

سونى ناردرن گيس
Sui Northern Gas



Statement of Corporate Intent (SCI) FY 2024-25



Preface

As per Clause 8(4) of the State-Owned Enterprises (Governance And Operations) Act, 2023, the board of every state-owned enterprise shall at the start of each financial year, adopt and cause to have published a statement of corporate intent for the state-owned enterprise or the group comprising the state-owned enterprise and its subsidiaries (if any), in respect of that year and the following two financial years in the manner and form set out in Schedule-III.

In view of the above, the Board of Directors has approved SNGPL's Statement of Corporate Intent along with the Business Plan for the period of FY 2025-27. This comprehensive plan, developed through a 360-degree approach, aims to leverage the Company's strengths and assets while considering the evolving environment and stakeholders' expectations.

The plan is built on three fundamental principles/goals:

1. Protect its Core by implementing various initiatives
2. Achieve Excellence in business operations
3. Grow smarter and maintain its position in the energy sector by investing in right resources and pursuing new business opportunities.

The plan assumes stability in the Company's corporate structure, regulatory environment, and government control. Significant changes in these factors could materially impact the plan's dynamics.



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DOCUMENT INFORMATION

Category	Information
Document	Statement of Corporate Intent (SCI) SOE (Governance And Operations) Act 2023 [(Section 8(4) Schedule-III)]
Period	FY 2024-25
Department	Finance
SCI Approval	Board of Directors

DOCUMENT REVISION HISTORY

Description	Date	Version Ref.	Rationale for Revision / Comments



1. Name of State-Owned Enterprise:

Sui Northern Gas Pipelines Limited

2. Incorporated/established:

June 17, 1963

3. Subsidiaries included in this statement of Corporate Intent:

Nil

4. Description of the main business of the state-owned enterprise:

The principal activity of the Company is:

- Construction and operation of pipelines for the purpose of **transmission of natural gas**; and Transmission of natural gas through the transmission system.
- Construction and operation of pipelines for the purpose of **distribution and sale of natural gas** throughout the territories of Province of Punjab, Khyber Pakhtunkhwa (KP), Federal Capital, Azad Jammu and Kashmir (AJK) and some areas of Province of Sindh. Distribution and sale of natural gas through the distribution system.
- LPG Storage, Operation of LPG Air-Mix plant and **Distribution of LPG Air Mix through pipeline** in Gilgit.

5. Summary of the business goal of the state-owned enterprise.

- **Protect its Core Business**
- **Achieve Excellence in business operations**
- Pursuing new business opportunities for **transition of business from Gas Utility to Energy Company.**

6. Summary of the performance measures and benchmarks against state-owned enterprises business goal and its primary objective:

1. Protecting the Core Business through:

- Reduce and control Unaccounted for Gas (UFG) within the range of 4.5% [Combined for Indigenous Gas and RLNG, excluding loss in Oil & Gas Producing areas of KP.
- Manage Demand-Supply gap
- Improve Cashflows thru implementation of WACOG and increase focus on extensive litigation

2. Achieve Excellence in business operations by:

- Improving Market Perception thru investment in Customer Services
- Enriching Organizational Culture
- Capacity Building & Bridge the Skill Gap of different departments and
- Managing Third Party Access through Level Playing Field

3. Growth [Transformation into an Energy Company]

- Maintain ROA stream at adequate levels
- Explore business opportunities to diversify and compete with upcoming competitors.

7. Summary of the strategies of the State-owned enterprise for achieving its business goals and primary objective:

- Implementation of 3 Yrs UFG reduction plan and other technological initiatives. Pursue Regulator w.r.t adequate UFG benchmark and seek legal remedies.
- Gas supply management of domestic sector.
- Promote Energy conservation thru installation of conical baffles, solar water heater and media campaigns etc.



- Promote Third Party Access (TPA) and facilitate additional shippers.
- Explore to incorporate sales & marketing company for de-regulated pricing regime.
- Pursue for amendment in OGRA:
 - procedures to cater for monthly gas prices not only for imported gas but for indigenous gas consumers too.
 - law to allow determination of consumer prices by OGRA without government consultation.
- Pursue SSGC, FG and OGRA for implementation of Cost equalization arrangement with SSGC.
- Persistently engage with OGRA to determine UFG disallowance at Indigenous gas prices only.
- Seek Government of Pakistan’s intervention to resolve the circular debt stock.
- To address Extensive Litigation, fully utilize provisions of Gas Act 2016 to expedite recoveries and pursue cases at High/Supreme Court level. Also to approach Alternative Dispute Resolution Committee (ADRC) instead of ATIR (Appellate Tribunal Inland Revenue) for swift resolution of disputes.
- Enhance market perception by improving customer service and increasing awareness about energy conservation through expanded social media outreach, and leveraging technology, including mobile apps and SMS services.
- Improve organizational culture by optimizing the Organizational Development (OD) function and embedding core values through ongoing employee training. Monitor and document non-compliance cases, and address them with targeted interventions, including additional training and disciplinary measures.
- Continue prudent capex to Maintain ROA stream at adequate levels.
- Explore vertical Integration and Diversification of Business through evaluation and pursuing new opportunities based on existing capabilities.

8. The current or anticipated borrowing of the state-owned enterprise, including borrowing by a subsidiary:

- For working capital requirements, Company has projected utilizing the bank's existing finance facility of Rs 160 billion.
- Periodic repayments of long-term financing facilities will be made as per the agreed schedule. New project financing of Rs.20 billion is planned during FY 2024-25.
- There is no subsidiary company of SNGPL right now.

9. The accounting policies that state-owned enterprise will apply for financial records and reporting:

Being a public sector listed company, it complies with all related accounting as well as the reporting requirements given in Company's Act, International Accounting and Financial Reporting Standards.

10. Summary of indicative Balance Sheet and Profit or Loss Statement for the state-owned enterprise:

Projected Financial Statements are not being disclosed as it falls under the ambit of price-sensitive information as defined in the Securities Act, 2015 [Section-96] and PSX Regulations [Clause 5.6.1(a)].

11. Consolidated summary of indicative Balance Sheet and Profit and Loss Statement for the state-owned enterprise and its subsidiaries as a group:

Not Applicable

12. The proposed dividend declaration and distribution policy of the state-owned enterprise:

This information is not disclosed being a price sensitive information, where confidentiality needs to be maintained under the corporate laws. The Company understands that any disclosure of such information at this stage is strictly prohibited to avoid insider trading implications.



13. Description of any public service obligation and their impact on the forecasted financial outcomes of the state-owned enterprise:

Presently no such obligation

14. Any other matter directed to be included in this statement by the Federal Government:

Nil