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## SNGPL SCALES NEW HEIGHTS

*Déjà vu – All Over Again*

Our theme for the Annual report 2006 emanates from a meritorious feat accomplished by the Company. The endearing images echo the 2005 edition. SNGPL was motivated to scale new heights and supply gas to Murree hills, which enabled reinforcement of our commitment to save environment, promote forestation and simultaneously materialize the Company's mission of '*providing natural gas to all doorsteps*'. Trees symbolize the essence of existence as all living forms remain contingent on their innumerable innate qualities. We embarked on a long and arduous route, from the foothills of Murree to the towering heights of 7517 feet above sea level. We present forthwith a collection of everlasting images from this journey.

Murree is the premier hill station of Pakistan. It is 50 kms from the capital city of Islamabad. The history of Murree is shared with the history of the British Empire in India. In 1849, the Sikh army was defeated by the British in the Battle of Gujrat, and within a few months the British established Murree as a cantonment and a sanatorium. By 1850's it was the summer capital of the Indian army's North Command.

The Murree Hills belong to the Himalayan foot hills, which have been intensively folded and uplifted over the past millions of year. The mountain range is mostly sand stone and the summit of the range keeps an unusual level of five to six miles. The forests are well stocked with pines, oaks, cedar, deodar and fir trees, some of which are over 450 years old. With the escalating number of visitors and the increasing local population, there is an equal pressure to preserve the surrounding greenery. These forests are our national asset and heritage. Back in 1887, the British had declared the Murree hills as "reserved forests", as they are the drainage for water systems of the area. Due to habitation and deforestation, the ability of the hills to hold the flow of water to the plains, has been reduced, resulting in erosion of the soil and floods. All the ravines, streams and "nullahs" from the Murree hills help raise the water table and feed many dams like Simly, Rawal; two important dams that are the main source of water for Islamabad and Rawalpindi.

In line with our mission and paying homage to trees we have taken our network to dizzying heights. This is not the end by any means, it is just a stepping stone towards setting new standards of excellence.

UZMA ADIL KHAN

Company Secretary



## MURREE GAS SUPPLY INAUGURATION BY THE PRESIDENT



## KOT RADHA KISHAN GAS SUPPLY INAUGURATION BY THE PRIME MINISTER





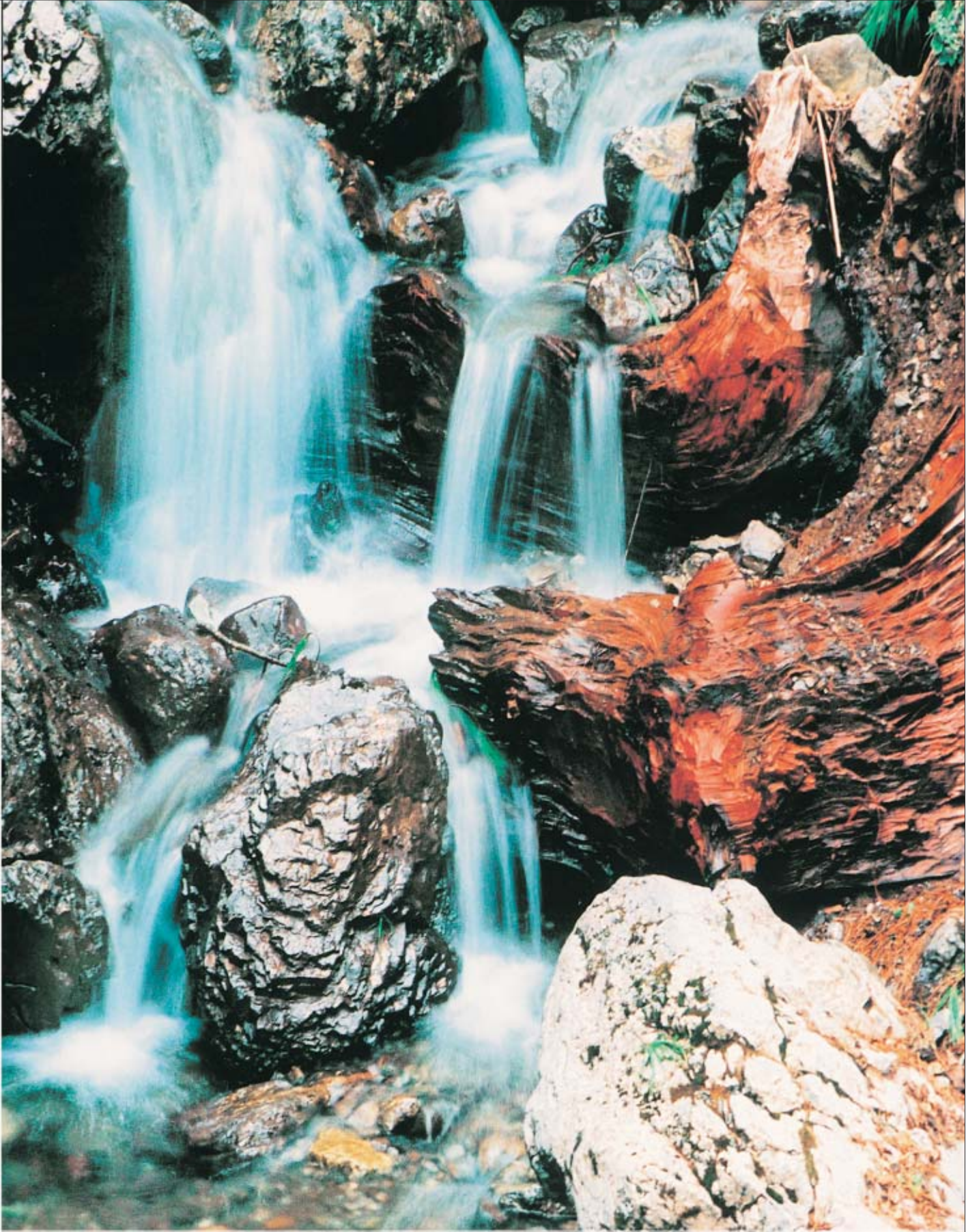




# CORPORATE OBJECTIVES







The brook would lose its song if we removed the rocks.  
ANONYMOUS





## 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.





When we pay attention to nature's music, we find that everything on the earth  
contributes to its harmony.  
HAZRAT INAYAT KHAN







# 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.





**AN UPHILL TASK - SUPPLY OF GAS TO MURREE**





# business strategy...

- Maximize sale of gas by entering into new areas through development/ expansion of requisite infrastructure.
- Focus on country's economic revival by outreaching industries for gas supply.
- Displace imported liquid fuels to save foreign exchange.
- Introduce policies and practices leading the company from monopoly to competitive market thus facilitating privatization.
- Endeavor to reduce un-accounted for gas loss.
- Improvement in quality service to customer satisfaction.
- Emphasis on human resource development for quality workmanship.
- Create awareness and enforce adherence to Health, Safety and Environment policy / standards.
- Improve financial discipline through prudent investment / borrowing.
- Improve internal controls / Risk Management to achieve maximum operational efficiency of system.





**GOING THAT EXTRA MILE - FOR PEOPLE - WHO MATTER THE MOST**





# strategic objectives...

Sui Northern Gas Pipelines Limited is committed to:

- Provide quality customer service.
- Delivering clean, efficient and reliable gas delivery.
- Maintaining healthy and safe working environment.
- Ensuring fair return to shareholders.
- Optimizing the use of company's resources.
- Implementation of quality management services.



# STATEMENT OF ETHICS AND BUSINESS PRACTICES

**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 its 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 the 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 Management 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 engage 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 dealing with SNGPL, details of such connections and interests 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 organizations/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 to perform 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 conservation's, 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 officials 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. pens, 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.

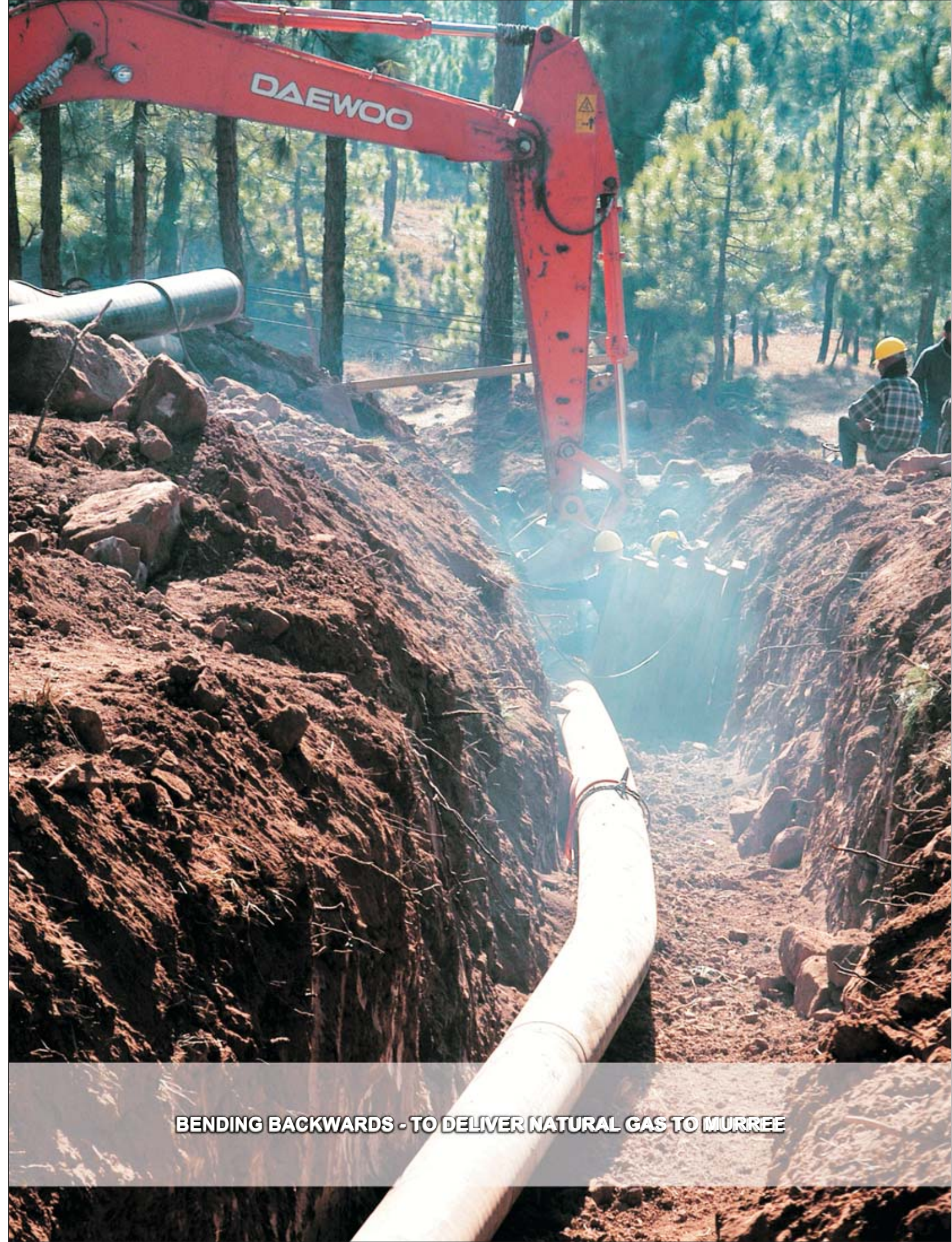
**Regulatory Compliance and Corporate Governance**

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 Stock Exchanges of the Country.

**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 and Articles of Association of the Company.





**BENDING BACKWARDS - TO DELIVER NATURAL GAS TO MURREE**