرنا بورڈ کی ٹھوس کوششوں کی وجہ سے ممکن ہوا۔ انتظامیہ نے جانفشانی سے کام کیا اور کرک میں گیس کے نقصانات پر توجہ مرکوز کی گئی۔ زیادہ غیر محسوب گیس علاقوں میں غیر محسوب گیس کے نقصانات پر توجہ مرکوز کرنے اور ان پر قابو پانے اور علاقائی ٹیم کو اسی مقصد کے لئے ترغیب دینے کے لئے خیر پختونخواہ کے شہر پشاور میں بورڈ آف ڈائریکٹرز کے اجلاس طلب کیے گئے۔ بورڈ ممبران اور انتظامیہ نے خیر پختونخواہ کے وزیر اعلیٰ سمیت وفاقی حکومت اور صوبائی حکومت خیر پختونخواہ کے معززین سے بھی ملاقات کی جنہوں نے خیر پختونخواہ کے زیادہ غیر محسوب گیس نقصان والے علاقوں میں غیر محسوب گیس کو روکنے کے لئے اپنا مکمل تعاون بڑھایا۔ مزید برآں قانون نافذ کرنے والے اداروں کی حمایت نے بھی بڑھتے ہوئے رجحان کو روکنے میں اہم کردار ادا کیا۔ کمپنی کی مشترکہ کوششوں سے تمام رجسٹرز کے غیر محسوب گیس میں کافی کمی واقع ہوئی جس سے گیس کے نقصانات ایک ہندسے تک پہنچ گئے۔

(ب) سال کے دوران کمپنی کا غیر محسوب گیس شیئ مارک ریگولیٹر نے 76.23 فیصد کلیدی مانیٹرنگ انڈیکیٹرز (کے ایم آئی) کے حصول کی بنیاد پر 6.98 فیصد (1.98% + 5.0%) مقرر کیا تھا جیسا کہ اوگرا نے مالی سال 2020-21ء کے لئے ایف آر میں طے کیا تھا۔ تاہم کمپنی سمجھتی ہے کہ کمپنی کی کوششوں کی کے ایم آئی اسکور کے تعین میں مناسب طور پر عکاسی نہیں کی گئی ہے اور وہ ریگولیٹر کے پاس نظر ثانی درخواست دائر کر رہی ہے۔

(ج) کمپنی کی قرض لینے کی سہولیات پر مارک اپ کی شرح پر دوبارہ بات چیت اور اسٹیٹ بینک کی جانب سے شرح سود میں کمی سے کمپنی کی مالیاتی لاگت میں خاطر خواہ کمی ہوئی۔ کمپنی اوگرا کی جانب سے جاری کردہ لائسنس کے تحت کام کرتی ہے جس کے تحت اثاثوں پر منافع اوگرا نے

بورڈ آف ڈائریکٹرز کی جانب سے 58 ویں سالانہ رپورٹ اور سال بختمہ 30 جون 2021ء کیلئے پرنٹال ہڈ ہ مالیاتی گوشوارے معہ پرنٹال کنندہ (آڈیٹرز) رپورٹ پیش خدمت ہے۔
توانائی کا جائزہ:

توانائی کے شعبے کو پائیداری، معاشیات اور ماحولیات کے حوالے سے عالمی سطح پر چیلنجوں کا سامنا ہے۔ پاکستان میں توانائی کے بحران نے غیر موافق صورت حال کو مزید گہرا کر دیا ہے۔ اس کی بڑی وجوہات میں قرضوں کی ری سائیکلنگ، مالی حالات اور توانائی کی فراہمی شامل ہیں۔ قدرتی گیس کی طلب میں اضافے اور قدرتی گیس کے ذخائر میں کمی کی وجہ سے گیس کی فراہمی میں کمی کے نتیجے میں ملک کی بڑھتی ہوئی گیس کی مانگ کو پورا کرنے کے لئے مائع قدرتی گیس (ایل این جی) کی مانگ میں اضافہ ہوا ہے۔ مجموعی توانائی کے مرکب میں قدرتی گیس میں کمی واقع ہو رہی ہے۔ اس سے گیس کی طلب اور فراہمی میں فرق بڑھ گیا ہے اور گیس کی تقسیم کرنے والی کمپنی ہونے کی وجہ سے گیس لوڈ میجمنٹ کے موثر ذریعے سے اس فرق کو ختم کرنے، گیس (یو ایف جی) کے نقصانات کو کم سے کم کرنے اور گیس کو دآئمنڈی سے استعمال کرنے کے لئے تحفظ مہمات کا انتظام کرنے کے سوا کوئی چارہ نہیں تھا۔ اس لئے درآمدی گیس پر صارفین کی مانگ کو پورا کرنے کے لئے ایس این جی پی ایل کے انحصار میں اضافہ ہوا ہے اور متنوع سہولیات کی فراہمی کے لیے ہماری کوششیں وقت کی اہم ضرورت ہیں۔

مالیاتی جائزہ (Financial Review)

ہمیں آئل اینڈ گیس ریگولیٹری اتھارٹی (اوگرا) کی جانب سے سال 2020-21ء کے لئے کمپنی کے حتمی ریونیو ضروریات (ایف آر آر) کے تعین کو شامل کرنے کے بعد 30 جون 2021ء کو ختم ہونے والے سال کے لئے آپ کی کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔ آپ کی کمپنی نے سال کے دوران کمپنی کی تاریخ میں سب سے زیادہ 15,842 ملین روپے منافع قبل از محاصل کمایا۔ گزشتہ سال کی اسی مدت کے دوران حاصل ہونے والے 5998 ملین روپے منافع بعد از محاصل اور فی حصص منافع 9.46 روپے کے مقابلے میں اس سال منافع بعد از محاصل 10,986 ملین روپے اور فی حصص منافع 17.32 روپے ریکارڈ کیا گیا۔ آپ کی کمپنی کو فی حصص 2 روپے کے عبوری نقد منافع کے علاوہ 5 روپے فی حصص کے حتمی نقد منافع کا اعلان کرتے ہوئے خوشی ہو رہی ہے۔

Form of Proxy

SUI NORTHERN GAS PIPELINES LIMITED

I/We _____

of _____

being a member of SUI NORTHERN GAS PIPELINES LIMITED and holder of _____ (number of shares)

ordinary shares vide Registered Folio/CDC Participant I.D. No. _____

hereby appoint Mr./Mrs./Miss. _____ of _____

or failing whom Mr./Mrs./Miss _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the 57th Annual General Meeting of the Company to be held

on Friday, July 29, 2022 at 10:30 a.m. at Pearl Continental Hotel, Palace Hall, Lahore and /or at any adjournment thereof.

Signed under my/our hand this _____ day of _____, 2022.

Signature on appropriate value of Revenue Stamp

(Signature should agree with the specimen signature registered with the Company)

WITNESSES:

1. Signature: _____	2. Signature: _____
Name: _____	Name: _____
Address: _____	Address: _____
CNIC / Passport No. _____	CNIC / Passport No. _____
Dated: _____	

NOTES:

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

For CDC account holders / legal entities:

In addition to the above, the following requirements have to be met:

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

AFFIX
CORRECT
POSTAGE

The Company Secretary,

SUI NORTHERN GAS PIPELINES LIMITED

Gas House, 21-Kashmir Road, P.O. Box No. 56,
Lahore-54000, Pakistan.

Tel : (+92-42) 99201451-60 & 99201490-99

Fax : (+92-42) 99201369 & 99201302

میں مسمی / مسما ت _____

ساکن _____

بحیثیت ممبر سوئی ناردرن گیس پائپ لائنز لمیٹڈ (کمپنی) حامل _____ عمومی حصص،
(تعداد حصص) (شیرز)

جو کہ بحوالہ فو یو نمبر / سی ڈی سی (CDC) اکاؤنٹ نمبر _____ کے تحت

مسمی / مسما ت _____ ساکن _____ کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں بصورت عدم موجودگی

مسمی / مسما ت _____ ساکن _____

کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ کمپنی کے 57 ویں سالانہ اجلاس عام، جو بتاریخ 29 جولائی 2022ء بروز جمعہ بوقت 10:30 بجے
صبح (Pearl Continental Hotel, Palace Hall, Lahore) پرل کانٹینینٹل ہوٹل، پیلس ہال، لاہور میں منعقد ہو رہا ہے یا اس کے ملتوی شدہ
اجلاس میں شرکت کر سکیں اور ووٹ ڈال سکیں۔

مؤرخہ: _____

جگہ برائے درست قیمت
کے رسیدی ٹکٹ
اور ان پر حصے دار کے
درج شدہ (رجسٹرڈ) دستخط

گواہان:

<p>2.</p> <p>دستخط: _____</p> <p>نام گواہ: _____</p> <p>پتہ: _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>شناختی کارڈ / پاسپورٹ نمبر: _____</p> <p>مؤرخہ: _____</p>	<p>1.</p> <p>دستخط: _____</p> <p>نام گواہ: _____</p> <p>پتہ: _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>شناختی کارڈ / پاسپورٹ نمبر: _____</p>
---	---



www.jamapunji.pk



سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator (based on live feed from PSX)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



SECP

Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



www.sngpl.com.pk
helpline: 1199



Sui Northern Gas Pipelines Limited

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



ISO 14001
REGISTERED FIRM

