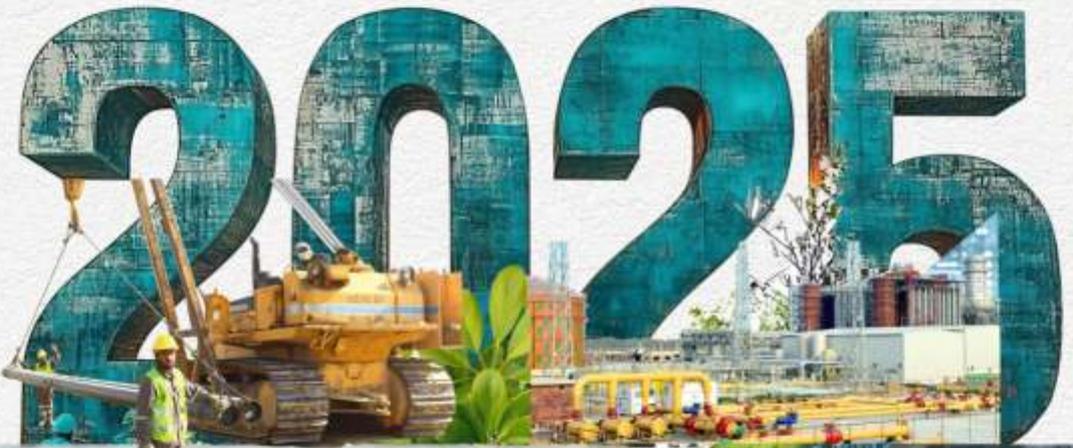




Sui Northern Gas Pipelines Limited

**Half-Yearly Accounts (Un-Audited)
For the Period Ended December 31, 2025**



**Driven by Excellence
Powering Progress...**

Corporate Information

Present Board of Directors

Mr. Muhammad Ismail Qureshi	Chairman
Mr. Amer Tufail	Managing Director
Mr. Ahmed Chinoy	Director
Dr. Ali Hasanain	Director
Mr. Arif Saeed	Director
Ms. Faaria Rehman Salahuddin	Director
Mr. Jawad Paul Khawaja	Director
Mr. Momin Agha	Director
Mr. Osman Saifullah Khan	Director
Mr. Saadat Ali Khan	Director
Mr. Sajjad Azhar	Director
Mr. Tariq Iqbal Khan	Director
Mr. Usman Ahmed Chaudhry	Director

COMMITTEES OF THE BOARD OF DIRECTORS

BOARD AUDIT COMMITTEE

Mr. Tariq Iqbal Khan	Chairman
Mr. Ahmed Chinoy	Member
Dr. Ali Hasanain	Member
Mr. Arif Saeed	Member
Mr. Saadat Ali Khan	Member
Mr. Usman Ahmed Chaudhry	Member

FINANCE, PROCUREMENT & BUSINESS DIVERSIFICATION COMMITTEE

Mr. Arif Saeed	Chairman
Mr. Momin Agha	Member
Mr. Osman Saifullah Khan	Member
Mr. Sajjad Azhar	Member
Mr. Tariq Iqbal Khan	Member

HUMAN RESOURCE, REMUNERATION & NOMINATION COMMITTEE

Mr. Muhammad Ismail Qureshi	Chairman
Mr. Amer Tufail	Managing Director
Mr. Ahmed Chinoy	Member
Ms. Faaria Rehman Salahuddin	Member
Mr. Tariq Iqbal Khan	Member
Mr. Usman Ahmed Chaudhry	Member



RISK MANAGEMENT & UFG CONTROL COMMITTEE

Mr. Muhammad Ismail Qureshi	Chairman
Mr. Arif Saeed	Member
Ms. Faaria Rehman Salahuddin	Member
Mr. Jawad Paul Khawaja	Member
Mr. Osman Saifullah Khan	Member
Mr. Saadat Ali Khan	Member
Mr. Sajjad Azhar	Member

IT / DIGITIZATION COMMITTEE

Mr. Osman Saifullah Khan	Chairman
Dr. Ali Hasanain	Member
Ms. Faaria Rehman Salahuddin	Member
Mr. Jawad Paul Khawaja	Member

CHIEF FINANCIAL OFFICER

Mr. Kamran Akram

SGM CORPORATE AFFAIRS / COMPANY SECRETARY

Mr. Imtiaz Mehmood

AUDITORS

A.F. Ferguson & Co. Chartered Accountants

SHARE REGISTRAR

M/s. CDC Share Registrar Services Limited
Mezzanine Floor, South Tower, LSE Plaza
19-Khayaban-e-Aiwan-e-Iqbal, Lahore-54000.
Tel:[+92-42] 36362061-66
Fax: [+92-42] 36300072
Website: www.cdcsrsl.com

LEGAL ADVISOR

M/s. Surridge & Beecheno

REGISTERED OFFICE

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P.O. Box No. 56, Lahore 54000
PAKISTAN
Tel:[+92-42] 99083001-43
Fax:[+92-42] 99201369, 99201302
Website: www.sngpl.com.pk



Directors' Review

We are pleased to present the unaudited financial statements of your Company for the period ended December 31, 2025. The Company has been able to earn a profit after tax amounting to Rs. 7,168 million as against a profit of Rs.7,749 million during the corresponding period of last year. The earnings per share for the period under review are Rs.11.30 as against earnings per share of Rs. 12.22 for the same period last year.

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

	(Rs. in Million)
Profit before taxation	15,813
Provision for taxation	<u>(8,645)</u>
Profit after taxation	<u>7,168</u>

The decrease in profit for the period is primarily attributable to the recent judgment of the Federal Constitutional Court (FCC) concerning Super Tax payable under Section 4C of the Income Tax Ordinance, 2001. In compliance with the said judgment, the Company has recognized an additional Super Tax liability amounting to Rs. 2,480 million for FY 2022–23 in the current financial statements. Consequently, this has resulted in a reduction in the Company's profit after tax for the period under review.

Applicability of IFRS 14 - Regulatory Deferral Accounts:

The Company had previously been granted an exemption by the Securities and Exchange Commission of Pakistan (SECP) from the application of IFRS 14 up to June 30, 2024. Upon expiry of the exemption, the Company sought an extension; however, SECP advised that, pursuant to the SOE Act, 2023, the authority to grant exemptions from IFRS now rests with the Federal Government. Accordingly, the Company has taken up the matter with the Ministry of Finance through the Ministry of Energy (Petroleum Division). As advised by the Ministry of Finance (vide communication dated August 6, 2025), the exemption request is to be placed before the Cabinet Committee on State-Owned Enterprises (CCoSOEs) under Section 3(2) of the SOE Act, 2023. Accordingly, upon Company's formal request, the Ministry of Energy (Petroleum Division) has submitted a summary in this regard for the consideration of CCoSOEs.

Due to the non-application of IFRS 14, the auditors have issued a qualified opinion limited solely to the presentation requirements prescribed under IFRS 14, which mandate separate line-item



disclosures in the financial statements. This departure does not have any impact on the Company's profitability.

Company's overall UFG during the period remains at 12,818 MMCF / 4.78% (December-2024 12,234 MMCF / 4.15%). UFG Disallowance recorded is Rs. 1,178 million (December-2024: Nil). Your Company is taking several steps to control UFG including, but not limited to, increased surveillance, particularly monitoring of areas susceptible to gas pilferage, timely leakage detection and its rectification and continuous checking and upgradation of measurement facilities etc.

Due to gas sector circular debt issue, tariff adjustment of Rs 904 billion has been accumulated in indigenous gas and RLNG segments. The recoverability of these amounts is dependent upon settlement by the Government of Pakistan directly or indirectly through pricing or other interventions. The Company has taken up these issues with the Government at highest level and the Company is hopeful for the resolution of these issues in coming years. The Government is actively pursuing the circular debt issue and various option/interventions are being evaluated for its settlement.

Despite the unprecedented economic challenges and financial constraints confronting the country, the Company's sustained performance and consistent profitability remain highly commendable. The Board of Directors, Management, and employees are confident that the Company will continue to build on this momentum and achieve even stronger performance in the years ahead.

OPERATIONAL REVIEW

During the period, the Company laid 46.92 KMs and commissioned 46.16 KMs Transmission Pipelines with diameters ranging from 8" to 24" & 56" including Kotpalak Project. In addition, 97.02 KMs of Distribution mains were laid and 43.81 KMs were commissioned during the half year ended December 31,2025, for augmentation, pressure improvement and extension of gas facility to RLNG consumers. The Company also laid 343 km of distribution mains and installed 62,858 new gas connections during the period.

COMPLETED PROJECTS

Successfully commissioned, the 56-inch diameter, 0.26 km high-pressure transmission pipeline from Sidhnai Downstream Valve Assembly AV-31(a) to the Punjab Power Plant Valve Assembly

marks a significant milestone for SNGPL and Pakistan's energy infrastructure. The project enhances gas transmission capacity and strengthens system reliability, ensuring a stable and uninterrupted fuel supply to meet the growing energy demand. Its completion is particularly commendable in view of the substantial technical and logistical challenges associated with its unprecedented diameter and high-pressure design.

The successful execution and commissioning of the 56-inch high-pressure transmission segment underscore SNGPL's unwavering commitment to engineering excellence and national development. From conceptualization to final commissioning, the project demanded exceptional teamwork, stringent safety management, and advanced technical expertise, culminating in its safe, timely, and flawless completion.

- The severe flooding in September 2025 posed a serious threat to the main high-pressure trunk pipelines (Two 36", one 30" and one 24" dia) carrying RLNG and indigenous system gas to Punjab, the Federal Capital, and Khyber Pakhtunkhwa. At the Jalalpur Pirwala, sections of the pipelines became buoyant and started floating, risking interruption of gas supply to the North and Central Regions. To ensure uninterrupted supply, one number 36" dia x 1.3-km pipeline segment, including 633 meters HDD crossing was successfully commissioned at Jalalpur Pirwala under an emergency rehabilitation plan for the flood affected network.
- 18" dia x 44.60 KMs (Section-I) of the 84.80 KMs Daudkhel to Dhullian pipeline has been commissioned as part of Kotpalak Project for augmentation of the transmission network for absorption of the newly discovered gas supply.

ONGOING/FUTURE PROJECTS:

The Company continues to expand and strengthen its transmission infrastructure through several key projects, details of which are as under:

1. 12" dia × 77 KMs Transmission Pipeline from KotPalak CPF to D.I. Khan.

Injection of 45 MMCFD gas from the KotPalak field of M/s Al-Haj Enterprises (Pvt.) Ltd. construction of 12" dia x 77 KMs pipeline is in underway, of which lowering of 42.30 KMs has been completed.

2. 18" dia x 84.8 KMs Transmission Pipeline from Daudkhel to Dhullian.

Laying of 18" dia × 40.20 KMs (Section-II) of the 84.8 KMs line from Daudkhel to Dhullian is in progress as a part of transmission system augmentation.



3. 8” dia x 24 KMs Charsadda–Tangi Pipeline.

Laying of 8” dia x 24 Km Charsadda -Tangi pipeline is near to completion and will enhance the capacity of the transmission system.

4. 24” dia x 63.5 KMs from CV-25 to MP 15.03 (Mandra) Pipeline.

Pipeline construction activities have been started for laying of 24” dia x 63.5 KMs from V/A CV-25 to MO 15.03 near Manda valve assembly for improving operational flexibility of the transmission network in Mandra and surrounding areas. It will strengthen operational flexibility of the Transmission network in the area.

5. 12” dia x 103 KMs DI Khan to Manjuwal Pipeline.

Construction activities for laying 12” dia x 103 Km pipeline from DI-Khan to Manjuwal are also planned to commence in due course to augment the transmission system in the Kotpalak Project area.

ACKNOWLEDGEMENTS

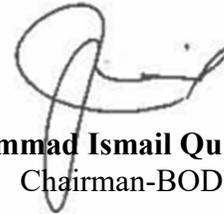
Your Directors wish to place on record their appreciation for the continued support and patronage received from shareholders and its valued consumers. We also wish to acknowledge the dedication and commitment of all the employees who contributed valuable services, to sustain all operations of the Company.

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,



(Amer Tufail)
Managing Director



(Muhammad Ismail Qureshi)
Chairman-BOD

Lahore.
February 27, 2026



31 دسمبر 2025 کو ختم ہونے والی مدت کے لئے ششماہی کے گوشوارہ جات پر ڈائریکٹرز کا جائزہ

ہم 31 دسمبر 2025 کو ختم ہونے والی مدت کے لئے آپ کی کمپنی کے غیر پڑتال شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ کمپنی نے بعد از ٹیکس 7,168 ملین روپے کا منافع کمایا ہے، جبکہ گزشتہ سال اسی عرصے کے دوران 7,749 ملین روپے کا منافع تھا۔ اس مدت کے لیے فی حصص آمدنی 11.30 روپے ہے، جبکہ گزشتہ سال اسی عرصے میں فی حصص آمدنی 12.22 روپے تھی۔

زیر جائزہ مدت کے لیے مالیاتی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

(ملین روپے میں)

15,813

(8,645)

7,168

قبل از ٹیکس منافع

ٹیکس کی دستیابی

بعد از ٹیکس منافع

اس مدت کے لیے منافع میں کمی بنیادی طور پر وفاقی آئینی عدالت (FCC) کے حالیہ فیصلے کی وجہ سے ہے جو انکم ٹیکس آرڈیننس، 2001 کے سیکشن 4C کے تحت قابل ادائیگی سپر ٹیکس کے حوالے سے ہے۔ مذکورہ فیصلے کی تعمیل میں، کمپنی نے موجودہ مالی گوشواروں میں مالی سال 2022-23 کے لیے 2,480 ملین روپے کی اضافی سپر ٹیکس کی ذمہ داری تسلیم کی ہے۔ اس کے نتیجے میں کمپنی کے بعد از ٹیکس منافع میں کمی آئی ہے۔

IFRS 14 - ریگولیٹری مؤخر اکاؤنٹس کا اطلاق:

کمپنی کو پہلے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے IFRS 14 کے اطلاق سے 30 جون 2024 تک استثنیٰ دیا گیا تھا۔ استثنیٰ کی مدت ختم ہونے پر، کمپنی نے توسیع کی درخواست کی، تاہم، SECP نے موقف اختیار کیا کہ SOE ایکٹ، 2023 کے تحت، IFRS سے استثنیٰ دینے کا اختیار اب وفاقی حکومت کے پاس ہے۔ اسی مناسبت سے، کمپنی نے وزارت توانائی (پیٹرولیم ڈویژن) کے ذریعے وزارت خزانہ کے ساتھ معاملہ اٹھایا ہے۔ وزارت خزانہ کی ہدایت کے مطابق (6 اگست 2025 کی اطلاع کے ذریعے)، استثنیٰ کی درخواست کابینہ کمیٹی برائے ریاستی ملکیت والے اداروں (CCoSOEs) کے سامنے SOE ایکٹ، 2023 کے سیکشن 3(2) کے تحت پیش کی جائے گی۔ کمپنی نے وزارت توانائی سے درخواست کی ہے کہ وہ مطلوبہ خلاصہ CCoSOEs کو جمع کروائیں، اور یہ معاملہ اس وقت زیر غور ہے۔

IFRS 14 کے اطلاق نہ ہونے کی وجہ سے، پڑتال کنندہ نے صرف IFRS 14 کے تحت مقرر کردہ پیشکش کی شرائط کی حد تک مشروط رائے جاری کی ہے، جو مالیاتی گوشواراجات میں الگ لائن آئٹم انکشافات کو لازمی قرار دیتی ہیں۔ اس امر کا کمپنی کی منافع بخش کارکردگی پر کوئی اثر نہیں پڑتا۔



کمپنی کی مجموعی غیر محسوب گیس (UFG) اس عرصے میں 4.78% / 12,818 MMCF (دسمبر 2024) 4.15% / MMCF (12,234) پر برقرار رہی۔ غیر محسوب گیس ڈس الاؤنس 1,178 ملین روپے ہے (دسمبر-2024: صفر)۔ آپ کی کمپنی غیر محسوب گیس کو کنٹرول کرنے کے لیے کئی اقدامات کر رہی ہے، جن میں نگرانی میں اضافہ، خاص طور پر گیس چوری کے لیے حساس علاقوں کی نگرانی۔ کمپنی گیس چوری کی روک تھام نگرانی میں اضافہ، رساؤ کی نشاندہی اور بر وقت مرمت، اور مسلسل جانچ اور بیماریاں نظام کی بہتری کے لیے موثر اقدامات کر رہی ہے۔

گیس سیکنڈ کے گردشی قرضہ کی وجہ سے، مقامی گیس اور RLNG شعبوں میں 904 ارب روپے کی ٹیرف ایڈجسٹمنٹ جمع ہوئی ہے۔ ان رقوم کی وصولی کا انحصار حکومت پاکستان کی جانب سے براہ راست یا بالواسطہ قیمتوں یا دیگر مداخلتوں کے ذریعے تصفیہ پر ہوتا ہے۔ کمپنی نے یہ معاملہ اعلیٰ سطح پر حکومت کے ساتھ اٹھایا ہے اور کمپنی آئندہ سالوں میں ان مسائل کے حل کے لیے پر امید ہے۔ حکومت گردشی قرضہ کے مسئلے پر فعال طور پر کام کر رہی ہے اور اس کے حل کے لیے مختلف آپشنز/مداخلتوں کا جائزہ لیا جا رہا ہے۔

ملک کو درپیش معاشی مشکلات اور مالی رکاوٹوں کے باوجود، آپ کی کمپنی کی مسلسل اور مستقل منافع بخش کارکردگی قابل تعریف ہے۔ بورڈ آف ڈائریکٹرز، انتظامیہ اور ملازمین کو یقین ہے کہ کمپنی اس رفتار کو آگے بڑھاتی رہے گی اور آنے والے سالوں میں مزید بہتری آئے گی۔

آپریشنل جائزہ

اس مدت کے دوران، آپ کی کمپنی نے 46.92 کلومیٹر ترسیلی پائپ لائنز بچھائی ہیں اور 46.16 کلومیٹر ترسیلی پائپ لائنز کو فعال کیا گیا جن کے قطر 8 انچ سے 24 انچ اور 56 انچ تک تھے، جن میں کوٹ پلک پروجیکٹ بھی شامل ہے۔ اس کے علاوہ، 31 دسمبر 2025 کو ختم ہونے والے ششماہی میں 97.02 کلومیٹر تقسیمی لائن بچھائی گئی اور 43.81 کلومیٹر کمیشن کی گئیں، تاکہ RLNG صارفین کے لیے گیس کی سہولت میں اضافہ، پریشر میں بہتری اور توسیع کی جا سکے۔ کمپنی نے اس عرصے کے دوران 343 کلومیٹر تقسیمی مینز بچھائے اور 62,858 نئے گیس کنکشن نصب کیے۔

مکمل شدہ منصوبہ جات

56 انچ قطر کی 0.26 کلومیٹر لمبی ہائی پریشر ترسیلی لائن سدھنائی ڈاؤن اسٹریم والو اسمبلی AV-31(a) سے پنجاب پاور پلانٹ والو اسمبلی تک کامیابی سے کمیشن ہونے کے بعد، SNGPL اور پاکستان کے توانائی انفراسٹرکچر کے لیے ایک اہم سنگ میل ہے۔ یہ منصوبہ گیس کی ترسیل کی صلاحیت کو بڑھاتا ہے اور نظام کی قابلیت کو مضبوط کرتا ہے، جس سے بڑھتی ہوئی توانائی کی طلب کو پورا کرنے کے لیے مستحکم اور بلا تعطل ایندھن کی فراہمی یقینی بنائی جاتی ہے۔ اس کی تکمیل خاص طور پر قابل تعریف ہے کیونکہ اس کے بے مثال قطر اور ہائی پریشر ڈیزائن سے جڑے تکنیکی اور لاجسٹک چیلنجز موجود ہیں۔

56 انچ ہائی پریشر ٹرانسمیشن پائپ لائن کی کامیاب تکمیل اور کمیشننگ ایس این جی پی ایل کی انجینئرنگ صلاحیت اور قومی ترقی کے لیے غیر متزلزل عزم کو اجاگر کرتی ہے۔ تصور سے لے کر حتمی کمیشننگ تک، اس منصوبے



میں غیر معمولی ٹیم ورک، سخت حفاظتی انتظام، اور جدید تکنیکی مہارت درکار تھی، جو اس کی محفوظ، بروقت تکمیل پر منتج ہوئی۔

1. ستمبر 2025 میں شدید سیلاب نے مرکزی ہائی پریشر پائپ لائنز (دو 36 انچ، ایک 30 انچ اور ایک 24 انچ قطر کی) کے لیے سنگین خطرہ پیدا کیا، جو پنجاب، وفاقی دارالحکومت اور خیبر پختونخوا کو RLNG اور مقامی گیس پہنچاتی ہیں۔ جلال پور پیروالا میں پائپ لائنوں کے کچھ حصے شدید متاثر ہوئے، جس سے شمالی اور وسطی علاقوں کو گیس کی فراہمی میں خلل کا خطرہ تھا۔ بلا تعطل فراہمی کو یقینی بنانے کے لیے، سیلاب زدہ نیٹ ورک کے لیے ہنگامی بحالی منصوبے کے تحت جلال پور پیروالا میں ایک 36 انچ قطر کی 1.3 کلومیٹر پائپ لائن، جس میں 633 میٹر HDD کراسنگ شامل ہے، کامیابی سے کمیشن کی گئی۔
2. 84.80 کلومیٹر داؤد خیل سے دھولیاں پائپ لائن کے 18 انچ قطر کی 44.60 کلومیٹر (سیکشن-I) کو کوٹ پلک پروجیکٹ کے تحت نئی دریافت شدہ گیس کی فراہمی کے لیے ترسیلی نظام کو بڑھانے کے لیے کمیشن کیا گیا ہے۔

جاری/مستقبل کے منصوبے:

کمپنی اپنے ترسیلی نظام کو کئی اہم منصوبوں کے ذریعے وسعت اور مضبوطی فراہم کرتی ہے، جن کی تفصیلات درج ذیل ہیں:

1. **12 انچ قطر کی 77 کلومیٹر ترسیلی پائپ لائن کوٹ پلک سی سی پی ایف سے ڈی آئی خان تک۔**
میسرز الحاج انٹر پرائزز (پرائیویٹ) لمیٹڈ کے کوٹ پلک فیلڈ سے 45 MMCFD گیس کی انجیکشن جاری ہے۔ 12 انچ قطر کی 77 کلومیٹر پائپ لائن کی تعمیر جاری ہے، جس میں سے 42.30 کلومیٹر مکمل ہو چکی ہے۔
2. **18 انچ قطر کی 84.8 کلومیٹر ٹرانسمیشن پائپ لائن داؤد خیل سے دھولیاں تک۔**
داؤد خیل سے دھولیاں تک 84.8 کلومیٹر لائن کے 18 انچ قطر کی 40.20 کلومیٹر (سیکشن-II) بچھانے کا کام ترسیلی نظام کی بہتری کے حصے کے طور پر جاری ہے۔
3. **8 انچ قطر کی 24 کلومیٹر چارسدہ - تنگی پائپ لائن۔**
8 انچ قطر کی 24 کلومیٹر چارسدہ - تنگی پائپ لائن کو بچھانے کا عمل تقریباً مکمل ہونے کے قریب ہے اور اس سے ٹرانسمیشن سسٹم کی صلاحیت میں اضافہ ہوگا۔
4. **CV-25 سے MP 15.03 (منڈرا) پائپ لائن تک 24 انچ قطر کی 63.5 کلومیٹر۔**
پائپ لائن کی تعمیر کی سرگرمیاں شروع کی گئی ہیں تاکہ V/A CV-25 سے MO 15.03 تک منڈرا والو اسمبلی کے قریب 24 انچ قطر کی 63.5 کلومیٹر لائن بچھائی جا سکے تاکہ منڈرا اور آس پاس کے علاقوں میں ترسیلی نظام کی آپریشنل لچک کو بہتر بنایا جا سکے۔ یہ علاقے میں ترسیلی نظام کی آپریشنل لچک کو مضبوط کرے گا۔
5. **12 انچ قطر کی 103 کلومیٹر ڈی آئی خان سے منجواال پائپ لائن۔**
ڈی آئی-خان سے منجواال تک 12 انچ قطر کی 103 کلومیٹر پائپ لائن بچھانے کی تعمیراتی سرگرمیاں بھی وقت پر شروع کرنے کا منصوبہ ہے تاکہ کوٹ پلک پروجیکٹ کے علاقے میں ترسیلی نظام کو مضبوط کیا جا سکے۔



آپ کے ڈائریکٹرز، حصہ داروں اور اپنے قابل قدر صارفین کی طرف حاصل ہونے والی مسلسل حمایت اور سرپرستی کے لیے شکر گزار ہیں۔ ہم ان تمام ملازمین کی لگن اور عزم کا بھی اعتراف کرتے ہیں۔ جنہوں نے کمپنی کے تمام آپریشنز کو برقرار رکھنے کے لیے قابل قدر خدمات فراہم کیں۔

ہم حکومت پاکستان، وزارت توانائی (پیٹرولیم ڈویژن) اور اٹل اینڈ گیس ریگولیٹری اتھارٹی (OGRA) کی جانب سے موصول ہونے والی مسلسل رہنمائی اور تعاون کو سراہتے ہیں۔

منجانب بورڈ کی جانب سے،



(محمد اسماعیل قریشی)
چیئرمین-بورڈ آف ڈائریکٹرز



(عامر طفیل)
منیجنگ ڈائریکٹر

لاہور۔

27 فروری، 2026





INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SUI NORTHERN GAS PIPELINES LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Sui Northern Gas Pipelines Limited (the 'Company') as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in note 2.5 to the accompanying interim financial statements, the Company, as a gas utility engaged in rate-regulated activities, has recognized Regulatory Deferral Account (RDA) balances in accordance with International Financial Reporting Standard (IFRS) 14 'Regulatory Deferral Accounts'. However, the Company has not complied with the presentation requirements of IFRS 14, as detailed below. These departures do not impact the retained earnings of the Company.

- i. IFRS 14 requires that the 'net movement in Regulatory Deferral Account balances' be presented as a separate line item in the condensed interim statement of profit or loss, with a subtotal for profit or loss excluding such movements. The Company has instead added the 'net movement in RDA balances' with 'revenue from contracts with customers' as 'Tariff adjustment' and has not presented the required subtotal. Had the Company complied with the requirement, the condensed interim statement of profit or loss would have presented:
 - a. A separate subtotal, 'Profit for the period before net movement in regulatory deferral account balances' amounting to Rs 44,849.881 million (for the six-month period ended December 31, 2024: Rs 23,309.715 million);
 - b. Removal of the 'Tariff adjustment' line item by an amount of Rs 37,681.988 million (for the six-month period ended December 31, 2024: Rs 15,560.261 million);
 - c. Inclusion of a separate line item, 'Net movement in regulatory deferral account balances' amounting to Rs (37,681.988 million) (for the six-month period ended December 31, 2024: Rs [(15,560.261 million)], presented after 'profit for the period'.

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'Profit for the period and net movement in RDA balances' and 'profit for the period' as per accompanying condensed interim financial statements would have remained the same.

- ii. IFRS 14 requires that Regulatory Deferral Account assets and liabilities be presented separately from other assets and liabilities. The Company has classified RDA balances within 'Other receivables' without separate line item presentation. Had the requirement been followed, a separate line item, 'Regulatory deferral account balances' amounting to Rs 903,945.222 million (June 30, 2025: Rs 941,627.211 million), would have been presented after the subtotal of total assets, with a corresponding decrease in 'Other receivables', classified as a current asset and included in total assets.
- iii. IFRS 14 mandates separate presentation of basic and diluted Earnings Per Share (EPS) calculated by excluding the net movement in RDA balances. The Company has not presented this EPS in the condensed interim statement of profit or loss. Had the requirement been followed, EPS would have been presented as:
 - Basic and diluted EPS (excluding net movement in RDA balances): Rs 70.72 (for the six-month period ended December 31, 2024: Rs 36.75)
 - Basic and diluted EPS (including net movement in RDA balances): Rs 11.30 (for the six-month period ended December 31, 2024: Rs 12.22)

The Company also did not comply with these presentation requirements of IFRS 14 in the financial statements for the year ended June 30, 2025 and in the interim financial statements for the six-month period ended December 31, 2024. As a result, we issued a qualified audit opinion on the annual financial statements and a qualified review conclusion on the interim financial statements for those periods.

Qualified Conclusion

Based on our review, with the exception of the effects on the condensed interim financial statements of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 13.1 to the accompanying interim financial statements which explains that the settlement of circular debt, including tariff adjustment 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 conclusion is not modified in this respect.

Other Matter

Pursuant to the requirement of Section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three month periods ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.



A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: February 27, 2026
UDIN: RR202510070dJt48VQ2c
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SUI NORTHERN GAS PIPELINES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025 (UN-AUDITED)

	Note	Un-audited December 31, 2025 (Rupees in thousand)	Audited June 30, 2025 (Rupees in thousand)		Note	Un-audited December 31, 2025 (Rupees in thousand)	Audited June 30, 2025 (Rupees in thousand)
EQUITY AND LIABILITIES				ASSETS			
<u>Share capital and reserves</u>				<u>Non-current assets</u>			
Share capital		6,342,167	6,342,167	Property, plant and equipment	11	325,256,896	318,116,798
Revenue reserves		69,569,186	64,303,943	Intangible assets		372,523	431,255
Total equity		75,911,353	70,646,110	Right-of-use assets		18,236,946	19,946,471
<u>Non-current liabilities</u>				Deferred taxation		34,703,355	20,985,122
Long term financing from financial institutions - secured	4	18,405,653	15,183,905	Long term loans		1,278,954	1,298,438
Long term financing - unsecured	5	50,626	53,031	Employee benefits		10,155,285	9,346,899
Lease liabilities		19,871,717	20,683,413	Long term deposits and prepayments		744,501	699,988
Security deposits		86,042,510	77,474,574			390,748,460	370,824,971
Deferred grant		52,056,643	52,867,164				
Contract liabilities	6	25,714,872	25,614,352				
Employee benefit obligations		23,294,809	21,576,871				
		225,436,830	213,453,310				
<u>Current liabilities</u>				<u>Current assets</u>			
Trade and other payables	7	1,178,305,754	1,170,545,995	Stores and spare parts		9,132,049	7,856,358
Current portion of:				Stock-in-trade	12	17,500,941	26,230,208
Long term financing from financial institutions - secured		8,240,458	7,818,583	Trade debts	13	225,193,145	181,166,336
Long term financing - unsecured		61,688	56,907	Loans and advances		858,723	871,432
Lease liabilities		2,638,289	3,461,254	Trade deposits and short term prepayments		1,081,757	217,981
Deferred grant		3,247,191	3,247,191	Accrued interest		15,065	21,288
Contract liabilities	6	9,182,031	6,435,494	Other receivables	14	904,468,698	942,343,724
Provision for taxation		11,718,127	5,213,733	Contract assets		33,660,250	750,383
Unclaimed dividend		384,254	276,265	Sales tax recoverable		128,394,123	135,438,257
Interest / mark-up accrued on loans and other payables	8	40,682,325	41,077,759	Cash and bank balances	15	15,798,837	15,925,090
Short term borrowings from financial institutions - secured	9	171,043,748	159,413,427			1,336,103,588	1,310,821,057
		1,425,503,865	1,397,546,608				
CONTINGENCIES AND COMMITMENTS							
	10					1,726,852,048	1,681,646,028
		1,726,852,048	1,681,646,028				

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.



Chairman



Chief Financial Officer



Chief Executive

SUI NORTHERN GAS PIPELINES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED DECEMBER 31, 2025

	Note	Three-month period ended		Six-month period ended	
		December 31,	December 31,	December 31,	December 31,
		2025	2024	2025	2024
		Rupees in thousand		Rupees in thousand	
Revenue from contracts with customers - gas sales	16	291,724,386	322,042,351	661,190,414	713,608,154
Tariff adjustment	17	13,184,948	14,492,203	(37,681,988)	(15,560,261)
Revenue and tariff adjustment		304,909,334	336,534,554	623,508,426	698,047,893
Less: Cost of gas sales	18	289,133,604	317,690,448	596,705,005	672,079,096
Gross profit		15,775,730	18,844,106	26,803,421	25,968,797
Other income	19	8,836,682	5,767,746	16,856,640	18,112,740
Operating income net of cost of gas sales		24,612,412	24,611,852	43,660,061	44,081,537
Operating expenses					
Selling costs		2,786,007	2,698,839	6,214,153	5,628,208
Administrative expenses		4,228,632	3,791,379	6,955,187	5,942,493
Other expenses	20	544,002	391,399	875,819	718,901
Net impairment loss on financial assets		999,085	2,963,488	819,273	1,281,499
		8,557,726	9,845,105	14,864,432	13,571,101
Operating profit		16,054,686	14,766,747	28,795,629	30,510,436
Finance cost		6,442,594	7,392,072	12,982,133	17,169,978
Profit before income tax		9,612,092	7,374,675	15,813,496	13,340,458
Income tax		5,890,193	2,907,851	8,645,603	5,591,004
Profit for the period		3,721,899	4,466,824	7,167,893	7,749,454
Earnings per share - basic and diluted (in Rupees)		5.87	7.04	11.30	12.22

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.




Chairman



Chief Financial Officer



Chief Executive

SUI NORTHERN GAS PIPELINES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED DECEMBER 31, 2025

	Three-month period ended		Six-month period ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	Rupees in thousand		Rupees in thousand	
Profit for the period	3,721,899	4,466,824	7,167,893	7,749,454
Other comprehensive income for the period				
<i>Items that may be reclassified subsequently to profit or loss:</i>	-	-	-	-
<i>Items that will not be subsequently reclassified to profit or loss:</i>	-	-	-	-
Total comprehensive income for the period	<u>3,721,899</u>	<u>4,466,824</u>	<u>7,167,893</u>	<u>7,749,454</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

Chairman

Chief Financial Officer

Chief Executive

SUI NORTHERN GAS PIPELINES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2025

	Note	Six-month period ended	
		December 31, 2025	December 31, 2024
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	21	27,204,812	49,107,236
Finance cost paid		(11,846,841)	(18,854,191)
Payments of lease liabilities - interest		(1,560,346)	(1,755,254)
Income tax paid		(15,859,435)	(7,534,715)
Employee benefits obligations / contributions paid		(1,916,856)	(1,850,789)
Increase in security deposits		8,567,936	5,370,716
Receipts against government grants and consumer contributions		810,011	757,221
Decrease in long term loans		14,961	127,662
Increase in long term deposits and prepayments		(44,513)	(45,395)
Net cash inflow from operating activities		5,369,729	25,322,491
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(17,470,254)	(20,850,385)
Payments for intangible assets		(55,459)	(49,893)
Proceeds from disposal of property, plant and equipment		17,602	35,830
Return on bank deposits		171,409	500,322
Net cash outflow from investing activities		(17,336,702)	(20,364,126)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing from financial institutions - secured		7,300,000	-
Repayment of long term financing - unsecured		-	(161,252)
Repayment of long term financing from financial institutions - secured		(3,656,377)	(3,310,043)
Payments of lease liabilities - principal		(1,638,563)	(1,542,199)
Repayment of short term borrowings		-	(14,400,000)
Proceeds from short term borrowings		32,000,000	26,400,000
Dividend paid		(1,794,661)	(2,835,614)
Net cash inflow from financing activities		32,210,399	4,150,892
Net increase in cash and cash equivalents		20,243,426	9,109,257
Cash and cash equivalents at the beginning of the period		(143,488,337)	(112,464,591)
Cash and cash equivalents at the end of the period	21.2	(123,244,911)	(103,355,334)

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.




Chairman/Director



Chief Financial Officer



Chief Executive

SUI NORTHERN GAS PIPELINES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2025

	Share capital	Revenue reserves			Total	Total shareholders' equity
		General reserve	Dividend equalization reserve	Unappropriated profits		
		----- (Rupees in thousand) -----				
Balance as at July 1, 2024 (Audited)	6,342,167	4,127,682	480,000	53,242,969	57,850,651	64,192,818
Transactions with owners in their capacity as owners recognised directly in equity:						
- Final dividend for the year ended June 30, 2023 @ Rupees 4.5 per share	-	-	-	(2,853,975)	(2,853,975)	(2,853,975)
Total comprehensive income for the six-month period ended December 31, 2024						
Profit for the period	-	-	-	7,749,454	7,749,454	7,749,454
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	7,749,454	7,749,454	7,749,454
Balance as at December 31, 2024 (Un-audited)	6,342,167	4,127,682	480,000	58,138,448	62,746,130	69,088,297
Balance as at July 1, 2025 (Audited)	6,342,167	4,127,682	480,000	59,696,261	64,303,943	70,646,110
Transactions with owners in their capacity as owners recognised directly in equity:						
- Final dividend for the year ended June 30, 2025 @ Rupees 3 per share	-	-	-	(1,902,650)	(1,902,650)	(1,902,650)
Total comprehensive income for the six-month period ended December 31, 2025						
Profit for the period	-	-	-	7,167,893	7,167,893	7,167,893
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	7,167,893	7,167,893	7,167,893
Balance as at December 31, 2025 (Un-audited)	6,342,167	4,127,682	480,000	64,961,504	69,569,186	75,911,353

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.




Chairman



Chief Financial Officer



Chief Executive Officer

SUI NORTHERN GAS PIPELINES LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE AND SIX-MONTH PERIODS ENDED DECEMBER 31, 2025

1 The Company and its operations

1.1 Sui Northern Gas Pipelines Limited (the 'Company') is a public company limited by shares incorporated in Pakistan on June 17, 1963 under the repealed Companies Act, 1913 (now, the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 21 Kashmir Road, Lahore.

The principal activity of the Company is the purchase, transmission, distribution and supply of natural gas. The Company's pipe coating plant is situated at Uch Sharif, Bahawalpur. The addresses of other regional offices of the Company are as follows:

Regional office	Geographical location
Abbottabad	Jub Pul, Main Manshera Road, Abbottabad
Bahawalpur	6-1-D, Model Town-A, Bahawalpur
Faisalabad	Sargodha Road, Faisalabad
Gujranwala	M.A. Jinnah Road, Gujranwala
Sialkot	Al-Hamid plaza, Sublime Chowk, Marala link Road, Malkay Kalan, 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, Opposite IESCO 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-C, Canal Colony, Sahiwal
Sargodha	House No. 15, Muslim Town, Sargodha
Sheikhupura	Al-Noor Marriage hall, Faisalabad bypass road, Sheikhupura
Wah	Gudwal Link Road, Wah Cantt
Karak	Mother plaza, Main Indus Highway, near Jalil chowk, Karak

1.2 These condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2 Basis of preparation

2.1 Statement of compliance

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

- International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017 (the 'Act'); and

- Provisions of, directives and notifications issued under the Act; and

- Provisions of the State-Owned Enterprises (Governance and Operations) Act, 2023 ('the SOE Act') and the State-Owned Enterprises Ownership and Management Policy, 2023 ('the SOE Policy') and the directives issued thereunder.

Where provisions of, directives and notifications issued under the Act differ from the IFRS Accounting Standards, the requirements of IFRS Accounting Standards have been followed.

In case requirements of the SOE Act or the SOE Policy or the directives issued thereunder differ from the Act, the provisions of the SOE Act or the SOE Policy or the directives issued thereunder shall prevail. Further, where the requirements of the SOE Act and the SOE Policy or the directives issued thereunder differ from the IFRS Accounting Standards, the provisions of the SOE Act or the SOE Policy or the directives issued thereunder shall prevail to the extent of such difference.



2.1.1 As per Section 25 of the SOE Act, the financial statements of a state-owned enterprise must be prepared in accordance with the International Financial Reporting Standards (IFRS). However, if a state-owned enterprise is not following full IFRS at the time the SOE Act came into effect i.e. January 30, 2023, the Board of Directors of the state-owned enterprise is required to ensure compliance within three years from that date. Since this three-year period has not lapsed by December 31, 2025, the Company has prepared its condensed interim financial statements for the half year ended December 31, 2025, in accordance with the accounting and reporting standards as applicable in Pakistan as stated above.

2.1.2 Exemption from application of Expected Credit Loss (ECL) in respect of financial assets due from the GoP - IFRS 9

The Securities and Exchange Commission of Pakistan (SECP) through SRO 25(1)/2026 dated January 06, 2026 has granted exemption from application of expected credit losses (ECL) method under IFRS 9 "Financial instruments" on financial assets due or ultimately due from the GoP in respect of circular debt for the financial years ending on or before December 31, 2026, provided that the Company shall follow relevant requirements of IAS 39 "Financial instruments" in respect of above referred financial assets during the exemption period.

Upon the Company's request for a similar exemption under the SOE Act, the Ministry of Finance, vide communication dated August 06, 2025, advised placing the matter of the requisite exemptions before the Cabinet Committee on State-Owned Enterprises (CCoSOEs), in terms of subsection (2) of section 3 of the SOE Act. Accordingly, upon the Company's formal request, the Ministry of Energy (Petroleum Division) has submitted a summary in this regard for consideration by the CCoSOEs. Consequently, the Company has not recorded the impact of the aforesaid ECL on receivables in respect of circular debt in these condensed interim financial statements.

2.2 Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to IFRS Accounting Standards are effective for accounting period beginning on July 1, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2026 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements, except for the standards and amendments to existing standards as detailed in the annual audited financial statements of the Company for the year ended June 30, 2025.

2.4 These condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Act.

These condensed interim financial statements do not include all of the disclosures required for full annual financial statements and should therefore be read in conjunction with the annual financial statements for the year ended June 30, 2025, and any public announcements made by the Company during the interim reporting period. Selected explanatory notes have been included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. However, the primary financial statements are presented in a format consistent with the financial statements that are required to be presented in the annual financial statements under IAS 1.

2.5 Accounting policy and application of International Financial Reporting Standard (IFRS) 14 – Regulatory Deferral Accounts

Under the provisions of the license for transmission and distribution of natural gas granted by the Oil and Gas Regulatory Authority ("OGRA"), the Company is entitled to earn an annual return calculated using the Weighted Average Cost of Capital ("WACC") applied on the value of its average fixed assets in operation (net of deferred credits). This return is determined before corporate income taxes, interest and other debt-related charges, after excluding income from interest, dividends, and other non-operating sources. The efficiency benchmarks prescribed by OGRA are applied subsequently in calculating the allowable return.

Any resulting deficit is recognized as an amount recoverable from the Government of Pakistan (“GOP”), which may be recovered directly through subsidies or indirectly via adjustments in future gas tariffs. Conversely, any surplus is recognized as an amount payable to the GOP, which may be settled through reductions in future gas tariffs or gas development surcharge (GDS). These balances are accounted for accordingly in the financial statements.

Regarding the Company’s operations involving Regasified Liquefied Natural Gas (RLNG), and in accordance with the policy guidelines issued by the Economic Coordination Committee of the Cabinet (“ECC”) on RLNG pricing, the Company is permitted to earn an annual return as a percentage of its average fixed assets used in RLNG operations as determined by OGRA. Any deficit or surplus is recoverable from or payable to RLNG consumers through adjustments to future RLNG prices.

IFRS 14, ‘Regulatory Deferral Accounts’, effective for annual periods beginning on or after July 1, 2019, applies to rate-regulated entities such as the Company. IFRS 14 permits entities to continue recognizing regulatory deferral account balances under their previous Generally Accepted Accounting Principles (“previous GAAP”), subject to specified presentation and disclosure requirements. These requirements include separate presentation of regulatory deferral account balances and movements in the statement of financial position, profit or loss, and comprehensive income. Regulatory deferral account balances are also assessed for impairment when indicators suggest they may not be recoverable through future rate adjustments.

The Securities and Exchange Commission of Pakistan (“SECP”) granted the Company an exemption from applying IFRS 14 up to the financial year ended June 30, 2024 (vide its letter No. SMD/PRDD/Comp/(4)/2021/146 dated November 5, 2024). Upon expiry of this exemption, the Company requested an extension; however, following promulgation of the SOE Act, the authority to grant exemptions from IFRS Accounting Standards now rests with the Federal Government. Consequently, the Company submitted a request to the Ministry of Finance, through the Ministry of Energy (Petroleum Division), seeking an exemption from IFRS 14 beyond June 30, 2024.

During the period, on August 6, 2025, the Ministry of Finance advised that the exemption request is to be placed before the Cabinet Committee on State-Owned Enterprises (“CCoSOEs”), in accordance with subsection (2) of section 3 of the SOE Act, 2023. Accordingly, upon the Company’s formal request, the Ministry of Energy (Petroleum Division) has submitted a summary in this regard for the consideration of the CCoSOEs.

Despite the absence of a granted exemption extension, the Company has opted not to comply with IFRS 14’s presentation requirements. As a rate-regulated gas utility, the Company has continued its previous accounting policy for the recognition and measurement of regulatory deferral account balances, as permitted by IFRS 14, and presents such balances as a ‘Tariff adjustment’ within ‘Other receivables’. This approach does not affect the recognition or measurement of the underlying regulatory deferral transactions.

Had the Company applied IFRS 14 presentation requirements, the impact on the condensed interim financial statements would have been as follows:

	Un-Audited December 31, 2025	Un-Audited December 31, 2024
	Rupees in thousand	
Effect on interim statement of profit or loss		
For the six-month period ended December 31		
(Decrease) / increase in:		
Tariff adjustment	37,681,988	15,560,261
Net movement in regulatory deferral account (RDA) balances	(37,681,988)	(15,560,261)
Profit for the period, before net movement in regulatory deferral account balances, would have amounted to	44,849,881	23,309,715
Earnings per share		
Basic and diluted EPS (excluding net movement in RDA)	70.72	36.75
Basic and diluted EPS (including net movement in RDA)	11.30	12.22

	<u>Un-Audited</u> <u>December 31,</u> <u>2025</u>	<u>Un-Audited</u> <u>December 31,</u> <u>2024</u>
	Rupees in thousand	
For the three-month period ended December 31		
Increase / (decrease) in:		
Tariff adjustment	(13,184,948)	(14,492,203)
Net movement in regulatory deferral account (RDA) balances	13,184,948	14,492,203
Loss for the period, before net movement in regulatory deferral account balances, would have amounted to	(9,495,536)	(10,025,379)
Earnings per share		
Basic and diluted EPS (excluding net movement in RDA)	(14.97)	(15.81)
Basic and diluted EPS (including net movement in RDA)	5.87	7.04

	<u>Un-Audited</u> <u>December 31,</u> <u>2025</u>	<u>Audited</u> <u>June 30,</u> <u>2025</u>
	Rupees in thousand	
Effect on condensed interim statement of financial position		
(Decrease) / increase in:		
'Other receivables' as part of total assets	(903,945,222)	(941,627,211)
'Regulatory deferral account balance' after sub-total of total assets	903,945,222	941,627,211

There would have been no effect on the condensed interim statement of comprehensive income, the condensed interim statement of cash flows and the condensed interim statement of changes in equity.

3 Material accounting policies and estimates

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended June 30, 2025, except for the estimation of income tax as set out below.

3.1 Taxation

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual effective income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes. Where different income tax rates apply to different categories of income, a separate rate is applied to each category of pre-tax income. Income tax on dividend income is a final tax and is recorded at the tax rate applicable under the income tax law on the dividend received.

3.2 Accounting estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual audited financial statements of the Company for the year ended June 30, 2025, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 3.1.



	Note	Un-audited December 31, 2025	Audited June 30, 2025
4	Long term financing from financial institutions - secured	(Rupees in thousand)	
	Conventional financing		
	Syndicate term finance	4,543,750	4,998,125
	Syndicate term finance	<u>3,541,777</u>	<u>5,312,667</u>
		8,085,527	10,310,792
	Arrangements under Islamic financing		
	Islamic finance under lease arrangement	1,555,556	2,333,333
	Islamic finance under musharaka arrangement	234,375	390,625
	Islamic finance under musharaka arrangement	9,500,000	10,000,000
	Islamic finance under musharaka arrangement	7,300,000	-
		<u>18,589,931</u>	<u>12,723,958</u>
		26,675,458	23,034,750
	Transaction cost	(29,347)	(32,262)
	Current portion shown under current liabilities	<u>(8,240,458)</u>	<u>(7,818,583)</u>
	4.1	<u>18,405,653</u>	<u>15,183,905</u>

4.1 The reconciliation of the carrying amount is as follows:

Opening balance	23,002,488	29,468,955
Disbursements during the period/year	7,300,000	-
Repayments during the period/year	<u>(3,656,377)</u>	<u>(6,466,467)</u>
Closing balance	26,646,111	23,002,488
Current portion shown under current liabilities	<u>(8,240,458)</u>	<u>(7,818,583)</u>
	<u>18,405,653</u>	<u>15,183,905</u>

4.1.1 Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants in respect of the loans. The Company has complied with these covenants throughout the period / year.

	Note	Un-audited December 31, 2025	Audited June 30, 2025
5	Long term financing - unsecured	(Rupees in thousand)	
	Local currency loans	112,314	109,938
	Current portion shown under current liabilities	<u>(61,688)</u>	<u>(56,907)</u>
		<u>50,626</u>	<u>53,031</u>

5.1 These loans carry effective mark-up at variable rates which range from 6.55% to 9.80% per annum (June 30, 2025: 6.55% to 14.10% per annum).

	Note	Un-audited December 31, 2025	Audited June 30, 2025
6	Contract liabilities	(Rupees in thousand)	
	Consumer contribution	25,714,872	25,614,352
	Due to customers against construction contract	5,471,159	5,617,589
	Advances from customers against gas bill and new connection	<u>3,710,872</u>	<u>817,905</u>
		34,896,903	32,049,846
	Current portion shown under current liabilities	<u>(9,182,031)</u>	<u>(6,435,494)</u>
		<u>25,714,872</u>	<u>25,614,352</u>

		Un-audited December 31, 2025	Audited June 30, 2025
		(Rupees in thousand)	
6.1	Consumer contribution against:		
	- Completed jobs	43,330,506	42,903,219
	- Jobs-in-progress	11,215,991	10,992,037
		54,546,497	53,895,256
	Less: Accumulated amortization:		
	Opening balance	28,280,904	27,397,673
	Amortization for the year/period	550,721	883,231
		28,831,625	28,280,904
		25,714,872	25,614,352

6.1.1 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 are being amortised over the useful lives of the transmission and distribution system.

		Un-audited December 31, 2025	Audited June 30, 2025
		(Rupees in thousand)	
7	Trade and other payables		
	Creditors for:		
	- gas	1,133,690,697	1,126,981,787
	- supplies	4,750,434	4,877,768
	Accrued liabilities	17,355,957	15,845,844
	Advance from SSGCL against cost equilization	20,000,000	20,000,000
	Gas Infrastructure Development Cess (GIDC)	12,121	7,457
	Interest free deposits repayable on demand	1,327,830	1,254,903
	Earnest money received from contractors	336,427	291,589
	Workers' Profit Participation Fund (WPPF)	832,288	1,286,647
		1,178,305,754	1,170,545,995

7.1 Included in trade payables is an amount of Rs 287,694.417 million (June 30, 2025: Rs 307,928.060 million) due to Pakistan State Oil Company Limited (PSO). This amount represents payables for Liquefied Natural Gas (LNG) supplied by PSO. The agreement for the supply of LNG has not yet been finalized and is currently under negotiation. Any additional liability or adjustment that may arise will be recorded upon the finalization of the agreement.

7.2 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 has been 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 previous year 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 133,267.130 million (June 30, 2025: Rs 133,273.595 million) is recoverable from consumers and payable to Government of Pakistan. These condensed interim 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.

	Note	Un-audited December 31, 2025	Audited June 30, 2025
7.3	Workers' Profit Participation Fund	(Rupees in thousand)	
	The reconciliation of carrying amount is as follows:		
	Opening balance	1,286,647	1,900,813
	Allocation for the period/year	832,288	1,286,647
	Payments made during the period/year	<u>(1,286,647)</u>	<u>(1,900,813)</u>
	Closing balance	<u>832,288</u>	<u>1,286,647</u>

8 Interest / mark-up accrued on loans and other payables

Accrued mark-up / interest on:

Long term financing from financial institutions - secured	480,446	637,248
Long term financing - unsecured	197,562	197,562
Short term borrowings from financial institutions - secured	3,951,332	4,705,018
Deposits from customers	5,713,235	5,198,181
Late payment of gas creditors and gas development surcharge	<u>30,339,750</u>	<u>30,339,750</u>
	<u>40,682,325</u>	<u>41,077,759</u>

9 Short term borrowing from financial institutions - secured

Short term borrowing from financial institutions - secured

9.1	<u>171,043,748</u>	<u>159,413,427</u>
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9.1 The total limit of various financing facilities available from banks against short-term running finance facilities aggregate to Rs 223,525 million (June 30, 2025: Rs 180,525 million). The total availed amount includes financing facilities utilized under the Islamic mode, which amounts to Rs 102,249.999 million (June 30, 2025: Rs 67,970.530 million). Additionally, these facilities include financing utilized in the money market amounting to Rs 32,000 million (June 30, 2025: Nil). The applicable markup rates during the period range from one to three months KIBOR plus 25 basis points to minus 30 basis points (June 30, 2025: one to six months KIBOR plus 50 basis points to minus 401 basis points) per annum on the outstanding balance. These facilities are secured by a first pari passu/ranking charge over the current assets of the Company, amounting to Rs 231,368.343 million (June 30, 2025: Rs 171,368.343 million), and are also secured by a sovereign guarantee from the Government of Pakistan to the extent of Rs 50,000 million (June 30, 2025: Rs 50,000 million). Markup is payable on a quarterly basis, with the effective interest rate charged during the period ranging from 10.33% to 11.64% (June 30, 2025: 8.75% to 21.99%) per annum.

10 Contingencies and commitments

10.1 Contingencies

There is no significant change in contingencies from the preceding audited financial statements of the Company for the year ended June 30, 2025 except for the following:

(a) During the current period, the tax authorities raised a demand of Rs 3,404 million for tax year 2024, through an order dated November 12, 2025, on account of alleged short payment of super tax under Section 4C of the Income Tax Ordinance, 2001, based on their computation of income primarily from profit on debt. Being aggrieved, the Company contested the position taken by the department, asserting that separately adding profit on debt for the purposes of Section 4C results in double counting, as it is already included in taxable income.

Accordingly, the Company filed an application dated November 27, 2025 before the Federal Board of Revenue (FBR) for the constitution of an Alternative Dispute Resolution Committee (ADRC), and the matter is currently pending adjudication. No provision has been made in these condensed interim financial statements, as the Company, based on the advice of its tax consultants, is confident of a favourable outcome.

	Note	Un-audited December 31, 2025	Audited June 30, 2025
(Rupees in thousand)			
10.2	Commitments:		
a)	Capital commitments		
	Property, plant and equipment	608,806	530,594
	Intangible assets	66,148	66,984
	Stores and spares	6,376,444	8,867,902
		<u>7,051,398</u>	<u>9,465,480</u>
b)	Other commitments	<u>1,192,195</u>	<u>1,072,706</u>
11	Property, plant and equipment		
	Operating fixed assets		
	The reconciliation of carrying amount is as follows:		
	Opening book value	262,160,072	234,173,477
	Additions during the period/year	11.1 <u>18,517,352</u>	<u>47,553,231</u>
		280,677,424	281,726,708
	Less:		
	Book value of assets disposed of during the period/year	11.2 <u>(7,892)</u>	<u>(5,178)</u>
	Depreciation charge for the period/year	<u>(10,526,730)</u>	<u>(19,561,458)</u>
		<u>(10,534,622)</u>	<u>(19,566,636)</u>
	Closing book value	270,142,802	262,160,072
	Capital work in progress	11.3 <u>55,114,094</u>	<u>55,956,726</u>
		<u>325,256,896</u>	<u>318,116,798</u>
11.1	Additions during the period / year		
	Freehold land	-	743,569
	Buildings and civil construction on freehold land	10,267	47,348
	Transmission system	3,931,979	9,137,371
	Distribution system	11,313,410	23,057,220
	Consumer meter and town border stations	1,866,970	10,847,929
	Telecommunication system and facilities	143,108	94,847
	Compressor stations and equipment	24,996	1,813,126
	Plant and machinery	777,459	457,556
	Furniture and equipment	28,767	78,096
	Tools and accessories	15,112	186,873
	Transport vehicles	341,100	703,736
	Computers, telecommunication and ancillary equipment	64,184	385,560
		<u>18,517,352</u>	<u>47,553,231</u>
11.2	Disposals during the period / year		
	Buildings and civil construction on freehold land	-	9
	Transport vehicles	7,892	5,136
	Computers and ancillary equipment	-	33
		<u>7,892</u>	<u>5,178</u>
11.3	Capital work-in-progress		
	Transmission system	10,905,089	8,006,354
	Distribution system	28,352,365	25,512,286
	Stores and spares including in transit Rs 1,777.720 million (June 30, 2025: Rs 2,469.495 million)	13,638,142	20,121,876
	Advances for land and other capital expenditure	2,218,498	2,316,210
		<u>55,114,094</u>	<u>55,956,726</u>

	Note	Un-audited December 31, 2025	Audited June 30, 2025
(Rupees in thousand)			
12	Stock-in-trade		
	- Gas in pipelines	8,985,763	12,249,149
	- Gas in floating storage regasification unit (FSRU) and held with third party		
	12.1	<u>8,515,178</u>	<u>13,981,059</u>
		<u>17,500,941</u>	<u>26,230,208</u>

12.1 This includes gas purchased by the Company that is yet to be delivered by Engro Elengy Terminal (Private) Limited ('EETL') and PGP Consortium Limited.

	Note	Un-audited December 31, 2025	Audited June 30, 2025
(Rupees in thousand)			
13	Trade debts		
	Due from customers - secured	144,756,774	92,013,018
	Due from customers - unsecured	116,229,804	123,615,944
	Deferred gas sales	(1,115,156)	(603,621)
	13.1	<u>259,871,422</u>	<u>215,025,341</u>
	Less: Loss allowance	<u>34,678,277</u>	<u>33,859,005</u>
		<u>225,193,145</u>	<u>181,166,336</u>

13.1 Included in trade debts are amounts receivable from government-owned power generation companies, independent power producers, and Sui Southern Gas Company Limited (SSGCL), totalling Rs 78,862.832 million (June 30, 2025: Rs 52,499.415 million), along with interest of Rs 40,956.253 million (June 30, 2025: Rs 39,111.308 million) due to delayed payments.

Trade and other payables, as referred to in note 7, include an amount of Rs 1,027,239.793 million (June 30, 2025: Rs 1,046,406.808 million) due to Pakistan Petroleum Limited, SSGCL, Oil and Gas Development Company Limited, Pakistan State Oil Company Limited, Pakistan LNG Limited, and Government Holdings (Private) Limited against gas purchases along with interest accrued on delayed payments of Rs 24,841.653 million (2025: Rs 24,841.653 million) and interest on delayed payments of the Gas Development Surcharge amounting to Rs 4,101.732 million (June 30, 2025: Rs 4,101.732 million) payable to the Government of Pakistan, as referred to in note 8.

OGRA has acknowledged the liabilities in respect of interest payable to gas creditors in its various determinations but has not included in the determined shortfall till the eventual payment or settlement of circular debt by the Government of Pakistan. This unpaid interest of Rs 563,519.878 million (June 30, 2025: Rs 492,719.661 million) payable to government-owned and other entities has not been recognized in these financial statements. The settlement of both principal and interest on delayed payments is contingent upon the resolution of inter-corporate circular debt by the Government of Pakistan. Furthermore, the recoverability of amounts totalling Rs 545,693.676 million (June 30, 2025: Rs 541,270.592 million) and Rs 358,251.546 million (June 30, 2025: Rs 400,356.618 million), as referred to in note 14, depends on settlements made by the Government of Pakistan, directly or indirectly, which may include increases in future gas prices, subsidies, or alternate mechanisms.

	Note	Un-audited December 31, 2025	Audited June 30, 2025
(Rupees in thousand)			
14	Other receivables		
	Excise duty recoverable	108,945	108,945
	Less: Provision for impairment	108,945	108,945
		-	-
	Tariff adjustment (indigenous gas)	545,693,676	541,270,592
	Tariff adjustment (RLNG)	358,251,546	400,356,618
	Current account with Sui Southern Gas Company Limited	46,236	46,236
	Others	477,240	670,278
		<u>904,468,698</u>	<u>942,343,724</u>

	Note	Un-audited December 31, 2025	Audited June 30, 2025
(Rupees in thousand)			
14.1	Tariff adjustment (indigenous gas)		
	Opening balance	541,270,592	530,702,747
	Recognised for the period/year	4,423,084	10,567,845
	Closing balance	545,693,676	541,270,592

14.2 This includes an amount as mentioned below, consisting of various costs which have either been deferred, disallowed or excess allowed by the OGRA on various grounds, however, the Company has recognized tariff adjustment on such deferments / disallowances in these condensed interim financial statements as the Company believes that the OGRA in its various determinations in the past years has consistently allowed such expenses and/or pending such expenses till its resolution by Federal Government. Accordingly, the Company has filed review appeals against the Final Revenue Requirement (FRR) decisions by the OGRA and is confident of favourable outcomes. Detailed break up of the deferred and / or disallowed expenses is as follows:

	Note	Un-audited December 31, 2025	Audited June 30, 2025
(Rupees in thousand)			
	Depreciation - net of ROA	19,000	19,000
	Impact of super tax on return of the Company	2,816,000	744,000
	Excess cost of gas sales allowed	(264,557)	(264,557)
	Operating cost	81,382	81,382
	Cost of gas	3,083,147	3,083,147
		5,734,972	3,662,972

14.2.1 This represents the depreciation net of ROA inadvertently disallowed by the OGRA. The Company has filed a review appeal against the Final Revenue Requirement (FRR) decision for FY 2023-24 and is confident of a favourable outcome.

14.2.2 This represents the impact of the super tax on the return of the Company. The Company has recognized its impact, following the precedent set by OGRA in its decision for the Motion for Review of FRR 2021-22. Accordingly, the Company had filed a review appeal against the Final Revenue Requirement (FRR) decisions for FY 2022-23 and FY 2023-24. Subsequent to the reporting period, on February 20, 2026, OGRA, in its decision on the Motion for Review of FRR 2023-24, allowed this impact of the super tax on the Company's return.

However, the impact of super tax on the Company's return for the year ended June 30, 2025, amounting to Rs 7,545.977 million and paid during the current period, has not been recognized in these condensed interim financial statements. Given the significant increase in the super tax amount compared to prior years and OGRA's historical practice of revising or disallowing certain claims, reasonable certainty regarding its allowance by OGRA cannot be determined at this stage. Accordingly, this super tax amount will be recognized as tariff adjustment income/receivable once reasonable assurance of recoverability is established.

Furthermore, the impact of the super tax relating to the half year ended December 31, 2025, has not been recognized, as the amount will be finalized at the full-year stage and recognized once certainty regarding its recoverability through tariff is established.

14.2.3 This represents the cost of gas sold inadvertently excess allowed by the OGRA, which was offered back by the Company in the Motion for Review of FRR 2023-2024.

14.2.4 This represents the gas internally consumed inadvertently disallowed by the OGRA. The Company has filed a review appeal against the Final Revenue Requirement (FRR) decision for FY 2023-24 and is confident of a favourable outcome.

14.2.5 This represents the cost of RLNG diverted to system/indigenous gas consumers, along with the General Sales Tax (GST) that would have been charged to exempt consumers but was not claimed by the Company at the time of filing the FRR. As GST has become part of the cost of supply due to the exemption applicable to consumers, the Company has filed the review appeal and remains confident of a favorable outcome.

		Un-audited December 31, 2025	Audited June 30, 2025
		(Rupees in thousand)	
14.3	Tariff adjustment (RLNG)		
	Opening balance	400,356,618	334,694,507
	Recognised for the period/year	(42,105,072)	65,662,111
	Closing balance	358,251,546	400,356,618

14.3.1 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 December 31, 2025. The settlement of this amount is expected to materialize in the shape of adjustment to future sale price of RLNG by OGRA.

This also 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 period, 32,603,162 MMBTUs (June 30, 2025: 58,885,943 MMBTUs) of RLNG were diverted and sold as system gas.

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 amounting to Rs 6,376.963 million owing to the difference between the current and historical rates is required to be passed on to the Company. The tariff adjustment includes impact of such gain /loss to be realized / adjusted in the OGRA's future price adjustments.

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 condensed interim financial statements. Accordingly, the Company has filed a review appeal against the Final Revenue Requirement (FRR) decision by the OGRA and is confident of a favourable outcome. Detailed break up of the deferred and / or disallowed expenses is as follows:

	Note	Un-audited December 31, 2025	Audited June 30, 2025
		(Rupees in thousand)	
Effect of interest income recognized in prior periods	14.3.1.1	25,724,546	25,724,546
Cost of gas	14.3.1.2	(2,933,981)	(2,933,981)
		22,790,565	22,790,565

14.3.1.1 This represents effect of interest income recognized in prior periods. The Company in line with the Federal Government's decision on the case submitted by the Ministry of Energy (Power Division) dated January 14, 2025 and March 19, 2025 approved the settlement mechanism for the reversal of late payment surcharge income against GPPs and certain IPPs. Accordingly, net amount of late payment surcharge (LPS) recognized earlier on account of delayed payments by Government Owned Power Producers (GPPs) and Independent Power Producers (IPPs) amounting to Rs 25,724.546 million was derecognized. This amount has not been disallowed by OGRA; instead, it has been pending. Company has filed a review appeal and is confident of a favourable outcome.

14.3.1.2 This represents the cost of RLNG diversion to system gas consumers not claimed by the Company at the time of filing of FRR. Company has filed a review appeal and is confident of a favourable outcome.

	Note	Un-audited December 31, 2025	Audited June 30, 2025
		(Rupees in thousand)	
15	Cash and bank balances		
	At banks:		
	Deposit accounts	10,650,726	10,090,280
	Current accounts	237,382	206,706
		10,888,108	10,296,986
	Collection accounts	5,203,022	5,921,836
	In hand	3,099	1,610
		16,094,229	16,220,432
	Loss allowance	(295,392)	(295,342)
		15,798,837	15,925,090



- 15.1** 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 therefrom and until then, these funds amounting to Rs 6,614.226 million (June 30, 2025: Rs 7,325.862 million) 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.

	Note	Three-month period ended		Six-month period ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		Un-audited	Un-audited	Un-audited	Un-audited
		(Rupees in thousand)		(Rupees in thousand)	
16 Revenue from contracts with customers - gas sales					
Gross sales - indigenous gas		147,650,922	151,700,125	265,319,427	277,584,158
Gross sales - RLNG	16.1	176,435,711	230,497,046	491,399,419	563,814,637
Gross sales - LPG air mix		18,565	9,544	28,144	13,526
		324,105,198	382,206,715	756,746,990	841,412,321
Sales tax - indigenous gas		(19,973,162)	(23,974,622)	(35,518,278)	(40,008,669)
Sales tax - RLNG		(28,543,696)	(36,187,905)	(76,172,871)	(87,793,049)
Sales tax - LPG air mix		(2,844)	(1,837)	(4,317)	(2,449)
		(48,519,702)	(60,164,364)	(111,695,466)	(127,804,167)
Subsidy from GoP	16.2	16,138,890	-	16,138,890	-
		291,724,386	322,042,351	661,190,414	713,608,154

- 16.1** This includes Rs 42,973 million of revenue recognized from the price actualization of RLNG for prior years. On November 28, 2025, OGRA issued a final notification for RLNG price actualization covering the period from April 2015 to June 2022, superseding all prior notifications and directing recovery in at least 24 monthly installments.

The gross revenue determined was Rs 46,982 million. This revenue has been discounted at a rate of 11.68% in accordance with IFRSs, resulting in a discounting impact of Rs 4,009 million that will be recognized as other income over the 24-months period.

- 16.2** This represents subsidy revenue from the Government of Pakistan (GoP) relating to RLNG supplied at subsidized rates from September 2018 to June 2022. Following OGRA's actualization of RLNG prices, as explained in note 16.1, the related subsidy amount was correspondingly revised and recognized as part of revenue at its gross amount.

	Three-month period ended		Six-month period ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)		(Rupees in thousand)	
17 Tariff adjustment				
Indigenous gas	11,231,485	847,048	4,423,084	(34,029,827)
RLNG	1,953,463	13,645,155	(42,105,072)	18,469,566
	13,184,948	14,492,203	(37,681,988)	(15,560,261)

	Three-month period ended		Six-month period ended	
	December 31,	December 31,	December 31,	December 31,
	2025	2024	2025	2024
	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)		(Rupees in thousand)	
18 Cost of gas sales				
Opening stock of gas in pipelines/ held with third party	25,829,893	40,783,202	26,230,208	19,045,561
Gas purchases:				
- Southern system	90,424,427	80,018,148	147,012,579	112,002,494
- Northern system	33,514,640	32,458,629	62,401,030	69,024,410
- RLNG	145,411,899	184,129,408	355,844,452	481,737,564
- Liquefied Petroleum Gas (LPG)	14,012	11,836	23,491	15,801
	269,364,978	296,618,021	565,281,552	662,780,269
	295,194,871	337,401,223	591,511,760	681,825,830
Less:				
Gas internally consumed	2,735,782	3,052,047	5,531,357	6,439,228
Closing stock of gas in pipelines/ held with third party	17,500,941	30,109,453	17,500,941	30,109,453
	20,236,723	33,161,500	23,032,298	36,548,681
Distribution cost	14,175,456	13,450,725	28,225,543	26,801,947
	289,133,604	317,690,448	596,705,005	672,079,096
19 Other income				
Interest income on late payment of gas bills	3,960,402	3,031,139	9,005,025	12,398,957
Gain on initial recognition of financial liabilities	151	484	301	968
Interest on staff loans and advances	39,926	29,808	68,846	55,420
Interest income on price actualisation of RLNG	322,641	-	322,641	-
Return on bank deposits	(62,253)	195,598	165,186	537,505
Net gain on disposal of fixed assets	3,093	209	9,711	33,559
Meter rentals and repair charges	1,063,898	1,062,921	2,136,402	2,120,349
Amortization of deferred credit and contract liabilities	763,361	689,438	1,519,711	1,371,079
Sale of tender documents	4,409	7,426	11,381	10,975
Sale of scrap	-	36,862	206,367	240,117
Liquidated damages recovered	83,498	168,162	102,539	343,055
Gain on construction contracts	36,868	58,106	36,868	58,106
Bad debt recovered	37	106	461	288
Exchange gain	92,218	-	59,731	-
Urgent fee for new meter connections	1,035,382	-	1,035,382	-
Gas transportation income	1,490,746	477,618	2,159,301	919,888
Miscellaneous	2,305	9,869	16,787	22,474
	8,836,682	5,767,746	16,856,640	18,112,740
20 Other expenses				
Workers' Profit Participation Fund	505,899	388,140	832,288	702,129
Exchange loss on gas purchases	-	2,703	-	14,801
Loss on initial recognition of financial assets at fair value	38,103	556	43,531	1,971
	544,002	391,399	875,819	718,901

Six-month period ended	
December 31, 2025	December 31, 2024
Un-audited	Un-audited
(Rupees in thousand)	

21.2 Cash and cash equivalents

Cash and bank balances	15,798,837	15,784,035
Short term running finance	<u>(139,043,748)</u>	<u>(119,139,369)</u>
	<u>(123,244,911)</u>	<u>(103,355,334)</u>

22 Incorporation of tariff requirements

22.1 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.

OGRA in its decision dated October 6, 2025 for Final Revenue Requirement (FRR) for FY 2024-25 has reworked the Rate of Return on Average Net Assets (ROA) for the year 2024-25 at 21.25% as compared to the previous ROA rate of 26.22% determined for FY 2023-24.

As per the tariff regime, the Company is entitled to earn an annual return of not less than the 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.

22.2 During the period, the Company could not meet the benchmarks prescribed by the OGRA and as a result, the return for the period on the aforesaid basis works out to be 15.82% (December 31, 2024: 16.99%). 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 1,177.905 million (December 31, 2024: Nil), which is in excess of the new UFG prescribed benchmark of 0.36% (December 31, 2024: 0.36%) for transmission segment and 7.275% (December 31, 2024: 7.275%) for distribution segment.

23 Transactions with related parties

The related parties include the related parties on the basis of common directorship, government entities, key management personnel and post employment benefit plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company. The Company in the normal course of business carries out transactions with various related parties. Details of significant transactions with these related parties in these condensed interim financial statements are as follows:

Six-month period ended	
December 31, 2025	December 31, 2024
Un-audited	Un-audited
(Rupees in thousand)	

23.1 Transactions during the period	Basis of relationship		
Gas sales	Common directorship / Government entity	296,282,978	292,341,137
Purchase of materials	Common directorship / Government entity	2,600,637	5,750,517
Purchase of gas, regasification & transportation services	Common directorship / Government entity	552,748,962	648,292,158

		Six-month period ended	
		December 31, 2025	December 31, 2024
		Un-audited	Un-audited
		(Rupees in thousand)	
Service charges	Common directorship / Government entity	117,703	63,951
Profit received on bank deposits	Common directorship	1,757	16,619
Finance cost	Common directorship	283,112	-
Transportation income	Common directorship / Government entity	5,327	4,406
Distributor margin	Common directorship / Government entity	3,659	6,293
Insurance expenses	Government entity	652,527	595,346
Insurance claims received	Government entity	175,294	128,442
Contributions to defined contribution plans	Post employment benefit plan	453,979	437,617
Contributions to defined benefit plans	Post employment benefit plan	2,826,403	2,990,857
Dividend paid	Common directorship / Government entity	762,280	1,152,475
Honorarium / Fee paid to directors	Director	8,200	12,900
Remuneration and benefits to key management personnel	Key management personnel	251,454	181,062
		Un-audited December 31, 2025	Audited June 30, 2025

(Rupees in thousand)

23.2 Period end balances

Receivable from related parties	77,631,792	66,142,358
Payable to related parties	1,124,196,150	1,118,937,623

24 Financial risk management

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

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2025.

There have been no changes in the risk management or in any risk management policies since the year ended June 30, 2025.



24.1 Contractual maturities

The contractual maturities of the Company's financial liabilities were as follows:

	Less than 1 year	Between 1 and 5 years	Over 5 years	Contractual cash flows	Carrying Amount
As at December 31, 2025	----- (Rupees in thousand) -----				
Security deposits*	-	86,042,510	-	86,042,510	86,042,510
Unclaimed dividend	384,254	-	-	384,254	384,254
Interest / mark-up accrued on loans and other payables	26,696,737	-	-	26,696,737	26,696,737
Long term financing	10,949,484	19,169,874	5,842,763	35,962,121	26,646,111
Trade and other payables	1,173,163,316	-	-	1,173,163,316	1,173,163,316
Short term borrowings	171,043,748	-	-	171,043,748	171,043,748
Lease liabilities	6,447,875	22,892,152	3,952,727	33,292,754	22,510,006
	1,388,685,414	128,104,536	9,795,490	1,526,585,440	1,506,486,682
As at June 30, 2025	----- (Rupees in thousand) -----				
Security deposits*	-	77,474,574	-	77,474,574	77,474,574
Unclaimed dividend	276,265	-	-	276,265	276,265
Interest / mark-up accrued on loans and other payables	41,077,759	-	-	41,077,759	41,077,759
Long term financing	10,418,659	18,046,328	1,000,917	29,465,904	23,165,457
Trade and other payables	1,169,100,274	-	-	1,169,100,274	1,169,100,274
Short term borrowings	159,413,427	-	-	159,413,427	159,413,427
Lease liabilities	6,477,304	23,108,162	5,267,636	34,853,102	24,144,667
	1,386,763,688	118,629,064	6,268,553	1,511,661,305	1,494,652,423

*The security deposits are refundable upon disconnection by respective customer. Hence, the period of maturity cannot be determined.

25 Disclosure requirement for Companies not engaged in Shariah non-permissible business activities

Description	Explanation	Un-audited	Audited
		December 31, 2025	June 30, 2025
		(Rupees in thousand)	
Statement of Financial Position			
Liabilities			
Long term financing from financial institutions - secured	Shariah Compliant	18,589,931	12,723,958
Interest / mark-up accrued on loans and other payables	Non-Shariah	38,310,998	38,826,088
Short term borrowings from financial institutions - secured	Shariah Compliant	102,249,999	67,970,530
Assets			
Bank deposits	Shariah Compliant	277,571	71,596

		Un-audited	Un-audited
		Six-month period ended	
		December 31, 2025	December 31, 2024
(Rupees in thousand)			
Statement of profit or loss			
Sales - net	Shariah Compliant	661,190,414	713,608,154
Interest income on late payment of gas bills	Non-Shariah	9,005,025	12,398,957
Interest on staff loans and advances	Non-Shariah	68,846	55,420
Return on bank deposits	Non-Shariah	148,041	469,549
Return on bank deposits	Shariah Compliant	17,145	67,956
Finance cost	Shariah Compliant	5,039,458	5,888,311
Finance cost	Non-Shariah	7,942,675	11,281,667
Sources and detailed break-up of other income			
Gain on initial recognition of financial liabilities at fair value	Non-Shariah	301	968
Net gain on disposal of fixed assets	Shariah Compliant	9,711	33,559
Meter rentals and repair charges	Shariah Compliant	2,136,402	2,120,349
Amortization of deferred credit	Shariah Compliant	1,519,711	1,371,079
Sale of tender documents	Shariah Compliant	11,381	10,975
Sale of scrap	Shariah Compliant	206,367	240,117
Liquidated damages recovered	Non-Shariah	102,539	343,055
Gain on construction contracts	Shariah Compliant	36,868	58,106
Bad debts recovered	Shariah Compliant	461	288
Exchange gain	Non-Shariah	59,731	-
Urgent fee for new meter connections	Shariah Compliant	1,035,382	-
Gas transportation income	Shariah Compliant	2,159,301	919,888
Miscellaneous	Shariah Compliant	16,787	22,474

The Company has business relationship with Islamic banks in the ordinary course of business. Disclosures other than the above are not applicable to the Company.

26 Events after the reporting period

The Board of Directors of the Company in its meeting held on February 27, 2026 has proposed an interim cash dividend of Rs Nil per share, amounting to Rs Nil for the year ending June 30, 2026.

27 Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

28 Date of authorization for issue

These condensed interim financial statements were authorized for issue on February 27, 2026 by the Board of Directors of the Company.



Chairman



Chief Financial Officer



Chief Executive



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