

## **PSO REFUTES ALLEGATIONS LEVELLED AGAINST THE COMPANY AND ITS SENIOR MANAGEMENT IN A PROGRAM BY 92 NEWS**

Apropos the 92 News TV's program on Monday, September 10, 2018, PSO, on behalf of the Company's senior officials, completely refutes the false claims made by the anchor and his invited guests. The Company also expresses its deep concerns over the channel's propaganda-driven primetime show as its content stands to damage the Company's goodwill as a prestigious and responsible national entity.

For the sake of the general public, PSO would like to question the credibility of the content of the program which has been reported completely out of context. The reason for such questioning is due to the fact that a former employee of the Company, Mr. Naved Alam Zubairi, who was arrested by the FIA in 2015 over serious corruption charges and thereby dismissed from the Company following an independent departmental enquiry in which the charges of embezzlement against him were proven true. Yet, it is unfortunate to see that in spite of all that has happened, the Channel still chose to invite such a person and give him the chance to present his opinion against the company. The aforementioned dismissed employee of PSO misused the platform of 92 News TV by sharing fake information. The Company therefore advises the media as well as the public against taking Mr. Zubairi's allegations seriously as they are completely fabricated.

In the larger interest of the public, the Company therefore reminds journalists, media houses and other stakeholders of the Company, to be aware of such people who for the sake of settling their personal scores, tend to supply misleading and incorrect information resulting in the deprivation of the public's basic right to receive credible and complete information. PSO would also like to lodge its protest with the 92 News TV's Management, its regulatory authority, the Pakistan Electronic Media Regulatory Authority (PEMRA) and the Pakistan Broadcasting Association (PBA) and urge them to look into the matter and devise a set of guidelines or rules that discourages channels from giving space to such fake information.

Before we comment on the content of the program, we want to clarify that Mr. Naved has a professional vendetta against the current acting MD, Mr. Jehangir Ali Shah and DMD Finance, Mr. Yacoob Suttar. Mr. Zubairi had, in fact, applied for the position of Deputy Managing Director of PSO through internal recruitment procedures in 2011 along with other internal candidates. However, after following the due process conducted by the competent authority, i.e. Ministry of Petroleum and Natural Resources, Mr. Jehangir Ali Shah was appointed to the position. Mr. Zubairi had also filed a Constitutional Petition against Mr Jehangir Ali Shah at the appointment of Acting MD PSO in 2011, which was actually a prerogative of the Government of Pakistan. The said petition was ultimately dismissed.

Moreover, Mr. Zubairi has been issued an Explanation letter dated July 19, 2010 with regard to financial embezzlement performed during the period that he was working on secondment as the Managing Director of the Asia Petroleum Limited (APL). Nevertheless, the enquiry process could not be completed within the given time. Subsequently, the FIA arrested Mr. Zubairi as per FIR No. 18/2015 for taking a bribe / gratification during this period. Hence, the Company's Board of Management (BOM) decided to reopen Mr. Zubairi's case and conduct an independent departmental enquiry against him. Mr. Yacoob Suttar, who was appointed as the Inquiry Officer by the Company's Board of Management, submitted the Inquiry Report on October 14, 2016 wherein the allegations contained within the Explanation letter dated July 19, 2010 were confirmed. Finally, based on the findings of the report, Mr. Zubairi was dismissed from the Company's service with effect from July 30, 2018.

Therefore, PSO may rightfully establish the fact that Mr. Zubairi has an agenda to malign the two senior management employees of the Company.

Since the program has been aired, the Company would like to clear a few important points that were discussed in the program in order to ensure its point of view reaches its stakeholders in a fair and transparent manner.

- While rejecting the allegations leveled in the program against the Acting MD & CEO, Mr. Jehangir Ali Shah, PSO would also like to mention that Mr. Shah first began his career with PSO back in 1984 as a Management Trainee. He has since been an exemplary professional who has performed exceptionally across various departments of the Company. His promotions over the last 34 years have been in line with prescribed procedures and policies.
- PSO rejects the false claims made against the educational qualifications of Mr. Jehangir Shah in the program. PSO would like to clarify that the degrees of all management employees of the Company, including that of Mr. Shah, have been verified from the concerned institutions and strict disciplinary action (leading to dismissal from service) have been taken against those whose degrees could not be verified.
- It can be observed in the program that the aforementioned disgruntled former employee of the Company also tried to settle scores with the DMD-Finance/CFO, Mr. Yacoob Suttar by besmirching his character under various fake charges.
- The Company would like to share that Mr. Suttar is a qualified Chartered Accountant by profession who holds a highly respectable position in his cadre. He has more than 30 years of experience in the industry and holds significant positions on various boards of important organizations. He is also a highly respected member of many professional associations. The figures of his salary and perks have also been exaggerated with the express purpose to damage his professional stature. He is widely respected by his coworkers for his professional acumen, leadership and integrity.
- Mr. Naved Alam Zubairi has tried to falsely portray the company being on the verge of collapse for the past 10 years or so. The fact of the matter is that PSO has been delivering excellent financial results constantly for the last several years and

remains the only company in Pakistan that has over a trillion rupees in revenue. It also efficiently manages its obligations to support the national economy.

- The Company would also like to state that the tall claims made about corruption within the Company are all factitious. At one point, the host highlighted the level of financial corruption to supposedly be as much as Rs 15.5 trillion. The Company would like to term this claim as completely false and baseless. The truth is that no institution in Pakistan, including PSO, would be able to remain standing amid such high levels of corruption. The expression of such figures is nothing but an effort to sensationalize content for viewers of the program using inaccurate facts and figures.
- The Company expresses its shock and dismay at the anchorperson's decision to invite ex dismissed PSO employee as his guest on the program; one who was dishonorably discharged as a result of proven embezzlement charges. The company also takes strict note of his terming of the Company officials as 'the mafia'. Use of such words on a public forum can be described as nothing less than an attempt to deliberately defame the Company. PSO reserves the right to take legal action against the Channel, its management and the program team.
- In response to the point raised with reference to the Executive Summary of the Board of Directors, dated 16 April 2012, let it be clear that the updated policy adopted by the Company's Board of Management is applicable only when an employee has been declared guilty by a court of law. PSO is of the opinion that the program has forgotten its true objective and has abused adversarial journalism as a result of improper due diligence and lack of concern for fact-checking.
- The program also referred to one particular ship which remained unloaded. The correct name of the cargo ship was Pacific Pioneer. Its berthing was delayed due to a conflict between PSO and the carrier which was based on quality issues. The matter is currently under sub judice in the Honourable Sindh High Court and therefore unnecessary commentary should be avoided.
- The program also mentioned a loss of Rs 94.4 million within the Credit Control Department. Ironically, the accuser forgot to mention that the said financial embezzlement was actually detected by the department' via internal checks and balances, which had managed to recover approximately Rs.50 million from the accused. PSO, through law enforcement agencies, also seized a property worth Rs.30 million from the accused. After proper inquiry proceedings, accused employees were terminated and matter was reported to FIA for further investigations in the matter as per law of the land. After proper and independent investigation FIA has submitted charge sheet in the court where trail is in progress.
- The program also highlighted the matter of the Company official's names being on the ECL. Having names on the ECL by the GoP is a precautionary measure which as such does not stop a person from holding a position in office in either the public or private sector. In all truth, both senior Company officials named in the program are not only fully cooperating with the investigative authorities but have also lawfully travelled abroad and returned to the country after completing their personal or official business matters.

- The program also discussed various points with reference to audit reports and tried to paint a gloomy picture of the affairs of the Company. PSO has its own multilayer control systems and an independent Audit Department that checks all functions and systems at regular intervals. It also ensures compliance of all policies and procedures. Besides that, PSO is annually audited by two leading audit firms of the country as per the statutory requirement of the Securities and Exchange Commission of Pakistan (SECP) as prescribed by Company Law. PSO would like to clarify to the general public that, as per statutory requirement, the Company's Annual Report is published regularly and is made available according to SECP requirements.
- Moreover, every year PSO also undergoes a comprehensive audit made by the Commercial Auditors which work under the supervision of the Auditor General of Pakistan (AGP). Commercial audit observations, if any, are responded by the Company and only a few observations are then converted to Audit Paras which are published in the annual Audit Report Public Sector Enterprise (ARPSE) by the AGP.
- The said Audit Para are discussed at the DAC's level which is chaired by the Secretary Petroleum, Ministry of Energy. A majority of the audit paras are resolved at this level. Even if the DAC is not satisfied, the paras goes to the Public Accounts Committee (PAC) in the National Assembly of Pakistan. Historically, only a small fraction of initial audit paras about the Company has reached this level. The Company feels that it is pertinent to mention that almost all audit paras raised by the auditors are resolved at the PAC level.
- The Company exercises strict controls over all matters and day-to-day affairs. This is why PSO remains one of the very few public sector institutions that not only support the nation during desperate times of recession but also maintains its high performance level, thus ensuring a healthy financial outcome each time. The media should therefore provide an accurate representation of audit observations and avoid treating such as a charge sheet against the Company or its officials.
- As far as the signing of the LNG deal with Qatar is concerned; the Company has clarified its position on the matter a number of times. The responses from the Company are already part of public record. Still, PSO nullifies the false impression created in the program that the Company did not have proper mandate to import gas. MOE vide its letter dated May 05, 2014 formally nominated PSO to engage in negotiations with QatarGas on a Government-to-Government basis for the import of LNG.

As one of the leading corporations of Pakistan, PSO aim has been and will always be to support the economy of the country and cater to the needs of its stakeholders. We understand the significance of the role of the media and hence will continue to partner and associate with its representatives in the future and expect media to reciprocate in projecting the positive contribution being made by PSO.

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