

ANNEXURE A - ANNUAL PROGRESS UPDATE OF APPROVED BUSINESS PLAN FOR THE FY 2024-2027

Dear Sir:

In line with the approved Business Plan for **FY 2024-27**, this note provides an update on the progress achieved during the first Financial Year i.e. 2024-25, in comparison to the targets and objectives established for the FY 2024-25.

Overview of the Business Plan

The Business Plan sets forth defined goals and objectives across key operational and functional areas. As per the Board-Approved Business Plan, SSGC remains committed to enhancing the effectiveness and efficiency of its gas infrastructure through targeted investments. Concurrently, systematic and sustainable measures are being undertaken to maintain and reduce Unaccounted-for Gas (UFG) within OGRA-approved benchmarks. These initiatives are integral for ensuring loss-free operations in the company's core business functions, including the transmission, distribution, and sale of natural gas.

Given below is the current status of the progress for the Financial Year 2024-25 in line with the Board-Approved Business Plan FY 2024-2027:

Key Highlights and Progress

#	Departments	Objectives	Progress Status
1	Transmission	Re-routing of 24" and 12" QPL pipelines from Bibi Nani Bridge	<p>The completion of the Project is embarked at 50% with the achievement of the following milestones: -</p> <ul style="list-style-type: none"> - Complete line pipe length delivered and dumped at HQ-Sibi location. - Modification Works at Sui and coating repair works at QPL successfully executed.
2	Transmission	Installation and Commissioning of 01 new compressor unit at HQ-Sibi	<p>The completion of the Project is embarked at 50% with the achievement of the following milestones:</p> <ul style="list-style-type: none"> -Design Review Meeting conducted in Solar Office, Singapore. - Factory Acceptance Test (FAT) for the Control System Retrofit successfully completed. SSGC engineers participated through online link. - FAT for Engines successfully conducted in Czech Republic. SSGC engineers participated and witnessed the FAT in-person. - Revised Purchase Orders (PO), with separate scopes for services and goods, issued to Solar Turbines.

#	Departments	Objectives	Progress Status
			- Design work for the Motor Control Center (MCC) and Instrument Air Compressor (IAC) currently under Progress.
3	Distribution – Rehabilitation	Massive rehabilitation campaign spanning over next three years (FY 2024-25 to FY 2026-27) targeting the installation and commissioning of over 7,500 Km distribution network (15% of company's overall network).	The completion of miscellaneous projects under the rehabilitation is embarked at 100.4%. From the target completion of 2500Km Network, 2511 Km has been completed in the FY 2024-2025.
4	Unaccounted-for Gas	<p>-Rigorous implementation of UFG reduction plan by the dedicated UFG division formed (FY 2021) by virtue of Board Directives, coupled with zealous pursuit for resolution of both the internal and external issues; has been yielding consecutive UFG reduction since FY 2018-19.</p> <p>-Remarkable UFG savings have been achieved particularly in FY 2020-21 and FY 2022-23. Company-wide UFG figures have been progressively reduced from ~72.7 BCF (FY 2018-19) to ~32 BCF (FY 2023-24) i.e. 40 BCF net reduction in UFG volume.</p>	<p>As of June 2025, the Company reported a marginal decrease in UFG in volumetric terms, however, due to sharp depletion in indigenous gas supplies that directly impacted on UFG in %age terms i.e; 11.1% (31.9 BCF) during FY 2024-25 subject to the final determination of MFR from OGRA.</p> <p>The above increase is primarily due to unauthorized direct tapping on Transmission Lines & Supply Mains in several areas. This incident, an unprecedented event in SSGC history, resulted in a total loss of approximately 4.8 BCF. This matter is currently included in an MFR (Motion for Review) petition filed with OGRA.</p> <p>Moreover, reduction in Captive Power sales, a consequence of the Off Grid Levy imposition and an additional factor is the shifting Power Sector to national grid, and increased tariff of Commercial, CNG and Process Industry.</p> <p>The company has to operate in retail sector, with higher UFG challenges.</p>
5	R&D	TBS Automation & Control Automatic Pressure Management System (APMS) - Nos. 47 TBSs and 16 SMS (48 Legs/Runs) ≈ PKR 1,750 million – EPCC Project for Automation & Control System for Optimized Pressure and Load Management.	A detailed EPCC tender under the Two-Stage, Two-Envelope (TSTE) process has been floated under reference SSGC/FP/PT/13596. A budget allocation of PKR 1,000 million is available for the project. However, to accommodate the improvised project scope, a re-appropriation of PKR 750 million has been approved by the FCD/BOD. A provisional LOI/PO has been issued to the EPCC contractor, subject to approval from OGRA (the Authority). The allowed

#	Departments	Objectives	Progress Status
			completion time is 12 months after the issuance of Letter to Proceed.
6	R&D	Mobile Gas Leak Detection – Ethane +Methane Detection System (Sensitivity Parts per billion) – PKR 487 million – For accurate and fastest leak survey with pin point leak detection.	<p>The R&D and market research have been completed for the selection of technology. International subject matter experts visited Pakistan and provided complementary demos.</p> <p>Consequently, procurement tender under reference No. SSGC/FP/PT/13781 has been published, and the responsive bidder has been declared.</p> <p>A budget of PKR 487 million was allocated for the procurement of five (05) units. However, upon receiving the bids, it exceeded the approved amount. As a result, due to shortfall, only four (04) units are to be ordered. Allowed delivery time is 04 months after opening of Letter of Credit (LC).</p>
7	R&D	PE Pipe Locator, Acoustic Based PE Pipeline Detection Technology – PKR 100 million – For detection of buried PE pipeline network.	SSGC actively engaged with international OEMs from France and Italy to conduct a field demonstration of this emerging technology. Consequent upon a successful demonstration, the procurement process was initiated, and a tender was floated under reference SSGC/FP/PT/13876. The participating bidders submitted their offers, and the technical evaluations have been completed accordingly. A total of 20 units of PE pipeline locators are currently under the procurement process, with an allowed delivery period of four (04) months after the issuance of the Letter of Credit (LC).
8	R&D	Ergonomically Designed Plunger Bar Rods for Gas Leak Detection – PKR 13 million – For underground leak survey.	The R&D and market research phases have been completed, and the procurement process has been initiated under Tender SSGC/LP/PT/2055243. A Purchase Order (PO) has been issued, and the delivery of 20 units is scheduled on October 22, 2025.
9	R&D	Automatic Fire Extinguishing Ball – Fire Safety Balls - SSGC plans to procure and install Fire Extinguishing Balls of budget PKR 02 million across its critical facilities. – A Pilot project to evaluate the actual efficacy in the field.	Field testing of the Smart Fire Ball has been conducted; however, the results did not meet the desired performance benchmarks. Accordingly, the R&D department has concluded that the Smart Fire Balls offer no practical utility or value for money, and are

#	Departments	Objectives	Progress Status
			therefore not recommended for further consideration.
10	R&D	Fire Fighting System - Micro Capsulation – PKR 06 million - A nano technology to suppress the Fire	The R&D/market research has been completed. The tender has been floated under reference SSGC/LP/PT/2047073 and the pilot project has been completed on 30th June 2025
11	Geographical Information System (GIS)	<ul style="list-style-type: none"> -Enriched GIS system by adding 149 villages around 5 km radius of Badin/Golarchi, Ghotki and Sinjhora gas fields. -Migration of Oracle 11g (Release 11.0.2.4) to Oracle 19c (Release 19.0.0.0). -Tagging of 3.1 million Customers throughout franchise area. -Implementation of Tracking/Task Management Application for as-built drawings. -Planning of 120+ rehabilitation projects using GIS. -Land records management of transmission pipeline network, for integration with GIS. 	<p>Migration of Oracle 11g to Oracle 19c has been successfully completed. Implementation of Tracking/Task Management Application has been completed by 43%. Planning of 120+ rehabilitation projects using GIS is completed by 17%. Geo-tagging of Customer Complaints through CC&B FA IDs has been completed by 100%. Enriching GIS system by adding 149 villages around 5 km radius of Badin/Golarchi, Ghotki and Sinjhora gas fields has been completed by 66%. Incorporation of theft related activities pertaining to SS&CGTO through automated process has been completed by 46%.</p>
12	Billing	-Automatic Meter Reading (AMR) devices will be installed in at least 20% G-4 gas meters installed in Karachi to evaluate meter reading accuracies, consumption patterns, meter sizing, and if possible, real-time pressures & temperatures of supplied gas.	<p>Initial local development for Automated Meter Reading (AMR) systems was started in collaboration with NUST and ALSONS Industries. However, these vendors were unable to deliver a product that met the necessary performance standards for testing and evaluation in a real-time field environment. Therefore, SSGC will continue to explore other avenues for developing an indigenous AMR solution. SSGC will keep on exploring other avenues as well.</p> <p>Currently, a separate Meter Reading System (MRS) is deployed and centrally managed. This system uses a mobile application where customer data, assignments, and schedules are sent directly from a central dashboard (via the internet). Once the meter readers submit readings and images, the data is automatically updated on the server, ensuring security and privacy. This MRS has</p>

#	Departments	Objectives	Progress Status
		<p>improved efficiency by enabling real-time data synchronization, automated compilation, and live tracking of meter readers, which has enhanced transparency and eliminated the need for manual interventions.</p> <p>The reports (Nil, Min, Theft/ Meter Missing, D-Case, Provisional, etc) are auto generated for relevant departments for immediate actions on issues highlighted during Meter Readings.</p> <p>HSE Department is currently surveying these buildings and updating actual pressures in system.</p> <p>After proper TBS reconciliation, apartment wise reconciliation can be considered in high UFG areas.</p> <p>-Foolproof mechanizing will be devised for verifying the authenticity of NIL/MIN consumers in domestic billing across franchise area.</p> <p>-All buildings with 6 residential units and above will be surveyed for pressure consumption and gas bills to these consumers will be adjusted accordingly.</p> <p>-Bulk meters will be installed at the inlet of apartment buildings to reconcile volume of gas supplied and billed.</p>	

The progress achieved to date demonstrates alignment with strategic priorities, with the majority of objectives on track for completion. The Management remains committed to addressing these challenges and sustaining forward momentum. The Management is dedicated to delivering targets within the approved deadlines outlined in the Business Plan to ensure the successful achievement of strategic objectives.