

# Powering a Better Tomorrow

Un-Audited Condensed  
Interim Financial Information  
for the half year ended  
December 31, 2025



EMERSON



BIO-GAS  
PLANT



RLNG CONNECTIONS  
FOR CUSTOMERS



Sui Southern Gas  
Company Limited



Unconsolidated Condensed Interim Financial Information (Un-Audited)  
for the Half year ended December 31, 2025

# CORPORATE PROFILE

## BOARD OF DIRECTORS

AS ON DECEMBER 31, 2025

Mr. Asif Inam	Chairman	Mr. Muhammad Akram	Director
Ms. Saira Najeeb Ahmed	Director	Mr. Muhammad Rehan Hashmi	Director
Mr. Usman Ahmed Chaudhry	Director	Mr. Muhammad Ali Khan	Director
Mr. Muhammad Dawood Bazai	Director		
Mr. Navaid Hasib Malik	Director		
Mr. Zuhair Siddiqui	Director		
Ms. Salima Amin Feerasta	Director		
Mr. Khalid Rahman	Director		

### ACTING MANAGING DIRECTOR

Mr. Amin Rajput

### COMPANY SECRETARY

Mr. Fawad Ahmed Khan

### AUDITORS

M/s. BDO Ebrahim & Co., Chartered Accountants

### LEGAL ADVISOR

M/s. Liaquat Merchant Associates (LMA)

### REGISTERED OFFICE

SSGC House, Sir Shah Suleman Road  
Gulshan-e-Iqbal, Block 14, Karachi – 75300, Pakistan

### CONTACT DETAILS

Ph: 92-21-99021000  
Fax: 92-21-99224279  
Email: info@ssgc.com.pk  
Web: www.ssgc.com.pk

### SHARE REGISTRAR

CDC Share Registrar Services Limited,  
CDC House, 99-B, Block B, SMCHS,  
Main Sharah-e-Faisal, Karachi.  
Ph: 021-111-111-500

## BOARD OF DIRECTORS' COMMITTEES

### BOARD HUMAN RESOURCE AND REMUNERATION & NOMINATION COMMITTEE

Mr. Asif Inam	Chairman
Ms. Saira Najeeb Ahmed	Member
Mr. Usman Ahmed Chaudhry	Member
Mr. Navaid Hasib Malik	Member
Ms. Salima Amin Feerasta	Member
Mr. Muhammad Dawood Bazai	Member

### BOARD FINANCE AND PROCUREMENT COMMITTEE

Ms. Saira Najeeb Ahmed	Chairperson
Mr. Khalid Rahman	Member
Mr. Navaid H. Malik	Member
Mr. Usman Ahmed Chaudhry	Member
Ms. Salima Amin Feerasta	Member

### BOARD AUDIT COMMITTEE

Mr. Khalid Rahman	Chairman
Ms. Saira Najeeb Ahmed	Member
Mr. Usman Ahmed Chaudhry	Member
Ms. Salima Amin Feerasta	Member
Mr. Zuhair Siddiqui	Member

### BOARD RISK MANAGEMENT, LITIGATION AND HSEQA COMMITTEE

Mr. Muhammad Rehan Hashmi	Chairman
Mr. Muhammad Dawood Bazai	Member
Mr. Navaid Hasib Malik	Member
Mr. Khalid Rahman	Member
Mr. Muhammad Akram	Member
Ms. Salima Amin Feerasta	Member

### BOARD SPECIAL COMMITTEE ON UFG

Mr. Zuhair Siddiqui	Chairman
Mr. Usman Ahmed Chaudhry	Member
Mr. Muhammad Dawood Bazai	Member
Mr. Muhammad Ali Khan	Member
Mr. Muhammad Rehan Hashmi	Member
Mr. Muhammad Akram	Member

# DIRECTORS' REVIEW

FOR THE HALF YEAR PERIOD ENDED DECEMBER 31, 2025

## Financial Overview

The Board of Directors of SSGC is pleased to present the interim financial statements for the period ended December 31, 2025.

During the first half of FY 2025-26, SSGC maintained the already achieved improvement in operational performance and financial recovery. The Key highlight was the Profit despite strict challenges due to drastic reduction in bulk business (Captive Power Plants) and additional supplies to Domestic Sector in Balochistan due to winter season, reflecting commitment to operational discipline and business ethics. The Company reported a Profit after Tax of Rs. 290 million and Earnings per Share of Rs. 0.33.

## Financial Highlights

	December 2025	December 2024	Variation
	<b>(Rupees in Million)</b>		
Profit before Taxation	1,241	6,949	(5,708)
Taxation & Levy	(951)	(261)	(690)
Profit after Taxation & Levy	290	6,688	(6,398)
Earnings per share (Rs.)	0.33	7.59	(7.26)

Despite challenging operating environment, SSGC's strategic focus on enhancing operational efficiencies has led to maintain UFG numbers during the period. . Over the period from FY 2018-19 to FY 2024-25, SSGC achieved a cumulative reduction of approximately 42 BCF in UFG, demonstrating consistent efforts to address operational challenges.

During the period Jul-Dec 2025, despite massive reduction in gas sales to Bulk and Industrial sectors primarily due to the imposition of Off-grid Levy on Captive Power Plants (CPPs) and related reduced demand, the Company managed to maintain the volumetric unaccounted-for-Gas (UFG) at par comparing to corresponding period last year. Volumetric UFG stood at 14.14 BCF during the instant period compared to 14.09 BCF in Jul-Dec 2024.

However, owing to substantial depletion in indigenous natural gas supplies resulted in an approximate 10 BCF reduction in total gas purchases, and the percentage UFG maintained at 12.27%, compared to 11.30% in the same period last year. This minor increase is predominantly attributable to a reduced gas input base (denominator effect) rather than any deterioration in UFG volumes or system efficiency.

Despite above briefed circumstances, management remains fully committed to executing targeted reduction strategies to close the financial year with net UFG savings across both volumetric and percentage metrics.

Recognizing the critical impact of UFG on overall profitability, the Board of Directors, in close coordination with management, continues to support the UFG related initiatives to achieve sustainable, long-term loss reductions. Targeted measures are being pursued to curtail UFG levels throughout the upcoming quarters of FY 2025-26.

## Profitability and Financial Adjustments

SSGC's profitability is primarily derived from the Guaranteed Return Formula prescribed by OGRA, which is based on the Weighted Average Cost of Capital (WACC). However, adjustments related to efficiency benchmarks, including UFG, Human Resource Benchmark Costs, and Provision for Doubtful Debts, impact the bottom line.

The Weighted Average Cost of Gas (WACOG), largely based on USD, has been a significant factor in the Company's financial challenges. During the half year, the WACOG increased by 3.96%, from Rs. 1,107.81 per MCF to Rs. 1,151.64 per MCF, resulting in incremental UFG disallowance of Rs. 234 million.

In line with OGRA's determination for FY 2024-25 issued on October 06, 2025, UFG disallowance absorbed in this quarter amounted to Rs. 6,164 million (December 2024: Rs. 5,251 million). Finance cost for the period was Rs. 8,055 million (December 2024: Rs. 6,713 million).

## Operational Enhancements

SSGC's maintained its steadfast commitment to deliver optimum gas supplies, improved customers satisfaction, and minimizing UFG losses through the following measures:

SSGC has consistently enhanced its organizational structure by implementing measures such as upskilling, training, and optimizing resource utilization. The Small Business Unit (SBU) model, already operational in Karachi and Balochistan, has now been expanded across the franchise area.

The gas supplies to JJVL plant started in November 2025.

## Major Projects and Future Outlook

SSGC remained committed for achieving operational and financial sustainability. Key projects and initiatives include:

- **Rehabilitation:** An annual target of 2,500 km has been set for FY 2025–26, with average monthly progress exceeding 200 km under close monitoring of rehabilitation and reinforcement projects. During the July-December 2025, approximately 1,250 kms of the distribution network has been rehabilitated, covering major areas including Malir, North Karachi, North Nazimabad, FB Area, and various locations in Upper Sindh. In addition, decommissioning of old rehabilitated networks has been completed in Garden, North Nazimabad, Lyari, and North Karachi, while work in Malir is currently in progress.
- **Gas Theft:** Approximately 26,000 theft connections have been disconnected, resulting in a cumulative gas volume claim of 3,100 MMCF on Supply Mains. In addition, 50,505 locations have been disconnected involving direct theft.
- **Pressure Management and Customer Service:** Pressure management has been significantly improved through network segmentation and GIS visibility. Customer service standards have also been enhanced, with 90 percent of low-pressure complaints resolved during the Jul-Dec of FY 2025.
- **Technology and Innovation:** SSGC is continuously exploring new initiatives in detecting gas leakages with more precision and accuracy and locating underground buried synthetic/ PE pipelines. The commitments have been made for the Mobile Gas Leak Detection system with ethane and methane selectivity and synthetic pipeline locators, along with the TBS and SMS Automation and Control System (Phase II) covering 47 Town Border Stations and 16 Sales Meter Stations.
- **Billing Improvements:** Surveys of suspected gas meters have been conducted to identify faulty Meters and enhance domestic sales. In addition, technology-based billing mobile dashboards have been developed to monitor live meter readings and analyze billing data, theft detection and meter readers performance enabling timely identification and resolution of shortcomings.

## Acknowledgements

The Board extends its gratitude to the shareholders, valued customers, and employees for their unwavering support and dedication. We also acknowledge the guidance and assistance provided by the Government of Pakistan, the Ministry of Energy (Petroleum Division), and OGRA in enabling the Company to achieve its objectives.

On behalf of the Board.



**Asif Inam**  
Chairperson

**Dated:** February 26, 2026

**Place:** Karachi



**M. Amin Rajput**  
Managing Director

# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SUI SOUTHERN GAS COMPANY LIMITED REPORT ON REVIEW OF CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS

## Introduction

We have reviewed the accompanying condensed unconsolidated interim statement of financial position of SUI SOUTHERN GAS COMPANY LIMITED ("the Company") as at December 31, 2025 and the related condensed unconsolidated interim statement of profit or loss, condensed unconsolidated interim statement of comprehensive income, condensed unconsolidated interim statement of changes in equity, and condensed unconsolidated interim statement of cash flows, and notes to the condensed unconsolidated interim financial statements for the half year then ended (here-in-after referred as the "condensed unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed unconsolidated interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed unconsolidated interim financial statements based on our review.

## Scope of Review

Except as explained in the following paragraph, 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 information 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

1. As disclosed in notes 7.1 and 7.2 to these condensed unconsolidated interim financial statements, trade debts include receivables of Rs. 26,289 million and Rs. 21,770 million from K-Electric Limited (KE) and Pakistan Steel Mills Corporation (Private) Limited (PSML), respectively. Significant portion of such receivables include overdue amounts, which have been considered good by management and classified as current assets in the condensed unconsolidated interim financial statements. Further, KE and PSML have disputed the Late Payment Surcharge (LPS) on their respective outstanding balances, as disclosed in the notes to the condensed unconsolidated interim financial statement as unrecognized LPS. As a result, management has decided to recognize LPS from these entities on a receipt basis, effective July 01, 2012.

Due to the adverse operational and financial conditions of PSML and disputes with KE and PSML with the Company on LPS, and large accumulation of their respective overdue amounts, we were unable to determine the extent to which the total amounts due from KE and PSML were likely to be recovered including the timeframe over which such recovery will be made.

2. As disclosed in note 3.2 to the condensed unconsolidated interim financial statements, the Company was exempt to comply with the requirements of IFRS 14- Regulatory Deferral Accounts in relation to the preparation of the financial statements till June 30, 2024 by the Securities and Exchange Commission of Pakistan (SECP) vide its letter SMD/PRDD/Comp/(4)/2021/168 dated December 03, 2024. The Company has taken up the matter with concerned authorities to seek further exemption from the applicability of the aforesaid IFRS vide its letter MD/MoE/12/2025 dated June 17, 2025. In the absence of the related exemption for the current reporting period, the Company has not complied with the requirements of IFRS 14 including necessary accounting adjustments, presentation and related disclosure requirements necessary to be incorporated in these condensed unconsolidated interim financial statements. Had the Company incorporated the consequential accounting effects including related disclosures, the reported balances of the Tariff adjustment in other receivable and trade and other payable (note 9.1 and 13.3), Tariff adjustment amount in net revenue (note 17) and Earnings per share (note 23) would have required adjustments, effect of which remains indeterminable.

## Qualified Conclusion

Except for the adjustments, to the condensed unconsolidated interim financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed unconsolidated interim financial statements as at and for the half year ended December 31, 2025 are 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 the following:

1. note 16.1 to the condensed unconsolidated interim financial statements which inter alia describe that the Company is subject to various material litigations and claims pending adjudication in different courts and forums. The outcome of these cases is uncertain and beyond management's control;
2. note 13.2 to the condensed unconsolidated interim financial statements which describe that the Company has not recognized the accrued markup up to December 31, 2025 amounting to Rs. 428,977 million relating to Government Controlled E&P Companies based on Government advice and a legal opinion.

Our conclusion is not modified in respect of the above stated matters.

## Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the six-month, 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 unconsolidated interim statement of profit or loss and condensed unconsolidated interim statement of comprehensive income for the three months period ended December 31, 2025 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Nadeem.

**Dated: 27 February, 2026**  
**Place: Karachi**  
**UDIN: RR202510110hSznw2GRq**

  
**M/s BDO Ebrahim & Co.**  
**Chartered Accountants**

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

**As at December 31, 2025**

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	240,226,365	228,656,118
Intangible assets		216,488	255,948
Right of use assets		91,571	87,460
Deferred taxation		14,931,715	11,160,804
Long term investments	6	1,606,973	1,556,387
Long term loans		450,895	518,309
Long term deposits		23,944	23,030
<b>Total non-current assets</b>		<b>257,547,951</b>	<b>242,258,056</b>
<b>Current assets</b>			
Stores, spares and loose tools		5,279,287	4,350,843
Stock-in-trade		3,446,087	3,214,955
Customers' installation work in progress		269,671	249,970
Trade debts	7	130,795,274	130,704,773
Loans and advances		431,632	1,017,033
Advances, prepayments and deposits		865,090	664,034
Interest accrued	8	721,502	690,544
Other receivables	9	689,603,899	681,401,627
Taxation - net		46,502,808	48,768,689
Cash and bank balances		2,057,463	1,187,075
<b>Total current assets</b>		<b>879,972,713</b>	<b>872,249,543</b>
<b>Total assets</b>		<b>1,137,520,664</b>	<b>1,114,507,599</b>

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



**Asif Inam**  
Chairman



**Muhammad Amin Rajput**  
Managing Director



**Wajeeh Uddin Sheikh**  
Chief Financial Officer

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

**As at December 31, 2025**

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised Share Capital		10,000,000	10,000,000
Issued, subscribed and paid-up capital		8,809,163	8,809,163
<b>Reserves</b>			
Capital Reserves			
Surplus on revaluation of property plant and equipment		59,835,137	59,835,137
Other reserves		234,868	234,868
Revenue Reserves		(60,710,836)	(60,610,719)
		<b>8,168,332</b>	<b>8,268,449</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term financing	10	8,028,354	11,049,039
Security deposit		41,554,479	39,086,356
Employee benefits		10,315,997	9,623,940
Payable against transfer of pipeline		381,300	430,722
Deferred credit	11	5,280,222	5,612,881
Contract liabilities	12	13,164,405	12,248,838
Lease liability		18,734	11,732
Long term advances		3,566,670	3,610,466
<b>Total non-current liabilities</b>		<b>82,310,161</b>	<b>81,673,974</b>
<b>Current liabilities</b>			
Current portion of:			
Long term financing	10	33,687,851	42,354,518
Payable against transfer of pipeline		96,681	92,447
Deferred credit	11	622,237	573,451
Contract liabilities	12	323,936	334,269
Lease liabilities		75,679	78,527
Trade and other payables	13	900,032,866	895,653,702
Short term borrowings	14	109,083,682	82,806,374
Unclaimed dividend		603,686	341,320
Interest accrued	15	2,515,553	2,330,568
<b>Total current liabilities</b>		<b>1,047,042,171</b>	<b>1,024,565,176</b>
<b>Total liabilities</b>		<b>1,129,352,332</b>	<b>1,106,239,150</b>
<b>Total equity and liabilities</b>		<b>1,137,520,664</b>	<b>1,114,507,599</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



**Asif Inam**  
Chairman



**Muhammad Amin Rajput**  
Managing Director



**Wajeeh Uddin Sheikh**  
Chief Financial Officer

## CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the Half year and Quarter ended December 31, 2025 (unaudited)

	Note	Half year ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
------(Rupees in '000)-----					
Revenue from contracts with customers - Gas sales	17	189,106,024	244,091,531	91,204,421	111,150,475
Less: Tariff adjustments	18	(7,592,151)	(19,746,570)	2,934,299	(1,793,807)
Net revenue		181,513,873	224,344,961	94,138,720	109,356,668
Cost of revenue	19	(178,068,004)	(217,022,469)	(90,743,689)	(106,654,856)
Gross Profit		3,445,869	7,322,492	3,395,031	2,701,812
Administrative and selling expenses		(3,922,408)	(3,614,337)	(2,042,458)	(1,806,850)
Other operating expenses	20	(165,058)	(496,772)	(147,281)	(828,450)
Allowance for expected credit loss		(6,677,704)	(2,383,832)	(4,091,019)	(593,236)
		(10,765,170)	(6,494,941)	(6,280,758)	(3,228,536)
		(7,319,301)	827,551	(2,885,727)	(526,724)
Other income	21	16,616,507	12,835,484	7,485,207	5,859,955
Operating profit		9,297,206	13,663,035	4,599,480	5,333,231
Finance cost		(8,055,957)	(6,713,701)	(4,760,540)	(3,298,351)
Profit / (loss) before levy and taxation		1,241,249	6,949,334	(161,060)	2,034,880
Levy					
Minimum tax differential		(949,839)	(258,007)	110,065	(217,707)
Final tax		(1,656)	(2,966)	(1,371)	(194)
		(951,495)	(260,973)	108,694	(217,901)
Profit / (loss) before taxation		289,754	6,688,361	(52,366)	1,816,979
Taxation	22	-	-	-	-
Profit / (loss) for the period		289,754	6,688,361	(52,366)	1,816,979
Earning / (loss) per share - basic and diluted (Rupees)	23	0.33	7.59	(0.06)	2.06

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



Asif Inam  
Chairman



Muhammad Amin Rajput  
Managing Director



Wajeeh Uddin Sheikh  
Chief Financial Officer

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**For the Half year and Quarter ended December 31, 2025 (unaudited)**

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	------(Rupees in '000)-----			
Profit / (Loss) for the period	289,754	6,688,361	(52,366)	1,816,979
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss in subsequent periods:				
Remeasurement gain / (loss) on investment through other comprehensive income	50,586	198,489	(36,859)	192,845
<b>Total comprehensive income / (loss) for the period</b>	<b>340,340</b>	<b>6,886,850</b>	<b>(89,225)</b>	<b>2,009,824</b>

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



**Asif Inam**  
Chairman



**Muhammad Amin Rajput**  
Managing Director



**Wajeeh Uddin Sheikh**  
Chief Financial Officer

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**For The Half year ended December 31, 2025 (unaudited)**

	Capital Reserves			Revenue Reserves			Total Equity
	Issued, subscribed and paid-up capital	Other Reserves	Surplus on revaluation of property plant and equipment	Other Reserves	Surplus on re-measurement of FVTOCI investments	Accumulated losses	
	(Rupees in '000)						
<b>Balance as at July 1, 2024 (Audited)</b>	8,809,163	234,868	59,835,137	4,672,533	220,178	(67,854,673)	5,917,206
<b>Total comprehensive income for the period ended December 31, 2024</b>							
Profit for the period	-	-	-	-	-	6,688,361	6,688,361
Other comprehensive income for the period	-	-	-	-	198,489	-	198,489
Balance as at December 31, 2024	<u>8,809,163</u>	<u>234,868</u>	<u>59,835,137</u>	<u>4,672,533</u>	<u>418,667</u>	<u>(61,166,312)</u>	<u>12,804,056</u>
<b>Balance as at July 1, 2025 (Audited)</b>	8,809,163	234,868	59,835,137	4,672,533	417,582	(65,700,833)	8,268,450
<b>Transactions with the owners in their capacity as owners</b>							
Final dividend for the fiscal year 2024-25 @ Rs. 0.50 per share	-	-	-	-	-	(440,458)	(440,458)
<b>Total comprehensive income for the period ended December 31, 2025</b>							
Profit for the period	-	-	-	-	-	289,754	289,754
Other comprehensive income for the period	-	-	-	-	50,586	-	50,586
Total comprehensive income for the period	-	-	-	-	50,586	289,754	340,340
Balance as at December 31, 2025	<u>8,809,163</u>	<u>234,868</u>	<u>59,835,137</u>	<u>4,672,533</u>	<u>468,168</u>	<u>(65,851,537)</u>	<u>8,168,332</u>

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



**Asif Inam**  
Chairman



**Muhammad Amin Rajput**  
Managing Director



**Wajeeh Uddin Sheikh**  
Chief Financial Officer

## CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOW

For The Half year ended December 31, 2025 (unaudited)

	Note	Half Year ended	
		December 31, 2025	December 31, 2024
----- (Rupees in '000) -----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,241,249	6,949,334
Cash generated from operations	24	10,271,833	13,833,067
Financial charges paid		(8,300,046)	(7,558,542)
Employee benefits - post-retirement medical benefit		(99,127)	(111,260)
Payment for retirement benefits		(407,994)	(1,534,731)
Long term deposits		2,467,209	7,101,785
Loans and advances to employees		652,815	352,231
Interest income received		67,394	313,090
Income taxes paid		(2,456,526)	(9,014,090)
Net cash from operating activities		3,436,807	10,330,884
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition for property, plant and equipment		(16,903,024)	(16,262,712)
Payments against transfer of pipeline		(67,866)	(67,866)
Proceeds from sale of property, plant and equipment		53,149	39,600
Dividend received		11,039	19,774
Net cash (used in) investing activities		(16,906,702)	(16,271,204)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayments of loans		(11,708,333)	(3,839,365)
Proceeds from consumer finance		3,978	-
Repayment of consumer finance		(115)	(137)
Dividend paid		(178,092)	-
Repayment of lease liability		(54,463)	(56,901)
Net cash (used in) financing activities		(11,937,025)	(3,896,403)
Net decrease in cash and cash equivalents		(25,406,920)	(9,836,723)
Cash and cash equivalents at beginning of the period		(81,619,299)	(36,651,604)
Cash and cash equivalents at end of the period	25	(107,026,219)	(46,488,327)

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



Asif Inam  
Chairman



Muhammad Amin Rajput  
Managing Director



Wajeeh Uddin Sheikh  
Chief Financial Officer

## NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS

For The Half year ended December 31, 2025 (unaudited)

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 Sui Southern Gas Company Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Act, 2017 (repealed Companies Ordinance, 1984) and is listed on Pakistan Stock Exchange. The Company came into being on March 30, 1989 after the amalgamation of Karachi Gas Company, Indus Gas Company and Sui Gas Transmission Company. The main activity of the Company is transmission and distribution of natural gas in Sindh and Balochistan. The Company is also engaged in certain activities related to the gas business including the manufacturing and sale of gas meters, LPG air mix and construction contracts for laying of pipelines.

These condensed unconsolidated interim financial statements are separate than condensed consolidated interim financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

The registered office of the Company is situated at SSGC House, Sir Shah Muhammad Suleman Road, ST-4/B, Block 14, Gulshan- e-Iqbal, Karachi. The meter manufacturing plant is situated at its' registered office.

<u>Region</u>	<u>Address</u>
Karachi West	Plot No. F-36 and F-37 SITE Area, Karachi.
Karachi East	Plot # 21/1, Sector 22, Korangi Industrial Area, Karachi.
Karachi Central	SSGC Karachi Terminal opposite Safari Park Main University Road, Karachi.
Hyderabad	Opposite New Eidgah, National Highway Qasimabad, Hyderabad.
Nawabshah	Near Sikandar Art Gallery Housing Society, Nawabshah.
Sukkur	Golimar Road, SITE area, Sukkur.
Larkana	Near Shaikh Zaid Women Hospital, Larkana.
Quetta	Samungli Road, Quetta.

### 1.2 Regulatory framework

Under the provisions of license given by the Oil and Gas Regulatory Authority (OGRA) under the OGRA Ordinance, 2002, the Company is provided with a minimum annual return before taxation based on Weighted Average Cost of Capital ('WACC') from the year 2019 in place of the fixed rate of return of the average operating assets excluding interest, other non-operating expenses and non-operating income from the reference figures.

The determination of annual required return is reviewed by OGRA, under the terms of the license for transmission, distribution and sale of natural gas, targets and parameters set by OGRA. Income earned in excess / (short) of the above guaranteed return is payable to / recoverable from the Government of Pakistan (GoP).

## 2 BASIS FOR PREPARATION

### 2.1 Statement of compliance

These condensed unconsolidated 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 of;

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

-Provisions of, directives and notifications issued under the Companies Act, 2017; 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 Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

In case requirements of the SOE Act or the SOE Policy or the directives issued thereunder differ from the Companies Act, 2017, 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 requirements of IAS 34, the provisions of the SOE Act or the SOE Policy or the directives issued thereunder shall prevail to the extent of such difference.

These condensed unconsolidated interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Act. These condensed unconsolidated interim financial statements do not include all the information and disclosures required in the annual unconsolidated financial statements, and should be read in conjunction with the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2025.

However selected explanatory notes are 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 unconsolidated annual financial statements.

## **2.2 Basis of measurement**

These condensed unconsolidated interim financial statements have been prepared under the historical cost convention unless stated otherwise.

## **2.3 Functional and presentation currency**

These condensed unconsolidated interim financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Company.

## **3 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies adopted for the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the Company's annual unconsolidated financial statements as at and for the year ended June 30, 2025.

### **3.1 Changes in accounting standards, interpretations and amendments to accounting and reporting standards**

#### **a) Standards, amendments and interpretations to approved accounting standards that are effective during the period ended December 31, 2025**

Certain standards, amendments and interpretations to approved accounting standards are effective for annual accounting periods beginning on January 01, 2025, but are considered not to be relevant or did not have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

#### **b) Standards, amendments and interpretations to existing approved accounting standards that are not yet effective and have not been early adopted by the Company**

There are certain standards, amendments and interpretation to the approved accounting standards that are mandatory for the Company's annual accounting periods beginning on or after January 01, 2026, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed unconsolidated interim financial statements.

### 3.2 Non-Compliance with IFRS 14 Regulatory Deferral Accounts

In terms of SECP's Notification S.R.O.1480 (1)/2019 dated July 01, 2019, the Company was granted exemption from the requirements of IFRS 14 Regulatory Deferral Accounts which was further extended from time to time and the latest exemption was available till June 30, 2024 vide its letter SMD/PRDD/Comp/(4)/2021/168 dated December 03, 2024.

The Company has taken up the matter of further extension with the concerned authorities, however, as of reporting date, the exemption is not available accordingly, the Company has not incorporated any adjustment and / or presentation and disclosure requirements as laid down under IFRS 14 in these condensed unconsolidated interim financial statements.

## 4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the preparation of the condensed unconsolidated interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and incomes and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed unconsolidated interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the unconsolidated financial statements as at and for the year ended June 30, 2025.

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	----- (Rupees in '000) -----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>214,194,222</b>	215,010,277
Capital work-in-progress	5.4	<b>26,032,143</b>	13,645,841
		<b><u>240,226,365</u></b>	<u>228,656,118</u>
<b>5.1</b> Following is the movement in operating fixed assets during the period / year:			
Operating fixed assets (WDV) - opening balance		<b>215,010,277</b>	189,159,124
Add: Additions (including transfers from CWIP) during the period / year	5.2	<b>4,918,714</b>	36,643,232
		<b><u>219,928,991</u></b>	<u>225,802,356</u>
Less: Disposals during the period / year (WDV)	5.3	<b>(18,628)</b>	(520,681)
Depreciation charge for the period / year		<b>(5,716,141)</b>	(10,271,398)
Operating fixed assets (WDV) - closing balance		<b><u>214,194,222</u></b>	<u>215,010,277</u>

	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
Note	----- (Rupees in '000) -----	
<b>5.2 Following additions were made during the period / year in operating fixed asset:</b>		
Freehold land	12,309	-
Leasehold land	-	392,909
Buildings on leasehold land	11,992	259,998
Gas transmission pipeline	278,257	4,098,943
Gas distribution system	3,134,867	29,262,603
Telecommunication	43,966	14,138
Plant and machinery	436,989	1,268,821
Tools and equipment	8,248	24,621
Compressors	539,890	411,022
Motor vehicles	400,534	330,506
Furniture and fixture	16,160	4,832
Office equipment	15,755	68,164
Computer and ancillary equipment	19,743	506,675
	<b>4,918,714</b>	<b>36,643,232</b>
<b>5.3 Disposal during the period / year - WDV</b>		
Gas distribution system	-	495,447
Telecommunication	530	112
Plant and machinery	2,004	5,311
Tools and equipment	-	21
Motor vehicles	16,094	19,791
	<b>18,628</b>	<b>520,681</b>
<b>5.4 Capital work in progress</b>		
Projects:		
Gas distribution system	12,943,883	4,709,312
Gas transmission system	216,285	93,259
Cost of buildings under construction and others	1,013,626	743,738
	<b>14,173,794</b>	<b>5,546,309</b>
Stores and spares held for capital projects - net	12,046,315	8,287,498
LPG air mix plant	264,586	264,586
	<b>12,310,901</b>	<b>8,552,084</b>
Less: Impairment of capital work in progress	(452,552)	(452,552)
	<b>26,032,143</b>	<b>13,645,841</b>

**5.4.1** Additions to capital expenditures incurred during the period amounting to Rs. 16,903 million (June 2025: Rs. 33,336 million).

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	----- (Rupees in '000) -----	
<b>5.4.2 Stores and spares held for capital projects</b>			
Stores and spares held for capital projects		12,555,588	8,766,016
Less: Provision for impairment		(509,273)	(478,518)
		<b>12,046,315</b>	<b>8,287,498</b>
<b>6 LONG TERM INVESTMENTS</b>			
At cost			
Investment in subsidiary	6.1	1,102,278	1,102,278
At fair value through other comprehensive income			
Associate and other investments	6.2	504,695	454,109
		<b>1,606,973</b>	<b>1,556,387</b>
<b>6.1 Investment in subsidiaries</b>			
SSGC LPG Limited			
100,000,000 (2025: 100,000,000)			
ordinary shares of Rs. 10 each			
(wholly owned subsidiary)		1,000,000	1,000,000
Unwinding effect of			
interest free loan		82,278	82,278
SSGC Alternate Energy (Private) Limited			
2,000,000 (2025: 2,000,000)			
ordinary shares of Rs. 10 each			
(wholly owned subsidiary)		20,000	20,000
		<b>1,102,278</b>	<b>1,102,278</b>
<b>6.2 Investment - at fair value through other comprehensive income</b>			
<b>Investment in related parties</b>			
Sui Northern Gas Pipelines Limited			
2,414,174 (June 2025: 2,414,174) ordinary			
shares of Rs. 10 each		288,542	281,758
Pakistan Refinery Limited			
3,150,000 (June 2025: 3,150,000) ordinary			
shares of Rs. 10 each		115,416	106,880

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>Other investments</b>			
United Bank Limited		100,737	65,471
237,256 (June 2025: 237,256) ordinary shares of Rs. 10 each		<b>504,695</b>	<b>454,109</b>
<b>7 TRADE DEBTS</b>			
Considered good			
-secured		35,170,770	38,969,911
-unsecured		95,624,504	91,734,862
	7.1 & 7.2	<b>130,795,274</b>	<b>130,704,773</b>
Considered doubtful		39,958,779	33,161,685
		<b>170,754,053</b>	<b>163,866,458</b>
Less: Allowance for expected credit loss	7.3	<b>(39,958,779)</b>	<b>(33,161,685)</b>
		<b>130,795,274</b>	<b>130,704,773</b>

**7.1** It includes receivable from K-Electric Limited (KE) related to the sale of indigenous gas amounting to Rs. 26,289 million being a long outstanding balance (June 2025: Rs. 26,289 million), excluding Gas Infrastructure Development Cess (GIDC).

As KE has been continuously defaulting and not making principal as well as LPS payment, the Company filed a suit against KE in the Honourable High Court of Sindh (HCS) in November 2012, for recovery of Rs. 55,705 million including principal outstanding amounting to Rs. 45,705 million on account of the supply of gas and Rs. 10,000 million on account of LPS. In addition, KE has also filed a case against the Company in the HCS for recovery of damages/losses of Rs. 61,614 million as KE claimed that the Company had not supplied the committed quantity of natural gas to KE.

The above suit has been filed based as per the agreement dated June 30, 2009 which was entered between the Company and KE for making outstanding payment in 18 installments. The Company was entitled to charge LPS on outstanding principal amount at rate highest of:

- a. OD rate being paid by the Company; or
- b. rate at which interest is payable on gas producer bills.

Despite the agreement, KE continuously defaulted on installment payments, and the Company therefore charged LPS up to June 2016. However, in line with opinions from firms of Chartered Accountants, the management decided to recognize LPS on a receipt basis effective from July 1, 2012, and accordingly reversed the LPS income that had been recognized from June 30, 2012 onwards.

However, the Company maintains a memorandum records which indicate an aggregate LPS income of Rs. 213,984 million (June 2025: Rs.202,744 million) including LPS income for the period ended December 31, 2025 of Rs. 11,240 million (June 2025: Rs. 24,048 million) which has not been recognized in these unconsolidated financial statements. As of the reporting date, the aggregate claim on account of disputed balances works out to be Rs. 243,636 million (including GIDC of Rs. 3,363 million).

In view of the legal counsel of the Company, the management considers outstanding balance as good and recoverable. The legal counsel also viewed that the Company has a valid claim over LPS on outstanding balance, but considering that the matter is in dispute, as discussed above, the Company has decided to recognize LPS from KE when either such claimed amounts are recovered or when these are decreed and their recovery is assured.

In March, 2014, the Company signed a payment plan with KE in order to streamline the payment modalities in relation to current monthly bills and old outstanding principal amount, in which the issue of LPS was not addressed. The plan expired on March 31, 2015, and first addendum was included to the original payment plan effective from April 01, 2015 to March 31, 2016. Upon expiry, the second addendum was included to the original payment plan on June 18, 2016 effective from April 01, 2016 to March 31, 2017. Currently, management is in the process of negotiating a payment plan, which has not been finalized till the filing of these unconsolidated financial statements but the supply of gas and payment is continuing as per old plan.

In June 2022, a Task Force was constituted by the then Prime Minister to resolve issues/disputes related to KE. During their meetings, it was decided to enter into a multi-party Mediation Agreement in order to resolve KE's receivables and payables issues between all the stakeholders. Accordingly, after deliberations, a Mediation Agreement has been executed between the Stakeholders. The Federal Cabinet also ratified the decision and the Mediation Agreement was also cleared by Law & Justice Division.

The parties then submitted their respective claims with the Mediator. First mediation meeting was held in May 2024 which was attended by all the parties except Karachi Water Sewerage Board which refused to join the mediation process and did not attend the proceedings. During the course of second meeting which was held on August 15, 2024, the counsel for Central Power Purchasing Authority (CPPA-G), National Transmission and Dispatch Company (NTDC) and Government of Pakistan informed the Mediator that the time period provided in the Mediation Agreement for rendering an opinion by the Mediator has lapsed (which was sixty (60) days from the date of appointment of Mediator, extendable by a further thirty (30) days).

As a result, Ministry of Energy (MoE) vide letter dated September 18, 2024, shared a draft summary to be moved by the Power Division for the consideration and approval of the Economic Coordination Committee (ECC) regarding extension on the period of determination by the Mediator for a further period of sixty (60) days. In this respect, the Company shared its views / comments on the draft ECC summary, that any further extensions can be done with mutual consent by all the parties.

In view of the above, ECC vide its decision dated February 03, 2025 has approved the summary / proposal of Power Division to amend the Mediation Agreement to provide for a further period of ninety (90) days from the date of approval for concluding the Mediation process.

Subsequently, the Mediator held several meetings with the stakeholders; however, the Mediator vide its letter dated June 05, 2025 submitted that the mediation proceedings were concluded on the note that a mutually acceptable agreement in a collaborative and consensual manner is not possible. As such the mediation was formally closed without settlement.

- 7.2** It includes receivables from Pakistan Steel Mills Corporation Limited (PSML) amounting to Rs. 21,770 million (excluding GIDC of Rs. 2,664 million) (June, 2025: Rs. 21,770 million) which includes a LPS of Rs. 2,051 million (June, 2025: Rs. 2,051 million) receivable against sale of indigenous gas. This includes an overdue amount of Rs. 21,770 million (June, 2025: Rs. 21,770 million) excluding GIDC.

The PSML has been defaulting and not making payments of principal as well as LPS, therefore Company charged LPS up to June 2016. However, in line with opinions from firms of Chartered Accountants, the management decided to recognize LPS on a receipt basis effective from July 1, 2012, and accordingly reversed the LPS income that had been recognized from June 30, 2012 onwards.

However, the Company maintains a memorandum account showing aggregate LPS income of Rs. 75,231 million (June 2025: Rs. 75,231 million) which has not been recognized in the unconsolidated financial statements. However in July 2024, gas supply to PSML has been disconnected, therefore, no LPS recorded in the memorandum account after July 2024. The aggregate legal claim of Rs. 99,665 million including Rs. 2,664 million GIDC.

The Company filed a suit in the HCS in April 2016, for recovery of its outstanding amount of gas bills and LPS aggregate claim amounting to Rs. 41,354 million up to February 2016.

On April, 2016, the HCS passed an order restraining PSML from creating any third party interest in relation to its assets including but not limited to immovable assets owned by it upto the extent of this amount.

PSML has filed its counter claim approximately of Rs. 38,660 million on account of losses due to low gas pressure provided to PSML from March 2015 to December 2016. Legal counsel of the Company is of the view that due to vagaries of litigation nothing could be expressed with any degree of certainty in the contested matters.

Currently, PSML's financial position is adverse, and has no capacity to repay its obligations on its own, therefore, the entire amount as appeared in books of account was claimed from OGRA in the determination of Final Revenue Requirement (FRR) FY 2024-25 of the Company. OGRA in its decision directed the Company to take up the matter of PSML's outstanding balances with the Federal Government (FG) for a comprehensive resolution.

**December 31,**      **June 30,**  
**2025**                      **2025**  
**(Un-audited)**        **(Audited)**  
**Note**      -----**(Rupees in '000)**-----

**7.3 The movement in allowance for expected credit loss is as follows:**

Opening balance	<b>33,161,685</b>	27,445,368
Provision made during the period / year	<b>6,677,704</b>	5,716,317
Closing balance	<b>39,958,779</b>	<b>33,161,685</b>

**8 INTEREST ACCRUED**

Interest accrued on late payment of bills / invoices from:

- Jamshoro Joint Venture Limited	<b>302,178</b>	239,689
Sales tax refund	<b>487,739</b>	487,739
Bank deposits	<b>28,610</b>	54,850
Loan to a related party	<b>15,375</b>	20,666
	<b>833,902</b>	802,944
Less: Allowance for expected credit loss	<b>(112,400)</b>	(112,400)
	<b>721,502</b>	<b>690,544</b>

**9 OTHER RECEIVABLES**

Tariff adjustments indigenous gas - receivable from GoP	9.1	<b>544,637,055</b>	545,281,936
Receivable from Sui Northern Gas Pipelines Company Limited	9.2	<b>57,846,524</b>	48,502,979
Receivable from Jamshoro Joint Venture Limited	9.3	<b>2,345,507</b>	2,262,314
Receivable from SSGC LPG Limited		<b>14,049</b>	7,844
Receivable from Pakistan LNG Limited		<b>805,602</b>	832,801
Gas infrastructure development cess receivable		<b>6,259,112</b>	6,837,838
Off the Grid (Captive power plants) levy to GOP		<b>4,356,070</b>	218,845
Receivable from GPO against gas bill collection	9.4	<b>315,215</b>	315,215
Sales tax receivable	9.5	<b>75,278,387</b>	79,123,934
Sindh sales tax		<b>2,451</b>	2,451
Asset contribution	9.6	<b>163,880</b>	163,880
Miscellaneous receivable	9.7	<b>124,815</b>	396,358
		<b>692,148,667</b>	683,946,395
Less: Allowance for expected credit loss		<b>(2,544,768)</b>	(2,544,768)
		<b>689,603,899</b>	<b>681,401,627</b>

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
Note	------(Rupees in '000)-----	

**9.1 Tariff adjustments indigenous gas - receivable from GoP**

Opening balance	<b>545,281,936</b>	564,329,233
(Recovered) / recognized during the period / year 18.1	<b>(1,352,738)</b>	(20,458,963)
Subsidy for LPG air mix operations	<b>707,857</b>	1,411,666
Closing balance	<b><u>544,637,055</u></b>	<u>545,281,936</u>

**9.2 At the reporting date, receivable balance from SNGPL comprises of the following:**

Differential tariff	9.2.1	<b>4,284,080</b>	4,284,080
Uniform cost of RLNG	9.2.2	<b>20,000,000</b>	20,000,000
Lease rentals		<b>18,207</b>	18,207
Contingent rent		<b>3,521</b>	19,529
LSA margins of RLNG		<b>741,482</b>	374,281
Capacity and utilisation charges of RLNG		<b>5,880,546</b>	3,958,765
RLNG transportation income		<b>26,918,688</b>	19,848,117
		<b><u>57,846,524</u></b>	<u>48,502,979</u>

**9.2.1** As at December 31, 2025, the Company has receivable balance of Rs. 4,284 million (June 30, 2025: Rs. 4,284 million) which stands outstanding from May 2020 till date.

OGRA vide its decision dated November 20, 2018, had directed that the stock of RLNG withheld by the Company to be purchased from Sui Northern Gas Pipeline Limited (SNGPL) will be calculated based on the historical weighted average cost price in Pakistani Rupees. Consequently, the Company has recorded sales as per the relevant applicable OGRA notified rates. The Tariff differential represents gain owing to the difference between the current and historical rates, which were passed on to the SNGPL up to May 2020.

The Company is in the process of reconciling this disputed amount and is hopeful that it will be sorted out in due course.

**9.2.2** This represents advance paid to SNGPL against Cost of Gas Equalization to be adjusted against any shortfall, if any, in Final Revenue Requirement (FRR) determined by the Oil and Gas Regulatory Authority (OGRA). The Ministry of Energy (Petroleum Division) has directed the Company and SNGPL to enter into a 'Cost of Gas Equalization Agreement' to facilitate the adjustments arising out of FRR. The execution of agreement is currently pending between both parties.

**9.3** This amount comprises of receivable in respect of royalty income & fuel charges, sale of natural gas liquids, Federal Excise Duty (FED), Sindh Sales Tax (SST) on franchise services and receivable from JJVL at the rate of ad-hoc 57% value of LPG / NGL extraction as per the agreement signed between the Company and JJVL pursuant to Honourable Supreme Court of Pakistan (SCP) order dated December 04, 2018 amounting to Rs. 19 million (June 2025: Rs. 19 million), Rs. 108 million (June 2025: Rs. 108 million), Rs. 1,070 million (June 2025: Rs. 1,070 million), Rs. 646 million (June 2025: Rs. 646 million), Rs. nil (June 2025: Rs. 420 million) respectively. Although, management is confident that this amount is fully recoverable, being prudent provision against the same has already been recorded in these unconsolidated condensed interim financial statements.

During FY 2024-25, the matter was taken up by Special Investment Facilitation Council (SIFC) for the resumption of gas supplies to JJVL to meet the national objective of enhancing domestic production and reducing reliance on imported LPG. Several meetings were held in this respect at various SIFC committees.

After detailed deliberations and a series of meetings, the final draft agreement has been agreed and initialed by both the parties on June 17, 2025. The initialed agreement had been placed before SIFC-Executive Committee (SIFC-EC) in its meeting dated June 18, 2025 in which it accorded approval of the agreement.

Subsequently, in view of the SIFC-EC approval, the initialed agreement has also been approved by the Board. Subsequently, both the parties signed the agreement on July 28, 2025 for its formal execution. Consequently, during the period, Rs 420 million in respect of revenue sharing agreement has been received.

Receivable in respect of revenue sharing agreement as per SIFC decision dated 18 June 2025 for LPG, NGL, Internal Consumption (power gen & compressor), LPS receivable against LPG and LPS receivable against NGL amounts to Rs. 319 million, Rs. 101 million, Rs. 84 million, Rs. 0.215 million and Rs. Nil respectively.

**9.4** This represents receivable balance from Pakistan Post Office against gas bills collected from January 2022 to March 2022 and deposited in Government Treasury. The management is making efforts to recover the amount.

**9.5** This represents sales tax refunds that arose due to the excess of average purchase cost over average sales price, uniform purchase price adjustment with SNGPL and zero rating of sales tax on gas sales for various industries. These refunds are processed through FBR's Sales Tax Automated Refund Repository (STARR) system. Due to several snags in the functioning of STARR, the Commissioner has deferred processing of tax refunds and has also deferred the payments of already processed refunds. The deferred refunds are issued to the Company on the basis of manual verification of documents (third-party vendor sales tax returns) by tax authorities.

- 9.6** This represents receivable from Mari Gas Company Limited, Spud Energy Pty Limited, PKP Exploration Limited and Government Holdings (Private) Limited (referred as BJV) in respect of Zarghun gas transmission pipeline under pipeline contribution agreement. The receivable has been recognised using discounted cash flow technique.
- 9.7** This includes a balance of Rs. 8.9 million (June 2025: Rs. 3 million) from SSGC Alternate Energy (Private) Limited, a related party, which is repayable on demand.

	<b>December 31, 2025 (Unaudited)</b>	<b>June 30, 2025 (Audited)</b>
<b>Note</b>	----- <b>(Rupees in '000)</b> -----	

## **10 LONG TERM FINANCING**

Secured	10.1, 10.2,		
Banking companies	10.3 & 10.4	<b>40,652,197</b>	52,343,412
Unsecured			
Customer finance		<b>124,008</b>	120,145
Government of Sindh		<b>940,000</b>	940,000
		<b>1,064,008</b>	1,060,145
		<b>41,716,205</b>	53,403,557
Less: current portion shown under current liabi			
Banking companies		<b>(33,500,000)</b>	(42,166,667)
Customer finance		<b>(1,184)</b>	(1,184)
Loans from Government of Sindh		<b>(186,667)</b>	(186,667)
		<b>(33,687,851)</b>	(42,354,518)
		<b>8,028,354</b>	11,049,039

- 10.1** This includes a long term finance facility amounting to Rs. 21,000 million was sanctioned in March 2022 from a syndicate of banks. This financial arrangement has been secured by GoP guarantee.
- 10.2** This includes finance facility amounting to Rs. 15,000 million was sanctioned in December 2022 from a syndicate of banks..
- 10.3** This include finance facility amounting to Rs. 15,000 million was sanctioned in May 2024 by the bank.
- 10.4** This include finance facility amounting to Rs. 20,000 million was sanctioned in March 2025 by the bank.

**10.5** These loans / financial arrangements are secured by pari passu charge by way of hypothecation on all present and future movable fixed assets of the Company comprising of compressor stations, transmission and distribution pipelines, pipeline under construction, machinery and equipments.

		<b>December 31, 2025 (Unaudited)</b>	<b>June 30, 2025 (Audited)</b>
	Note	------(Rupees in '000)-----	
<b>11 DEFERRED CREDIT</b>			
Government of Pakistan (GoP) contributions / grants			
Opening balance		4,338,651	4,514,118
Additions during the period / year		14,034	275,007
Amortized during the period / year	21	(238,948)	(450,474)
Closing balance	11.1	<u>4,113,737</u>	<u>4,338,651</u>
Government of Sindh - Conversation of loan into grant			
Opening Balance		1,847,681	1,736,245
Additions during the period / year		13,212	248,548
Amortized during the period / year	21	(72,170)	(137,112)
Closing balance		<u>1,788,723</u>	<u>1,847,681</u>
Government of Sindh grants			
Opening Balance		-	76,173
Amortized during the period / year	21	-	(76,173)
Closing balance		-	-
		<u>5,902,459</u>	<u>6,186,332</u>
Less: current portion		<u>(622,237)</u>	<u>(573,451)</u>
		<u>5,280,222</u>	<u>5,612,881</u>

**11.1** This represents amount received from the Government of Pakistan (GoP) for supply of gas to new towns and villages, the same is recognised as grant when the conditions specified by the GoP are met. This amount is amortised over the useful life of related projects.

## **12 CONTRACT LIABILITIES**

Contribution from customers	12.1&12.2	4,174,071	3,973,789
Advance received from customers		8,990,334	8,275,049
		<u>13,164,405</u>	<u>12,248,838</u>

**12.1** This represents amount received from the consumers as contribution towards the cost of supplying and laying transmission, service and main lines.

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>12.2 Contribution from customers</b>			
Opening balance		4,308,058	4,055,191
Additions during the period / year		351,917	568,043
Amortized during the period / year	21	(161,968)	(315,176)
		4,498,007	4,308,058
Less: Current portion		(323,936)	(334,269)
Closing balance		<u>4,174,071</u>	<u>3,973,789</u>
<b>13. TRADE AND OTHER PAYABLES</b>			
Creditors for:			
Indigenous gas	13.1 & 13.2	830,604,863	829,422,912
RLNG		12,033,603	18,342,310
		<u>842,638,466</u>	<u>847,765,222</u>
Tariff adjustment- RLNG payable to GoP	13.3	24,984,043	18,744,630
Service charges payable to Engro Elengy Terminal Limited (EETL)		3,409,531	3,478,338
Accrued liabilities / bills payable		8,362,521	8,964,988
Employee benefits		4,416,647	3,966,879
Liquidated damages payable to Jamshoro Power Company Limited		945,423	1,533,994
Deposits / retention money		1,406,259	1,245,972
Advance for Pak - Arab Refinery Company Limited		18,088	18,088
Withholding tax payable		180,117	90,904
Sales tax and federal excise duty		189,112	173,722
Sindh sale tax		346,607	297,721
Gas infrastructure development cess payable		6,259,112	6,837,838
Off the Grid (Captive power plants) levy to GOP		4,356,070	218,845
Workers' profit participation fund		1,519,868	1,382,612
Others		1,001,002	933,949
		<u>900,032,866</u>	<u>895,653,702</u>

**13.1** This includes Rs. 712,992 million (June 2025: Rs. 705,646 million) payable to Oil and Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited (PPL) and Government Holdings (Private) Limited (GHPL) in respect of gas purchases.

**13.2** With effect from July 01, 2012, the Company has been accounting for LPS income from KE and PSML on receipt basis based on the opinions obtained from the firms of Chartered Accountants for compliance with then applicable International Accounting Standards 18 "Revenue". On adoption of IFRS15 "Revenue from contract with customers" which supersedes IAS 18, the Company has obtained an updated opinion from the firm of Chartered Accountants to recognise LPS income from KE and PSML on a receipt basis. However, the Company continued recognition of the LPS expense payable on outstanding bills of the Government Controlled E&P Companies i.e. OGDCL, PPL, and GHPL to comply with the requirements of the accounting standards, as such standards do not allow the Company to offset its LPS income against the mark-up expense in absence of legal right to set off, despite the fact that the Company has never paid such LPS to Government Controlled E&P companies. Therefore, management approached the ministry through its letter dated September 01, 2016, to allow similar treatment of its LPS payable to Government Controlled E & P Companies due to special and unusual circumstances arising from the circular debt. Management's request was also based on, besides the unique situation of circular debt, past settlement record on a net basis which was approved by the Economic Coordination Committee (ECC) in 2001, and the fact that OGDCL, PPL, and GHPL are not recording any such LPS income in their financial statements and assert that such income will be recorded only when the same is received.

In response to the Company's above request, the MP & NR vide their letter dated January 03, 2017 has supported the contention of the Company that it will not recognize LPS expense payable to the Government Controlled E&P Companies (OGDCL, PPL and GHPL), effective from July 01, 2012, till the time Company receives payment for LPS income from KE and PSML and it would be settled simultaneously subject to fulfilment of all the codal formalities.

In financial year 2024, the Company has reversed the accrued LPS of Rs. 15,832 million payable to the OGDCL, PPL and GHPL, booked prior to July 01, 2012 in line with the clarification obtained from Ministry of Energy (Petroleum Division) vide its letter dated April 28, 2025 to record the same on actual settlement basis.

Based on the aforesaid letters and legal opinion obtained by the Company, the aggregate unrecognized accrued markup up is Rs. 428,977 million (June 2025: Rs. 370,655 million).

		<b>December 31, 2025 (Unaudited)</b>	<b>June 30, 2025 (Audited)</b>
	<b>Note</b>	<b>------(Rupees in '000)-----</b>	
<b>13.3 Tariff adjustments RLNG - Payable to GoP</b>			
Opening balance		<b>18,744,630</b>	34,946,646
Charge during the period	18	<b>6,239,413</b>	(16,203,612)
GOP adjustment on RLNG tariff		-	1,596
Closing balance		<b>24,984,043</b>	<b>18,744,630</b>

December 31,      June 30,  
2025                      2025  
(Unaudited)        (Audited)  
----- (Rupees in '000) -----

#### 14 SHORT TERM BORROWINGS

Short term borrowing from financial institutions - secured	<u><b>109,083,682</b></u>	<u>82,806,374</u>
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- 14.1** The total limit of various financing facilities available from commercial banks against short-term running facilities aggregate to Rs. 110,000 million (June 2025: Rs. 110,000 million) out of which the company has utilized Rs 109,084 million (June 2025: Rs. 82,806 million). The applicable markup rates during the period ranges from one to three months KIBOR plus basis ranging from 0.1% to 1.00% (June 2025: 0.1% to 1.00% ). These facilities are secured by first pari passu and second amendment to the joint hypothecation agreement and ranking charge over present and future stock in trade and trade debts of the Company. Markup is payable on monthly and quarterly basis with the effective interest rate charged during the year ranging from 10.84% to 12.20% (June 2025: 11.38% to 22.21%) per annum.

#### 15 INTEREST ACCRUED

Long term financing - loans from banking	<b>445,657</b>	448,561
Long term deposits from customers	<b>547,008</b>	953,970
Short term borrowings	<b>1,423,605</b>	828,754
Late payment surcharge on processing charges	<b>99,283</b>	99,283
	<u><b>2,515,553</b></u>	<u>2,330,568</u>

#### 16 CONTINGENCIES AND COMMITMENTS

- 16.1** There is no significant change in contingencies from the preceding audited unconsolidated financial statements of the Company for the year ended June 30, 2025, except for the following:
- 16.1.1** As disclosed in note 7.1, the management has reversed Late Payment Surcharge (LPS) expense with effect from July 01, 2012 to June 30, 2016 amounting to Rs. 26,222 million on Government Controlled E&P Companies liabilities and ceased to record LPS expense for the year ended June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, June 30, 2024, June 30, 2025 and half year ended December 30, 2025 amounting to Rs. 7,569 million, Rs. 7,477 million, Rs. 10,525 million, Rs. 26,335 million, Rs 25,939 million, Rs. 27,921 million, Rs. 44,303 million and Rs. 99,005 million, Rs. 95,359 million and Rs 58,322 million, respectively in these unconsolidated financial statements. The Company will record and pay such LPS in the period when it receives LPS on amount receivable from KE and PSML.

- 16.1.2** The Company is subject to various other claims totaling Rs. 8,760 million by income tax and sales tax authorities. The management is confident that ultimately these claims would not be payable.
- 16.1.3** There are several other pending litigations in the nature of billing disputes, employees disputes and related matters in which the Company is defendant / respondent. The management, based on the view of the in-house legal advisor, is of the view that the aggregate exposure in all the said cases is not material to the Company. Accordingly, no provision has been made in these unconsolidated financial statements.
- 16.1.4** The Company has an aggregate disputed difference of Rs. 10,661 million with Sui Northern Gas Pipelines Limited (SNGPL) on account of tariff differential. The management is in the process of sorting out such difference and does not anticipate any adverse consequences, accordingly no provision has been made in these unconsolidated financial statements for eventual liability.

	<b>December 31, 2025 (Unaudited)</b>	<b>June 30, 2025 (Audited)</b>
	------(Rupees in '000)-----	
<b>16.2</b> Claims against the Company not acknowledged as debt	<b>4,139,070</b>	4,244,716
<b>16.3 Commitments</b>		
<b>16.3.1</b> Guarantees issued on behalf of the Company	<b>11,441,048</b>	11,305,845
<b>16.3.2</b> Commitments for capital and other expenditure	<b>11,024,718</b>	6,439,971

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Unaudited)			
	(Rupees in '000)			
<b>17 REVENUE FROM CONTRACTS WITH CUSTOMERS - GAS SALES-NET</b>	Note -----			
<b>Gross sales</b>				
Indigenous gas	189,295,550	214,089,305	87,999,584	97,818,617
RLNG	35,037,913	72,980,870	20,057,485	32,866,209
	<u>224,333,463</u>	<u>287,070,175</u>	<u>108,057,069</u>	<u>130,684,826</u>
<b>Less: Sales tax</b>				
Indigenous gas	(29,302,338)	(31,716,045)	(13,546,746)	(14,445,139)
RLNG	(5,925,101)	(11,262,599)	(3,305,902)	(5,089,212)
	<u>(35,227,439)</u>	<u>(42,978,644)</u>	<u>(16,852,648)</u>	<u>(19,534,351)</u>
Net sales	<u>189,106,024</u>	<u>244,091,531</u>	<u>91,204,421</u>	<u>111,150,475</u>
<b>18 TARIFF ADJUSTMENTS</b>				
Indigenous gas	18.1 (1,352,738)	(16,868,041)	5,943,578	(1,203,212)
RLNG	18.2 (6,239,413)	(2,878,529)	(3,009,280)	(590,595)
	<u>(7,592,151)</u>	<u>(19,746,570)</u>	<u>2,934,298</u>	<u>(1,793,807)</u>
<b>18.1 Tariff adjustment - indigenous gas</b>				
Price increase adjustment for the period	(644,881)	(16,211,253)	6,320,946	(833,221)
Subsidy for LPG air mix operations	(707,857)	(656,788)	(377,368)	(369,991)
	<u>(1,352,738)</u>	<u>(16,868,041)</u>	<u>5,943,578</u>	<u>(1,203,212)</u>
<b>18.2 Tariff adjustment - RLNG</b>				
Price increase adjustment for the period	(6,239,413)	(2,878,529)	(3,009,280)	(590,595)
	<u>(6,239,413)</u>	<u>(2,878,529)</u>	<u>(3,009,280)</u>	<u>(590,595)</u>
<b>19 COST OF REVENUE</b>				
Cost of gas	19.1 163,333,287	203,462,803	82,730,789	99,796,137
Transmission and distribution costs	14,734,717	13,559,666	8,012,900	6,858,719
	<u>178,068,004</u>	<u>217,022,469</u>	<u>90,743,689</u>	<u>106,654,856</u>
<b>19.1 Cost of gas</b>				
Opening gas in pipelines	2,068,147	2,214,091	1,989,963	2,182,842
RLNG purchases	27,828,264	58,488,187	16,413,281	27,281,676
Gas purchases	136,041,608	145,333,344	66,787,570	72,693,819
	<u>165,938,019</u>	<u>206,035,622</u>	<u>85,190,814</u>	<u>102,158,337</u>
Gas consumed internally	(619,656)	(396,691)	(474,949)	(186,072)
Closing gas in pipelines	(1,985,076)	(2,176,128)	(1,985,076)	(2,176,128)
	<u>(2,604,732)</u>	<u>(2,572,819)</u>	<u>(2,460,025)</u>	<u>(2,362,200)</u>
	<u>163,333,287</u>	<u>203,462,803</u>	<u>82,730,789</u>	<u>99,796,137</u>
<b>20 OTHER OPERATING EXPENSES</b>				
Workers' profit participation Fund	65,329	365,754	65,329	107,099
Auditors' remuneration	5,057	3,726	2,657	1,863
Sports expenses	14,850	17,664	7,596	9,672
Corporate social responsibility	635	1,155	335	726
Exchange loss	-	108,473	-	709,090
Provision against slow-moving and obsolete stores and spares	79,187	-	71,364	-
	<u>165,058</u>	<u>496,772</u>	<u>147,281</u>	<u>828,450</u>

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Un-audited)			
	----- (Rupees in '000) -----			

## 21 OTHER INCOME

### Income from financial assets

Receivable against asset contribution	-	6,791	-	2,879
Interest on loan to related party	22,538	48,986	10,885	22,661
Late payment surcharge	2,633,351	3,491,890	1,396,261	1,183,139
Interest income from JJVL against LPG / NGL	373,857	-	215	-
Liquidated damages recovered	99,818	66,155	58,027	29,346
Return on term deposits and profit and loss bank accounts	75,814	325,293	34,651	211,152
Dividend income	11,039	19,774	9,141	1,305
	<u>3,216,417</u>	<u>3,958,889</u>	<u>1,509,180</u>	<u>1,450,482</u>

### Income from other than financial assets

Meter manufacturing division profit / (loss) - net	(46,257)	927,336	(21,283)	530,096
Income from JJVL against LPG / NGL - net	231,165	-	231,165	-
Meter rentals - net	784,372	795,139	390,334	397,132
RLNG transportation income	9,947,596	5,672,384	4,324,591	2,766,717
Income against deferred credit and contract liability	459,313	440,549	219,822	224,742
Income from LPG air mix distribution - net	103,530	105,155	51,330	52,330
Income from sale of tender documents	1,793	4,898	1,153	3,130
Gain on scrap sales - net	25,200	23,450	25,200	3,160
Recoveries from customers	141,651	46,652	101,360	32,052
Gain on disposal of property, plant and equipment	34,517	28,022	34,517	6,711
Reversal against slow- moving and obsolete stores and spares	-	18,085	-	10,485
Amortization of Government grant	-	2,925	-	1,462
Rental from SSGC LPG Limited	876	785	413	376
Exchange gain	923,673	-	256,605	-
LSA margins against RLNG	767,848	785,903	360,411	371,481
Miscellaneous	24,813	25,312	409	9,599
	<u>16,616,507</u>	<u>12,835,484</u>	<u>7,485,207</u>	<u>5,859,955</u>

## 22 TAXATION

Prior year tax	414,831	-	414,831	-
Current tax	3,356,081	3,099,619	3,356,081	1,577,571
Deferred tax	(3,770,912)	(3,099,619)	(3,770,912)	(1,577,571)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 23 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

Profit / (Loss) for the period	289,754	6,688,361	(52,366)	1,816,979
Average number of ordinary shares	880,916,309	880,916,309	880,916,309	880,916,309
Earnings per share - basic and diluted	<u>0.33</u>	<u>7.59</u>	<u>(0.06)</u>	<u>2.06</u>

	Note	Half year ended	
		December 31, 2025	December 31, 2024
		(Unaudited)	
		----- (Rupees in '000) -----	
<b>24 CASH GENERATED FROM OPERATIONS</b>			
Adjustments for non-cash and other items	24.1	<b>22,612,413</b>	15,973,768
Working capital changes	24.2	<b>(12,340,580)</b>	(2,140,701)
		<b>10,271,833</b>	<b>13,833,067</b>
<b>24.1 ADJUSTMENTS FOR NON-CASH AND OTHER ITEMS</b>			
Provisions	24.1.1	<b>8,276,574</b>	3,718,764
Depreciation on property, plant and equipment	5.1	<b>5,716,141</b>	4,771,799
Depreciation on right of use assets		<b>48,615</b>	45,306
Amortization of intangibles		<b>64,352</b>	66,761
Finance cost		<b>8,027,393</b>	6,650,436
Amortization of transaction cost		<b>17,117</b>	26,866
Amortization of Government grant		<b>-</b>	(2,925)
Income against deferred credit and contract liability		<b>(473,086)</b>	(468,023)
Dividend income		<b>(11,039)</b>	(19,774)
Interest income		<b>(98,352)</b>	(374,279)
(Gain) / loss on disposal of property plant and equipment		<b>(34,517)</b>	(28,744)
Decrease in long term advances		<b>(43,796)</b>	(69,499)
Increase in deferred credit and contract liability		<b>1,094,447</b>	1,620,681
Finance cost on payable against transfer of pipeline		<b>22,677</b>	26,549
Finance cost on lease liability		<b>5,887</b>	9,850
		<b>22,612,413</b>	<b>15,973,768</b>
<b>24.1.1 PROVISIONS</b>			
Charge / (reversal) in provision against slow moving / obsolete stores		<b>78,763</b>	(18,165)
Allowance for expected credit loss		<b>6,677,704</b>	2,383,832
Provision / (reversal) against compensated absences		<b>203,749</b>	(26,078)
Provision for post retirement medical and free gas supply facilities		<b>646,487</b>	608,306
Provision against retirement benefit		<b>669,871</b>	770,869
		<b>8,276,574</b>	<b>3,718,764</b>

Half year ended  
December 31,      December 31,  
2025                      2024  
(Unaudited)  
----- (Rupees in '000) -----

**24.2 WORKING CAPITAL CHANGES**  
**(Increase) / Decrease in current assets**

Stores and spares	(976,876)	(287,136)
Stock-in-trade	(230,707)	137,913
Customers' installation work-in-progress	(19,701)	(24,466)
Trade debts	(6,768,205)	(5,753,593)
Advances, deposits and short term prepayments	(201,056)	(181,535)
Other receivables	(8,202,270)	20,573,828

**(Decrease) / Increase in current liabilities**

Trade and other payables	4,058,235	(16,605,712)
	<u>(12,340,580)</u>	<u>(2,140,701)</u>

**25 CASH AND CASH EQUIVALENT AT THE  
END OF THE PERIOD**

Cash and bank balances	2,057,463	1,737,907
Short term borrowings	(109,083,682)	(48,226,234)
	<u>(107,026,219)</u>	<u>(46,488,327)</u>

**26 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of subsidiary companies, associated companies due to common directorship, Government related entities, staff retirement benefits plans, directors and key management personnel (including their associates). Purchase and sale of gas from / to related parties are determined at rates finalised and notified by the Oil and Gas Regulatory Authority. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms as approved by the Board of Directors.

The details of transactions with related parties not disclosed elsewhere in these condensed unconsolidated interim financial statements are as follows:

Half Year ended  
December 31,      December 31,  
2025                      2024  
(Un-audited)  
------(Rupees in '000)-----

**Relationship**

**Government related entities - various**

- Purchase of fuel and lubricant	<b>170,183</b>	187,488
- Sale of gas and allied charges inclusive of sales tax	<b>5,778,210</b>	29,953,348
- Gas purchases - Indigenous gas	<b>85,140,870</b>	85,765,508
- Gas purchases - RLNG	<b>27,828,264</b>	58,488,187
- Sale of gas meters and spare parts	<b>18,653</b>	3,424,035
- Rent expense	<b>9,122</b>	6,502
- Right of way	<b>27,752</b>	-
- Insurance premium	<b>83,875</b>	96,769

**Government related entities - various**

- Royalty expense	<b>2,581</b>	596
- Licence fee	<b>390,488</b>	188,333
- Public procurement Regulatory Authority fee	<b>16,385</b>	12,182
- Telecommunication	<b>32,589</b>	16,800
- Electricity expenses	<b>144,499</b>	195,457
- RLNG transportation income	<b>9,947,597</b>	5,672,384
- LPG purchases	<b>429,555</b>	431,390
- Income against LNG service agreement	<b>767,848</b>	785,903
- Dividend income	<b>7,243</b>	17,164
- Mark up income on bank deposits	<b>1,550</b>	2,879

**Karachi Grammar School**

Associate

- Sale of gas and allied charges inclusive of sales tax	<b>30</b>	41
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**Key management personnel**

- Remuneration	<b>148,767</b>	104,384
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**Pakistan Institute of Corporate Governance**

Associate

- Subscription / trainings	<b>-</b>	1,018
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		December 31, 2025	December 31, 2024
		(Un-audited)	
		----- (Rupees in '000) -----	
	<b>Relationship</b>		
<b>Pakistan Stock Exchange Limited</b>	Associate		
- Sale of gas and allied charges inclusive of sales tax		549	88
- Subscription		2,920	2,124
<b>Pakistan Cables Limited</b>	Associate		
- Sale of gas and allied charges inclusive of sales tax		57,698	218,161
<b>SSGC LPG Limited</b>	Subsidiary		
- Interest on loan		22,538	48,986
- Rental income		876	785
<b>SSGC Alternate Energy (Private) Limited</b>	Subsidiary		
- Recoverable expenses		5,954	968
- Mark-up income on receivable balance		79	1,127
<b>Staff retirement benefit plans</b>	Employee benefit plan		
- Contribution to provident fund		305,724	236,897
- Contribution to pension fund		376,456	499,001
- Contribution to gratuity fund		293,415	271,868

**26.1** Contribution to the defined contribution and benefit plans are in accordance with the terms of the entitlement of the employees and / or actuarial advice.

**26.2** Remuneration to the executive officers of the Company and loans and advances to them are determined in accordance with the terms of their employment. Mark-up free security deposits for gas connections to the executive staff of the Company is received at rates prescribed by the Government of Pakistan.

**26.3** Amount (due to) / receivable from / investment in related parties.

The details of amount due (to) / from with related parties not disclosed elsewhere in these condensed unconsolidated interim financial statements are as follows:

Relationship	December 31,	June 30,
	2025 (Unaudited)	2025 (Audited)
	----- (Rupees in '000) -----	
<b>Government related entities</b>		
- Sale of gas and allied charges inclusive of sales tax	55,155,372	57,369,525
- Gas purchases - Indigenous gas	(723,988,648)	(716,733,782)
- Gas purchases - RLNG	(12,033,603)	(18,342,311)
- Sale of gas condensate	4,365	4,365
- Gas meters and spare parts	181,949	1,328,686
- Uniform cost of gas-RLNG	20,000,000	20,000,000
- Cash at bank	12,936	19,339
- Stock Loan	5,774	28,015
- Gas supply deposit	(502,598)	(508,767)
- Contingent rent	3,521	19,529
- Differential tariff	4,284,080	4,284,080
- Capacity and utilisation charges of RLNG	5,880,546	3,958,765
- RLNG transportation income	27,724,290	20,680,918
- LSA margins	741,482	374,282
- Lease rentals	18,207	18,207
- Advance for sharing right of way	(18,088)	(18,088)
- Advance against LPG purchases	129,391	118,518
- Long term deposits	13,577	12,663
- Retention money	(2,761)	(2,512)
- Prepayment	389,297	177,924
<b>Karachi Grammar School</b>		
		Associate
- Sale of gas and allied charges inclusive of sales tax	-	5
- Gas supply deposit	-	(22)
<b>Pakistan Stock Exchange</b>		
		Associate
- Sale of gas and allied charges inclusive of sales tax	-	8
- Gas supply deposit	-	(99)

		December 31, 2025 (Unaudited) ------(Rupees in '000)-----	June 30, 2025 (Audited)
<b>Pakistan Cables Limited</b>	Associate		
- Sale of gas and allied charges inclusive of sales tax		-	7,696
- Gas supply deposit		-	(1,189)
<b>Diamond International Corporation Limited</b>	Associate		
- Sale of gas and allied charges inclusive of sales tax		303,791	-
- Gas supply deposit		-	-
<b>N. P. Cotton Mills Limited</b>	Associate		
- Sale of gas and allied charges inclusive of sales tax		346,977	-
- Gas supply deposit		3,041	-
<b>SSGC LPG Limited</b>	Subsidiary		
- Long term investment		1,082,278	1,082,278
- Interest on loan		10,885	16,254
- Long term loan		275,000	325,000
- Current portion of long term loan		100,000	100,000
- Short term loan		177,858	296,429
- LPG sales		5,698	5,698
- Rent on premises		596	738
- Receivable against management fees		7,755	1,408
<b>SSGC Alternate Energy (Private) Limited</b>	Subsidiary		
- Long term investment		20,000	20,000
- Other receivables		8,948	2,995
- Accrued mark up Income		4,490	4,412

**26.3.1** Current balances with parties have not been disclosed as they did not remain related parties as at year end.

**26.3.2** Comparative balances with parties have not been disclosed as these parties were not related parties in last year.

## 27 OPERATING SEGMENTS

IFRS 8 - Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief operating decision maker in order to allocate resources to segments and to assess their performance. As a result, management has identified the following two segments:

- 1) Gas transmission and distribution (sale of gas); and
- 2) Meter manufacturing (manufacturing and sale of gas meters)

Segment revenue and results.

The following is analysis of the Company's revenue and results by reportable segment.

	Half Year ended	
	December 31, 2025	December 31, 2024
	(Unaudited)	
	----- (Rupees in '000) -----	
	Segment profit	
<b>Return on Assets net of UFG disallowance</b>		
Gas transmission	6,225,114	5,796,513
Gas distribution and marketing		
- Lower Sindh	6,255,608	3,309,783
- Upper Sindh	315,070	1,616,247
- Balochistan	(4,763,421)	(3,731,508)
	1,807,257	1,194,522
Meter manufacturing	10,141	10,883
Total segment results	8,042,512	7,001,918
Unallocated		
Finance cost	(8,055,957)	(6,713,701)
Other income - net	1,254,694	6,661,117
Profit before tax	1,241,249	6,949,334

	December 31, 2025 (Unaudited) ------(Rupees in '000)-----	June 30, 2025 (Audited)
<b>Segment assets and liabilities</b>		
<b>Segment assets</b>		
Gas transmission	269,537,551	255,964,043
Gas distribution and marketing		
- Lower Sindh	516,088,369	510,337,558
- Upper Sindh	144,245,774	144,482,863
- Balochistan	155,659,668	148,889,764
	815,993,811	803,710,185
Meter manufacturing	1,825,002	2,651,721
Total segment assets	1,087,356,364	1,062,325,949
Unallocated		
- Loans and advances	882,527	1,535,342
- Taxation - net	46,502,808	48,768,689
- Interest accrued	721,502	690,544
- Cash and bank balances	2,057,463	1,187,075
	50,164,300	52,181,650
Total assets as per condensed unconsolidated interim statement of financial position	<u>1,137,520,664</u>	<u>1,114,507,599</u>
<b>Segment Liabilities</b>		
Gas transmission	78,948,184	74,752,735
Gas Distribution and Marketing		
- Lower Sindh	646,260,914	641,528,445
- Upper Sindh	115,633,723	113,908,822
- Balochistan	288,017,612	275,709,540
Meter manufacturing	491,899	339,608
	1,050,404,148	1,031,486,415
Total liabilities as per condensed unconsolidated interim statement of financial position	<u>1,129,352,332</u>	<u>1,106,239,150</u>

## 28 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2025.

### 29.1 FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these condensed unconsolidated interim financial statements approximate their fair values except for investment in unquoted companies which are reflected at cost less impairment losses.

The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

#### **Valuation techniques used in determination of fair values within level 1 and level 2**

The table below analyses financial and non-financial assets carried at fair value. The different levels have been defined as follows:

##### **Level 1- Listed securities**

The valuation has been determined through closing rates of Pakistan Stock Exchange.

##### **Level 2 - Operating fixed assets (Freehold and lease land)**

The fair value of the freehold and leasehold land are derived using the Sale Comparison approach. The sales value is determined by physically analysing the condition of land and by ascertaining the market value of similar land, which is by selling in near vicinity.

	As at December 31, 2025			Total
	Level 1	Level 2	Level 3	
-----Rupees in '000-----				
<b>Assets</b>				
<b>Non-financial assets</b>				
Operating fixed assets - free hold and lease hold land	-	60,937,082	-	60,937,082
<b>Fair value through OCI Financial Assets</b>				
Quoted equity securities	504,695	-	-	504,695

	As at June 30, 2025			Total
	Level 1	Level 2	Level 3	
-----Rupees in '000-----				
<b>Assets</b>				
<b>Non-financial assets</b>				
Operating fixed assets - free hold and lease hold land	-	60,924,773	-	60,924,773
<b>Fair value through OCI Financial Assets</b>				
<b>Quoted equity securities</b>	454,109	-	-	454,109

## 29.2 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

Note	Conventional	Shariah Compliant	Total
	-----Rs. in 000'-----		
<b>Statement of financial position</b>			
Cash and bank balances	2,037,854	19,609	2,057,463
Short-term Borrowings	52,385,079	56,698,603	109,083,682
Long term financing	16,264,206	24,387,990	40,652,196
Accrued markup	422,228	299,274	721,502
<b>Statement of profit or loss</b>			
Revenue from contracts with customers	-	181,513,873	181,513,873
Finance cost	3,366,920	4,469,413	7,836,333

## 30 EVENTS AFTER THE REPORTING DATE

There were no events occurred after the reporting period, other than those disclosed, which requires disclosure and adjustments in the condensed unconsolidated interim

### 31 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary.

### 32 DATE OF AUTHORISATION

These unaudited condensed unconsolidated interim financial statements were authorised for issue in Board of Directors meeting held on February 26, 2026.

### 33 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.



**Asif Inam**  
Chairman



**Muhammad Amin Rajput**  
Managing Director



**Wajeeh Uddin Sheikh**  
Chief Financial Officer



Consolidated Condensed Interim Financial Information (Un-Audited)  
for the half year ended December 31, 2025

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2025**

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	243,680,032	232,203,374
Intangible assets		216,486	255,948
Right of use assets		104,802	101,639
Deferred taxation		14,846,007	11,067,233
Long term investments	6	504,695	454,109
Long term loans		175,895	193,309
Long term deposits		24,952	24,038
<b>Total non-current assets</b>		<b>259,552,869</b>	<b>244,299,650</b>
<b>Current assets</b>			
Stores, spares and loose tools		5,287,195	4,357,324
Stock-in-trade		4,032,197	3,915,698
Customers' installation work in progress		269,671	249,970
Trade debts	7	130,854,190	130,763,860
Loans and advances		142,890	620,604
Advances, prepayments and deposits		1,018,610	810,794
Interest accrued	8	715,211	682,659
Other receivables	9	689,867,570	681,809,187
Taxation - net		48,770,071	51,327,204
Short term investments		129,223	129,223
Cash and bank balances		4,146,496	2,925,655
<b>Total current assets</b>		<b>885,233,324</b>	<b>877,592,178</b>
<b>Total assets</b>		<b>1,144,786,193</b>	<b>1,121,891,828</b>

The annexed notes 1 to 32 form an integral part of these condensed consolidated interim financial statements.



**Asif Inam**  
Chairman



**Muhammad Amin Rajput**  
Managing Director



**Wajeeh Uddin Sheikh**  
Chief Financial Officer

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	----- (Rupees in '000) -----	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised Share Capital		11,020,000	10,000,000
Issued, subscribed and paid-up capital		8,809,163	8,809,163
Reserves		4,907,401	4,907,401
Surplus on re-measurement of FVTOCI securities		468,168	417,582
Surplus on revaluation of property, plant and equipment		60,742,638	60,742,638
Accumulated loss		(61,869,822)	(62,729,565)
		13,057,548	12,147,219
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term financing	10	8,028,353	11,049,039
Security deposit		42,389,797	39,903,488
Employee benefits		10,335,460	9,631,488
Payable against transfer of pipeline		381,300	430,722
Deferred credit	11	5,280,224	5,612,881
Contract liabilities	12	13,164,405	12,248,838
Lease liability		36,435	31,812
Long term advances		3,566,670	3,610,466
<b>Total non-current liabilities</b>		<b>83,182,645</b>	<b>82,518,734</b>
<b>Current liabilities</b>			
Current portion of			
Long term financing	10	33,687,851	42,354,518
Payable against transfer of pipeline		96,681	92,447
Deferred credit	11	622,236	573,451
Contract liabilities	12	323,936	334,269
Lease liabilities		81,230	82,352
Trade and other payables	13	901,531,147	898,310,576
Short term borrowings	14	109,083,682	82,806,374
Unclaimed dividend		603,686	341,320
Interest accrued	15	2,515,553	2,330,568
<b>Total current liabilities</b>		<b>1,048,546,002</b>	<b>1,027,225,875</b>
<b>Total liabilities</b>		<b>1,131,728,647</b>	<b>1,109,744,609</b>
<b>Total equity and liabilities</b>		<b>1,144,786,193</b>	<b>1,121,891,828</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	16		

The annexed notes 1 to 32 form an integral part of these condensed consolidated interim financial statements.



Asif Inam  
Chairman



Muhammad Amin Rajput  
Managing Director



Wajeeh Uddin Sheikh  
Chief Financial Officer

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS**  
**For the Half Year and Quarter ended December 31, 2025 (unaudited)**

	Note	Half year ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
------(Rupees in '000)-----					
Revenue from contracts with customers - Gas sales	17	202,577,315	247,563,606	98,453,575	112,398,844
Less: Tariff adjustments	18	(7,592,151)	(19,746,570)	2,934,298	(1,793,807)
Net revenue		194,985,164	227,817,036	101,387,873	110,605,037
Cost of revenue	19	(189,823,214)	(219,845,505)	(96,976,676)	(107,672,953)
Gross Profit		5,161,950	7,971,531	4,411,197	2,932,084
Administrative and selling expenses		(4,043,994)	(3,709,240)	(2,116,352)	(1,857,004)
Other operating expenses	20	(167,596)	(497,673)	(79,296)	(228,734)
Allowance for expected credit loss		(6,677,704)	(2,383,832)	(4,091,019)	(593,236)
		(10,889,294)	(6,590,745)	(6,286,667)	(2,678,974)
		(5,727,344)	1,380,786	(1,875,470)	253,110
Other income	21	16,696,225	12,892,828	7,543,766	5,296,021
Operating profit		10,968,881	14,273,614	5,668,296	5,549,131
Finance cost		(8,059,981)	(6,719,317)	(4,761,538)	(3,302,676)
Profit before levy and taxation		2,908,900	7,554,297	906,758	2,246,455
Levy					
Minimum tax differential		(949,839)	(301,408)	110,065	(233,312)
Final tax		(1,656)	(2,966)	(1,371)	(196)
		(951,495)	(304,374)	108,694	(233,508)
Profit before taxation		1,957,405	7,249,923	1,015,452	2,012,947
Taxation	22	(657,204)	(194,639)	(500,370)	(152,450)
Profit for the period		1,300,201	7,055,284	515,082	1,860,497
Earning per share - basic and diluted	23	1.48	8.01	0.58	2.11

The annexed notes 1 to 32 form an integral part of these condensed consolidated interim financial statements.



**Asif Inam**  
Chairman



**Muhammad Amin Rajput**  
Managing Director



**Wajeeh Uddin Sheikh**  
Chief Financial Officer

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Half Year and Quarter Ended December 31, 2025 (unaudited)

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	------(Rupees in '000)-----			
Profit for the period	1,300,201	7,055,284	515,082	1,860,497
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss in subsequent periods:				
Remeasurement gain / (loss) on investment through other comprehensive income	50,586	198,489	(36,859)	192,845
<b>Total comprehensive income for the period</b>	<b>1,350,787</b>	<b>7,253,773</b>	<b>478,223</b>	<b>2,053,342</b>

The annexed notes 1 to 32 form an integral part of these condensed consolidated interim financial statements.



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Managing Director



**Wajeeh Uddin Sheikh**  
Chief Financial Officer

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Half year ended December 31, 2025 (unaudited)

	Issued, subscribed and paid-up capital	Reserves		Surplus on re-measurement of FVTOCI investments	Surplus on revaluation of property plant and equipment	Accumulated losses	Total Equity
		Capital Reserves	Revenue Reserves				
(Rupees in '000)							
<b>Balance as at July 1, 2024 (Audited)</b>	8,809,163	234,868	4,672,533	220,178	60,742,638	(65,629,182)	9,050,198
<b>Total comprehensive income for the period ended December 31, 2024</b>							
Profit for the period	-	-	-	-	-	7,055,284	7,055,284
Other comprehensive income for the period	-	-	-	198,489	-	-	198,489
Total comprehensive income for the period	-	-	-	198,489	-	7,055,284	7,253,773
Balance as at December 31, 2024	8,809,163	234,868	4,672,533	418,667	60,742,638	(58,573,898)	16,303,971
<b>Balance as at July 1, 2025 (Audited)</b>	8,809,163	234,868	4,672,533	417,582	60,742,638	(62,729,565)	12,147,219
<b>Transactions with the owners in their capacity as owners</b>							
Final dividend for the fiscal year 2024-25 @ Rs. 0.50 per share	-	-	-	-	-	(440,458)	(440,458)
<b>Total comprehensive income for the period ended December 31, 2025</b>							
Profit for the period	-	-	-	-	-	1,300,201	1,300,201
Other comprehensive income for the period	-	-	-	50,586	-	-	50,586
Total comprehensive income for the period	-	-	-	50,586	-	1,300,201	1,350,787
Balance as at December 31, 2025	8,809,163	234,868	4,672,533	468,168	60,742,638	(61,869,822)	13,057,548

The annexed notes 1 to 32 form an integral part of these condensed consolidated interim financial statements.



**Asif Inam**  
Chairman



**Muhammad Amin Rajput**  
Managing Director



**Wajeeh Uddin Sheikh**  
Chief Financial Officer

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

For the Half year ended December 31, 2025 (unaudited)

	Note	Half Year ended	
		December 31, 2025	December 31, 2024
----- (Rupees in '000) -----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		2,908,900	7,554,297
Cash generated from operations	24	9,525,468	13,650,850
Financial charges paid		(8,330,045)	(9,137,897)
Employee benefits - post-retirement medical benefit		(96,270)	(112,267)
Payment for retirement benefits		(407,994)	(1,534,731)
Long term deposits		2,485,395	7,116,137
Loans and advances to employees		495,128	108,659
Interest income received		74,824	308,920
Income taxes paid		(2,830,341)	(9,263,646)
Net cash generated from operating activities		3,825,065	8,690,322
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition for property, plant and equipment		(16,938,546)	(14,916,752)
Payments against transfer of pipeline		(67,866)	(67,866)
Proceeds from sale of property, plant and equipment		53,146	39,951
Dividend received		11,039	19,774
Net cash used in investing activities		(16,942,227)	(14,924,893)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayments of loans		(11,708,333)	(3,839,365)
Proceeds from consumer finance		3,978	-
Repayment of consumer finance		(115)	(137)
Dividend paid		(178,092)	-
Repayment of lease liability		(56,743)	(58,224)
Net cash used in financing activities		(11,939,305)	(3,897,726)
Net decrease in cash and cash equivalents		(25,056,467)	(10,132,297)
Cash and cash equivalents at beginning of the period		(79,880,719)	(35,639,261)
Cash and cash equivalents at end of the period	25	(104,937,186)	(45,771,558)

The annexed notes 1 to 32 form an integral part of these condensed consolidated interim financial statements.



Asif Inam  
Chairman



Muhammad Amin Rajput  
Managing Director



Wajeeh Uddin Sheikh  
Chief Financial Officer

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the Half year ended December 31, 2025 (unaudited)**

**1. THE GROUP AND ITS OPERATIONS**

**1.1 The "Group" consists of:**

**Holding Group**

- Sui Southern Gas Company Limited

	<b>PERCENTAGE OF HOLDING</b>	
	<b>2025</b>	<b>2024</b>
<b>Subsidiary Group</b>	%	%
- SSGC LPG Limited	<b>100</b>	100
- SSGC Alternate Energy (Private) Limited	<b>100</b>	100

**Sui Southern Gas Company Limited**

Sui Southern Gas Company Limited ("the Holding Company") is a public limited Company incorporated in Pakistan under the Companies Act, 2017 (repealed Companies Ordinance, 1984) and is listed on Pakistan Stock Exchange. The Holding Company came into being on March 30, 1989 after the amalgamation of Karachi Gas Company, Indus Gas Company and Sui Gas Transmission Company. The main activity of the Holding Company is transmission and distribution of natural gas in Sindh and Balochistan. The Holding Company is also engaged in certain activities related to the gas business including the manufacturing and sale of gas meters, LPG air mix and construction contracts for laying of pipelines.

The registered office of the Holding Company is situated at SSGC House, Sir Shah Muhammad Suleman Road, ST-4/B, Block 14, Gulshan- e-Iqbal, Karachi. The meter manufacturing plant is situated at its' registered office.

**Region**

**Address**

Karachi West	Plot No. F-36 and F-37 SITE Area, Karachi.
Karachi East	Plot # 21/1, Sector 22, Korangi Industrial Area, Karachi.
Karachi Central	SSGC Karachi Terminal opposite Safari Park Main University Road, Karachi.
Hyderabad	Opposite New Eidgah, National Highway Qasimabad, Hyderabad.
Nawabshah	Near Sikandar Art Gallery Housing Society, Nawabshah.
Sukkur	Golimar Road, SITE area, Sukkur.
Larkana	Near Shaikh Zaid Women Hospital, Larkana.
Quetta	Samungli Road, Quetta.

**SSGC LPG Limited**

SSGC LPG Limited (the Subsidiary) is a public limited Company incorporated in Pakistan on October 23, 2009 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017 (the Act)). During the financial year 2024, the subsidiary converted its status from private limited Company to public limited Company. The principal activities of the subsidiary are sourcing, marketing, mixing, blending, change in composition of LPG and sales of Liquefied Petroleum Gas (LPG) and provision of terminal and storage services.

The subsidiary acquired the assets including LPG import terminal, bulk storage at North West Industrial Zone, Port Qasim, Karachi and bottling plants at Sara-e-Gadai Stop, Kot Najeebullah Road, Industrial Estate Hattar-22610 Haripur, Khyber Pakhtunkhwa (KPK) and Sheikhupura Bedad Road, Muridke, Punjab through the auction made by the High Court of Sindh (SCH) during October 2011.

The main activity of the Subsidiary is sourcing, marketing and sales of Liquefied Petroleum Gas (LPG) and providing of terminal and storage services.

#### **SSGC Alternate Energy (Private) Limited**

SSGC Alternate Energy Limited (the Subsidiary) was incorporated in Pakistan on September 8, 2022 under the Companies Act, 2017 as a private limited company. The principal activity of the subsidiary is to provide production, storage, sale, supply and distribution of conventional and alternate energy. The registered office of the Subsidiary is situated at SSGC House, Street no. 48, Shah Suleman Road, Block 14, Gulshan-e-Iqbal, Karachi.

### **1.2 Basis of consolidation**

These consolidated financial statements include the financial statements of the Holding Company and its Subsidiaries.

A Company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Holding Company obtains control and continue to be consolidated until the date when such control ceases.

Control is achieved when the Holding Company:

- has power over the investee;
- exposure, or rights to variable returns from its involvement; and
- has the ability to use its power to affect its return.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of the investment held by the Holding Company is eliminated against the subsidiary companies shareholders' equity in these consolidated financial statements.

All intergroup transactions, balances and unrealized gain / (losses) resulting from intragroup transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with the accounting policies of the Group, where required.

### 1.3 Regulatory framework

Under the provisions of license given by the Oil and Gas Regulatory Authority (OGRA) under the OGRA Ordinance, 2002, the Holding Company is provided with a minimum annual return before taxation based on Weighted Average Cost of Capital ('WACC') from the year 2019 in place of the fixed rate of return of the average operating assets excluding interest, other non-operating expenses and non-operating income from the reference figures.

The determination of annual required return is reviewed by OGRA, under the terms of the license for transmission, distribution and sale of natural gas, targets and parameters set by OGRA. Income earned in excess / (short) of the above guaranteed return is payable to / recoverable from the Government of Pakistan (GoP).

## 2 BASIS FOR PREPARATION

### 2.1 Statement of compliance

These condensed consolidated 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 of;

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

-Provisions of, directives and notifications issued under the Companies Act, 2017; 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 and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

In case requirements of the SOE Act or the SOE Policy or the directives issued thereunder differ from the Companies Act, 2017, 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 requirements of IAS 34, the provisions of the SOE Act or the SOE Policy or the directives issued thereunder shall prevail to the extent of such difference.

These condensed consolidated interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Act. These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended June 30, 2025.

However selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last consolidated annual financial statements.

## **2.2 Basis of measurement**

These condensed consolidated interim financial statements have been prepared under the historical cost convention unless stated otherwise.

## **2.3 Functional and presentation currency**

These condensed consolidated interim financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Group.

## **3 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies adopted for the preparation of these condensed consolidated interim financial statements are the same as those applied in the preparation of the Group's annual consolidated financial statements for the year ended June 30, 2025.

### **3.1 Changes in accounting standards, interpretations and amendments to accounting and reporting standards**

#### **a) Standards, amendments and interpretations to approved accounting standards that are effective during the period ended December 31, 2025**

Certain standards, amendments and interpretations to approved accounting standards are effective for annual accounting periods beginning on January 01, 2025, but are considered not to be relevant or did not have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

#### **b) Standards, amendments and interpretations to existing approved accounting standards that are not yet effective and have not been early adopted by the Group**

There are certain standards, amendments and interpretation to the approved accounting standards that are mandatory for the Group's annual accounting periods beginning on or after January 01, 2026, but are considered not to be relevant or expected to have any significant effect on the Group's operations and are, therefore, not detailed in these condensed consolidated interim financial statements.

### **3.2 Non-Compliance with IFRS 14 Regulatory Deferral Accounts**

In terms of SECP's Notification S.R.O.1480 (1)/2019 dated July 01, 2019, the Holding Company was granted exemption from the requirements of IFRS 14 Regulatory Deferral Accounts which was further extended from time to time and the latest exemption was available till June 30, 2024 vide its letter SMD/PRDD/Comp/(4)/2021/168 dated December 03, 2024.

The Holding Company has taken up the matter of further extension with the concerned authorities, however, as of reporting date, the exemption is not available accordingly, the Holding Company has not incorporated any adjustment and / or presentation and disclosure requirements as laid down under IFRS 14 in these condensed consolidated interim financial statements.

#### 4 SIGNIFICANT ESTIMATES, ASSUMPTION AND JUDGEMENTS

In the preparation of the condensed consolidated interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and incomes and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed consolidated interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended June 30, 2025.

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>217,617,627</b>	218,515,341
Capital work-in-progress	5.4	<b>26,062,405</b>	13,688,033
		<b><u>243,680,032</u></b>	<u>232,203,374</u>
<b>5.1</b>	Following is the movement in operating fixed assets during the period / year:		
	Operating fixed assets (WDV) - opening balance	<b>218,515,341</b>	192,697,545
	Add: Additions (including transfers from CWIP) during the period / year	<b>4,966,168</b>	36,866,410
		<b><u>223,481,509</u></b>	<u>229,563,955</u>
	Less: Disposals during the period / year (WDV)	<b>(18,628)</b>	(521,361)
	Depreciation charge for the period / year	<b>(5,845,254)</b>	(10,527,253)
	Operating fixed assets (WDV) - closing balance	<b><u>217,617,627</u></b>	<u>218,515,341</u>

	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
Note	----- (Rupees in '000) -----	
<b>5.2 Following additions were made during the period / year in operating fixed asset:</b>		
Freehold land	12,309	-
Leasehold land	-	392,909
Civil work on leasehold - Trestle and Jetty		19,935
Buildings on leasehold land	11,995	277,431
Gas transmission pipeline	278,257	4,098,943
Gas distribution system	3,134,867	29,262,603
Telecommunication	43,966	14,138
Cylinders	-	94,494
Spherical tanks	9,410	267
Plant and machinery	439,038	1,325,420
Tools and equipment	8,248	24,621
Compressors	575,027	411,022
Motor vehicles	400,534	342,803
Bowsers and bobtail	-	9,473
Furniture and fixture	16,402	8,327
Office equipment	15,755	76,051
Computer and ancillary equipment	20,360	507,973
Supervisory control and data acquisition system		-
	<b>4,966,168</b>	<b>36,866,410</b>
<b>5.3 Disposal during the period / year - WDV</b>		
Gas distribution system	-	495,447
Telecommunication	530	112
Plant and machinery	2,004	5,311
Tools and equipment	-	21
Motor vehicles	16,094	20,471
	<b>18,628</b>	<b>521,361</b>
<b>5.4 Capital work in progress</b>		
Projects:		
Gas distribution system	12,967,355	4,709,312
Gas transmission system	216,285	93,259
Cost of buildings under construction and others	1,013,626	779,140
	<b>14,197,266</b>	<b>5,581,711</b>
Stores and spares held for capital projects - net	12,053,105	8,294,288
LPG air mix plant	264,586	264,586
	<b>12,317,691</b>	<b>8,558,874</b>
Less: Impairment of capital work in progress	(452,552)	(452,552)
	<b>26,062,405</b>	<b>13,688,033</b>

5.4.1 Additions to capital expenditures incurred during the period amounting to Rs. 16,939 million (June 2025: Rs. 33,537 million).

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>5.4.2 Stores and spares held for capital projects</b>			
Stores and spares held for capital projects		12,562,378	8,772,806
Less: Provision for impairment		(509,273)	(478,518)
		<u>12,053,105</u>	<u>8,294,288</u>
<b>6 LONG TERM INVESTMENTS</b>			
At fair value through other comprehensive income			
Associate and other investments	6.1	<u>504,695</u>	<u>454,109</u>
<b>6.1 Investment - at fair value through other comprehensive income</b>			
<b>Investment in related parties</b>			
Sui Northern Gas Pipelines Limited			
2,414,174 (June 2025: 2,414,174) ordinary shares of Rs. 10 each		288,542	281,758
Pakistan Refinery Limited			
3,150,000 (June 2025: 3,150,000) ordinary shares of Rs. 10 each		115,416	106,880
<b>Other investments</b>			
United Bank Limited			
237,256 (June 2025: 237,256) ordinary shares of Rs. 10 each		100,737	65,471
		<u>504,695</u>	<u>454,109</u>
<b>7 TRADE DEBTS</b>			
Considered good			
-secured		35,227,556	39,064,554
-unsecured		95,626,634	91,699,306
	7.1 & 7.2	<u>130,854,190</u>	<u>130,763,860</u>
Considered doubtful		39,958,779	33,198,284
		<u>170,812,969</u>	<u>163,962,144</u>
Less: Allowance for expected credit loss	7.3	<u>(39,958,779)</u>	<u>(33,198,284)</u>
		<u>130,854,190</u>	<u>130,763,860</u>
<b>7.1</b> It includes receivable from K-Electric Limited (KE) related to the sale of indigenous gas amounting to Rs. 26,289 million being a long outstanding balance (June 2025: Rs. 26,289 million), excluding Gas Infrastructure Development Cess (GIDC).			

As KE has been continuously defaulting and not making Principal as well as LPS payment, the Holding Company filed a suit against KE in the Honorable High Court of Sindh (HCS) in November 2012, for recovery of Rs. 55,705 million including principal outstanding amounting to Rs. 45,705 million on account of the supply of gas and Rs. 10,000 million on account of LPS. In addition, KE has also filed a case against the Holding Company in the HCS for recovery of damages/losses of Rs. 61,614 million as KE claimed that the Holding Company had not supplied the committed quantity of natural gas to KE.

The above suit has been filed based as per the agreement dated June 30, 2009 which was entered between the Holding Company and KE for making outstanding payment in 18 installments. The Holding Company was entitled to charge LPS on outstanding principal amount at rate highest of:

- a. OD rate being paid by the Holding Company; or
- b. rate at which interest is payable on gas producer bills.

Despite the agreement, KE continuously defaulted on installment payments, and the Holding Company therefore charged LPS up to June 2016. However, in line with opinions from firms of Chartered Accountants, the management decided to recognize LPS on a receipt basis effective from July 1, 2012, and accordingly reversed the LPS income that had been recognized from June 30, 2012 onwards.

However, the Holding Company maintains a memorandum records which indicate an aggregate LPS income of Rs. 213,984 million (June 2025: Rs.202,744 million) including LPS income for the period ended December 31, 2025 of Rs. 11,240 million (June 2025: Rs. 24,048 million) which has not been recognized in these consolidated financial statements. As of the reporting date, the aggregate claim on account of disputed balances works out to be Rs. 243,636 million (including GIDC of Rs. 3,363 million).

In view of the legal counsel of the Holding Company, the management considers outstanding balance as good and recoverable. The legal counsel also viewed that the Holding Company has a valid claim over LPS on outstanding balance, but considering that the matter is in dispute, as discussed above, the Holding Company has decided to recognize LPS from KE when either such claimed amounts are recovered or when these are decreed and their recovery is assured.

In March, 2014, the Holding Company signed a payment plan with KE in order to streamline the payment modalities in relation to current monthly bills and old outstanding principal amount, in which the issue of LPS was not addressed. The plan expired on March 31, 2015, and first addendum was included to the original payment plan effective from April 01, 2015 to March 31, 2016. Upon expiry, the second addendum was included to the original payment plan on June 18, 2016 effective from April 01, 2016 to March 31, 2017. Currently, management is in the process of negotiating a payment plan, which has not been finalized till the filing of these consolidated financial statements but the supply of gas and payment is continuing as per old plan.

In June 2022, a Task Force was constituted by the then Prime Minister to resolve issues/disputes related to KE. During their meetings, it was decided to enter into a multi-party Mediation Agreement in order to resolve KE's receivables and payables issues between all the stakeholders. Accordingly, after deliberations, a Mediation Agreement has been executed between the Stakeholders. The Federal Cabinet also ratified the decision and the Mediation Agreement was also cleared by Law & Justice Division.

The parties then submitted their respective claims with the Mediator. First mediation meeting was held in May 2024 which was attended by all the parties except Karachi Water Sewerage Board which refused to join the mediation process and did not attend the proceedings. During the course of second meeting which was held on August 15, 2024, the counsel for Central Power Purchasing Authority (CPPA-G), National Transmission and Dispatch Company (NTDC) and Government of Pakistan informed the Mediator that the time period provided in the Mediation Agreement for rendering an opinion by the Mediator has lapsed (which was sixty (60) days from the date of appointment of Mediator, extendable by a further thirty (30) days).

As a result, Ministry of Energy (MoE) vide letter dated September 18, 2024, shared a draft summary to be moved by the Power Division for the consideration and approval of the Economic Coordination Committee (ECC) regarding extension on the period of determination by the Mediator for a further period of sixty (60) days. In this respect, the Holding Company shared its views / comments on the draft ECC summary, that any further extensions can be done with mutual consent by all the parties.

In view of the above, ECC vide its decision dated February 03, 2025 has approved the summary / proposal of Power Division to amend the Mediation Agreement to provide for a further period of ninety (90) days from the date of approval for concluding the Mediation process.

Subsequently, the Mediator held several meetings with the stakeholders; however, the Mediator vide its letter dated June 05, 2025 submitted that the mediation proceedings were concluded on the note that a mutually acceptable agreement in a collaborative and consensual manner is not possible. As such the mediation was formally closed without settlement.

- 7.2** It includes receivables from Pakistan Steel Mills Corporation Limited (PSML) amounting to Rs. 21,770 million (excluding GIDC of Rs. 2,664 million) (June, 2025: Rs. 21,770 million) which includes a LPS of Rs. 2,051 million (June, 2025: Rs. 2,051 million) receivable against sale of indigenous gas. This includes an overdue amount of Rs. 21,770 million (June, 2025: Rs. 21,770 million) excluding GIDC.

The PSML has been defaulting and not making payments of principal as well as LPS, therefore the Holding Company charged LPS up to June 2016. However, in line with opinions from firms of Chartered Accountants, the management decided to recognize LPS on a receipt basis effective from July 1, 2012, and accordingly reversed the LPS income that had been recognized from June 30, 2012 onwards.

However, the Holding Company maintains a memorandum account showing aggregate LPS income of Rs. 75,231 million (June 2025: Rs. 75,231 million) which has not been recognized in the consolidated financial statements. However in July 2024, gas supply to PSML has been disconnected, therefore, no LPS recorded in the memorandum account after July 2024. The aggregate legal claim of Rs. 99,665 million including Rs. 2,664 million GIDC.

The Holding Company filed a suit in the HCS in April 2016, for recovery of its outstanding amount of gas bills and LPS aggregate claim amounting to Rs. 41,354 million up to February 2016.

On April, 2016, the HCS passed an order restraining PSML from creating any third party interest in relation to its assets including but not limited to immovable assets owned by it upto the extent of this amount.

PSML has filed its counter claim approximately of Rs. 38,660 million on account of losses due to low gas pressure provided to PSML from March 2015 to December 2016. Legal counsel of the Holding Company is of the view that due to vagaries of litigation nothing could be expressed with any degree of certainty in the contested matters.

Currently, PSML's financial position is adverse, and has no capacity to repay its obligations on its own, therefore, the entire amount as appeared in books of account was claimed from OGRA in the determination of Final Revenue Requirement (FRR) FY 2024-25 of the Holding Company. OGRA in its decision directed the Holding Company to take up the matter of PSML's outstanding balances with the Federal Government (FG) for a comprehensive resolution.

		December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>7.3</b>	<b>The movement in allowance for expected credit loss is as follows:</b>		
	Opening balance	33,198,284	27,481,967
	Provision made during the period / year	6,677,704	5,716,317
	Closing balance	<u>39,958,779</u>	<u>33,198,284</u>
<b>8</b>	<b>INTEREST ACCRUED</b>		
	Interest accrued on late payment of bills / invoices from:		
	- Jamshoro Joint Venture Limited	302,178	239,689
	Sales tax refund	487,739	487,739
	Bank deposits	28,610	63,702
	Accrued markup	9,084	3,929
		<u>827,611</u>	<u>795,059</u>
	Less: Allowance for expected credit loss	<u>(112,400)</u>	<u>(112,400)</u>
		<u>715,211</u>	<u>682,659</u>
<b>9</b>	<b>OTHER RECEIVABLES</b>		
	Tariff adjustments indigenous gas - receivable from GoP	9.1 544,637,055	545,281,935
	Receivable from Sui Northern Gas Pipelines Company Limited	9.2 57,846,524	48,502,979
	Receivable from Jamshoro Joint Venture Limited	9.3 2,345,507	2,262,314
	Receivable from Pakistan LNG Limited	805,602	832,801
	Off the Grid (Captive power plants) levy to GOP	4,356,070	218,845
	Gas infrastructure development cess receivable	6,259,112	6,837,838
	Receivable from GPO against gas bill collection	9.4 315,215	315,215
	Sales tax receivable	9.5 75,549,790	79,527,268
	Sindh sales tax	2,451	2,451
	Asset contribution	9.6 163,880	163,880
	Miscellaneous receivable	131,132	408,429
		<u>692,412,338</u>	<u>684,353,955</u>
	Less: Allowance for expected credit loss	<u>(2,544,768)</u>	<u>(2,544,768)</u>
		<u>689,867,570</u>	<u>681,809,187</u>

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
Note	------(Rupees in '000)-----	

## 9.1 Tariff adjustments indigenous gas - receivable from GoP

Opening balance		<b>545,281,935</b>	564,329,232
(Recovered) / recognized during the period / year	18.1	<b>(1,352,738)</b>	(20,458,963)
Subsidy for LPG air mix operations		<b>707,858</b>	1,411,666
Closing balance		<b><u>544,637,055</u></b>	<u>545,281,935</u>

## 9.2 At the reporting date, receivable balance from SNGPL comprises of the following:

Differential tariff	9.2.1	<b>4,284,080</b>	4,284,080
Uniform cost of RLNG	9.2.2	<b>20,000,000</b>	20,000,000
Lease rentals		<b>18,207</b>	18,207
Contingent rent		<b>3,521</b>	19,529
LSA margins of RLNG		<b>741,482</b>	374,281
Capacity and utilisation charges of RLNG		<b>5,880,546</b>	3,958,765
RLNG transportation income		<b>26,918,688</b>	19,848,117
		<b><u>57,846,524</u></b>	<u>48,502,979</u>

### 9.2.1 As at December 31, 2025, the Holding Company has receivable balance of Rs. 4,284 million (June 30, 2025: Rs. 4,284 million) which stands outstanding from May 2020 till date.

OGRA vide its decision dated November 20, 2018, had directed that the stock of RLNG withheld by the Holding Company to be purchased from Sui Northern Gas Pipeline Limited (SNGPL) will be calculated based on the historical weighted average cost price in Pakistani Rupees. Consequently, the Holding Company has recorded sales as per the relevant applicable OGRA notified rates. The Tariff differential represents gain owing to the difference between the current and historical rates, which were passed on to the SNGPL up to May 2020.

The Holding Company is in the process of reconciling this disputed amount and is hopeful that it will be sorted out in due course.

### 9.2.2 This represents advance paid to SNGPL against Cost of Gas Equalization to be adjusted against any shortfall, if any, in Final Revenue Requirement (FRR) determined by the Oil and Gas Regulatory Authority (OGRA). The Ministry of Energy (Petroleum Division) has directed the Holding Company and SNGPL to enter into a 'Cost of Gas Equalization Agreement' to facilitate the adjustments arising out of FRR. The execution of agreement is currently pending between both parties.

- 9.3** This amount comprises of receivable in respect of royalty income & fuel charges, sale of natural gas liquids, Federal Excise Duty (FED), Sindh Sales Tax (SST) on franchise services and receivable from JJVL at the rate of ad-hoc 57% value of LPG / NGL extraction as per the agreement signed between the Holding Company and JJVL pursuant to Honorable Supreme Court of Pakistan (SCP) order dated December 04, 2018 amounting to Rs. 19 million (June 2025: Rs. 19 million), Rs. 108 million (June 2025: Rs. 108 million), Rs. 1,070 million (June 2025: Rs. 1,070 million), Rs. 646 million (June 2025: Rs. 646 million), Rs. nil (June 2025: Rs. 420 million) respectively. Although, management is confident that this amount is fully recoverable, being prudent provision against the same has already been recorded in these consolidated condensed interim financial statements.

During FY 2024-25, the matter was taken up by Special Investment Facilitation Council (SIFC) for the resumption of gas supplies to JJVL to meet the national objective of enhancing domestic production and reducing reliance on imported LPG. Several meetings were held in this respect at various SIFC committees.

After detailed deliberations and a series of meetings, the final draft agreement has been agreed and initialed by both the parties on June 17, 2025. The initialed agreement had been placed before SIFC-Executive Committee (SIFC-EC) in its meeting dated June 18, 2025 in which it accorded approval of the agreement.

Subsequently, in view of the SIFC-EC approval, the initialed agreement has also been approved by the Board. Subsequently, both the parties signed the agreement on July 28, 2025 for its formal execution. Consequently, during the period, Rs 420 million in respect of revenue sharing agreement has been received.

Receivable in respect of revenue sharing agreement as per SIFC decision dated 18 June 2025 for LPG, NGL, Internal Consumption (power gen & compressor), LPS receivable against LPG and LPS receivable against NGL amounts to Rs. 319 million, Rs. 101 million, Rs. 59 million, Rs. 0.215 million and Rs. Nil respectively.

- 9.4** This represents receivable balance from Pakistan Post Office against gas bills collected from January 2022 to March 2022 and deposited in Government Treasury. The management is making efforts to recover the amount.
- 9.5** This represents sales tax refunds that arose due to the excess of average purchase cost over average sales price, uniform purchase price adjustment with SNGPL and zero rating of sales tax on gas sales for various industries. These refunds are processed through FBR's Sales Tax Automated Refund Repository (STARR) system. Due to several snags in the functioning of STARR, the Commissioner has deferred processing of tax refunds and has also deferred the payments of already processed refunds. The deferred refunds are issued to the Holding Company on the basis of manual verification of documents (third-party vendor sales tax returns) by tax authorities.
- 9.6** This represents receivable from Mari Gas Company Limited, Spud Energy Pty Limited, PKP Exploration Limited and Government Holdings (Private) Limited (referred as BJV) in respect of Zarghun gas transmission pipeline under pipeline contribution agreement. The receivable has been recognised using discounted cash flow technique.

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>10 LONG TERM FINANCING</b>			
Secured			
Banking companies	10.1, 10.2, 10.3 & 10.4	40,652,196	52,343,412
Unsecured			
Customer finance		124,008	120,145
Government of Sindh		940,000	940,000
		<b>1,064,008</b>	1,060,145
		<b>41,716,204</b>	53,403,557
Less: current portion shown under current liabilities			
Banking companies		<b>(33,500,000)</b>	(42,166,667)
Customer finance		(1,184)	(1,184)
Loans from Government of Sindh		<b>(186,667)</b>	(186,667)
		<b>(33,687,851)</b>	(42,354,518)
		<b>8,028,353</b>	11,049,039

- 10.1** This includes a long term finance facility amounting to Rs. 21,000 million was sanctioned in March 2022 from a syndicate of banks. This financial arrangement has been secured by GoP guarantee.
- 10.2** This includes finance facility amounting to Rs. 15,000 million was sanctioned in December 2022 from a syndicate of banks..
- 10.3** This include finance facility amounting to Rs. 15,000 million was sanctioned in May 2024 by the bank.
- 10.4** This include finance facility amounting to Rs. 20,000 million was sanctioned in March 2025 by the bank.
- 10.5** These loans / financial arrangements are secured by pari passu charge by way of hypothecation on all present and future movable fixed assets of the Holding Company comprising of compressor stations, transmission and distribution pipelines, pipeline under construction, machinery and equipments.

December 31,      June 30,  
2025                      2025  
(Unaudited)      (Audited)  
Note -----(Rupees in '000)-----

**11 DEFERRED CREDIT**

Government of Pakistan (GoP) contributions / grants

Opening balance		4,338,651	4,514,118
Additions during the period / year		14,034	275,007
Amortized during the period / year	21	(238,948)	(450,474)
Closing balance	11.1	<u>4,113,737</u>	<u>4,338,651</u>
Government of Sindh - Conversation of loan into grant			
Opening Balance		1,847,681	1,736,245
Additions during the period / year		13,212	248,548
Amortized during the period / year	21	(72,170)	(137,112)
Closing balance		<u>1,788,723</u>	1,847,681
Government of Sindh grants			
Opening Balance		-	76,173
Amortized during the period / year	21	-	(76,173)
Closing balance		-	-
		<u>5,902,460</u>	6,186,332
Less: current portion		<u>(622,236)</u>	(573,451)
		<u>5,280,224</u>	<u>5,612,881</u>

- 11.1** This represents amount received from the Government of Pakistan (GoP) for supply of gas to new towns and villages, the same is recognised as grant when the conditions specified by the GoP are met. This amount is amortised over the useful life of related projects.

December 31,      June 30,  
2025                      2025  
(Unaudited)      (Audited)  
Note -----(Rupees in '000)-----

**12 CONTRACT LIABILITIES**

Contribution from customers	12.1&12.2	4,174,071	3,973,789
Advance received from customers		8,990,334	8,275,049
		<u>13,164,405</u>	<u>12,248,838</u>

- 12.1** This represents amount received from the consumers as contribution towards the cost of supplying and laying transmission, service and main lines.

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>12.2 Contribution from customers</b>			
Opening balance		4,308,058	4,055,191
Additions during the period / year		351,917	568,043
Amortized during the period / year	21	(161,968)	(315,176)
		4,498,007	4,308,058
Less: Current portion		(323,936)	(334,269)
Closing balance		4,174,071	3,973,789
<b>13. TRADE AND OTHER PAYABLES</b>			
Creditors for:			
Indigenous gas	13.1 & 13.2	830,604,863	829,422,912
RLNG		12,033,603	18,342,310
		842,638,466	847,765,222
Tariff adjustment- RLNG payable to GoP	13.3	24,984,043	18,744,630
Service charges payable to Engro Elengy Terminal Limited (EETL)		3,409,531	3,478,338
Advances from customers and distributors		693,657	250,908
Accrued liabilities / bills payable		9,062,131	11,246,228
Employee benefits		4,416,647	3,971,502
Liquidated damages payable to Jamshoro Power Company Limited		945,423	1,533,994
Deposits / retention money		1,455,531	1,309,155
Advance for Pak-Arab Refinery Company Limited		18,088	18,088
Withholding tax payable		195,272	108,958
Sales tax and federal excise duty		189,898	174,585
Sindh sale tax		375,647	304,997
Gas infrastructure development cess payable		6,259,112	6,837,838
Off the Grid (Captive power plants) levy to GOP		4,356,070	218,845
Workers' profit participation fund		1,519,868	1,382,612
Others		1,011,763	964,676
		901,531,147	898,310,576

13.1 This includes Rs. 712,992 million (June 2025: Rs. 705,646 million) payable to Oil and Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited (PPL) and Government Holdings (Private) Limited (GHPL) in respect of gas purchases.

**13.2** With effect from July 01, 2012, the Holding Company has been accounting for LPS income from KE and PSML on receipt basis based on the opinions obtained from the firms of Chartered Accountants for compliance with then applicable International Accounting Standards 18 "Revenue". On adoption of IFRS15 "Revenue from contract with customers" which supersedes IAS 18, the Holding Company has obtained an updated opinion from the firm of Chartered Accountants to recognize LPS income from KE and PSML on a receipt basis. However, the Holding Company continued recognition of the LPS expense payable on outstanding bills of the Government Controlled E&P Companies i.e. OGDCL, PPL, and GHPL to comply with the requirements of the accounting standards, as such standards do not allow the Holding Company to offset its LPS income against the mark-up expense in absence of legal right to set off, despite the fact that the Holding Company has never paid such LPS to Government Controlled E&P companies. Therefore, management approached the ministry through its letter dated September 01, 2016, to allow similar treatment of its LPS payable to Government Controlled E & P Companies due to special and unusual circumstances arising from the circular debt. Management's request was also based on, besides the unique situation of circular debt, past settlement record on a net basis which was approved by the Economic Coordination Committee (ECC) in 2001, and the fact that OGDCL, PPL, and GHPL are not recording any such LPS income in their financial statements and assert that such income will be recorded only when the same is received.

In response to the Holding Company's above request, the MP & NR vide their letter dated January 03, 2017 has supported the contention of the Holding Company that it will not recognize LPS expense payable to the Government Controlled E&P Companies (OGDCL, PPL and GHPL), effective from July 01, 2012, till the time Holding Company receives payment for LPS income from KE and PSML and it would be settled simultaneously subject to fulfilment of all the codal formalities.

In financial year 2024, the Holding Company has reversed the accrued LPS of Rs. 15,832 million payable to the OGDCL, PPL and GHPL, booked prior to July 01, 2012 in line with the clarification obtained from Ministry of Energy (Petroleum Division) vide its letter dated April 28, 2025 to record the same on actual settlement basis.

Based on the aforesaid letters and legal opinion obtained by the Holding Company, the aggregate unrecognized accrued markup up is Rs. 428,977 million (June 2025: Rs. 370,655 million).

		<b>December 31, 2025 (Unaudited)</b>	<b>June 30, 2025 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>13.3 Tariff adjustments RLNG - payable to GoP</b>			
Opening balance		<b>18,744,630</b>	34,946,646
Charge during the period	18	<b>6,239,413</b>	(16,203,612)
GoP adjustment on RLNG tariff		-	1,596
Closing balance		<b><u>24,984,043</u></b>	<u>18,744,630</u>

	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
Note	------(Rupees in '000)-----	
<b>14 SHORT TERM BORROWINGS</b>		
Short term borrowing from financial institutions - secured	<b>109,083,682</b>	<u>82,806,374</u>

**14.1** The total limit of various financing facilities available from commercial banks against short-term running facilities aggregate to Rs. 110,000 million (June 2025: Rs. 110,000 million) out of which the Holding Company has utilized Rs 109,084 million (June 2025: Rs. 82,806 million). The applicable markup rates during the period ranges from one to three months KIBOR plus basis ranging from 0.1% to 1.00% (June 2025: 0.1% to 1.00% ). These facilities are secured by first pari passu and second amendment to the joint hypothecation agreement and ranking charge over present and future stock in trade and trade debts of the Holding Company. Markup is payable on monthly and quarterly basis with the effective interest rate charged during the year ranging from 10.84% to 12.20% (June 2025: 11.38% to 22.21%) per annum.

<b>15 INTEREST ACCRUED</b>		
Long term financing - loans from banking	<b>445,657</b>	448,561
Long term deposits from customers	<b>547,008</b>	953,970
Short term borrowings	<b>1,423,605</b>	828,754
Late payment surcharge on processing charges	<b>99,283</b>	99,283
	<b>2,515,553</b>	<u>2,330,568</u>

## **16 CONTINGENCIES AND COMMITMENTS**

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

**16.1.1** As disclosed in note 7.1, the management has reversed Late Payment Surcharge (LPS) expense with effect from July 01, 2012 to June 30, 2016 amounting to Rs. 26,222 million on Government Controlled E&P Companies liabilities and ceased to record LPS expense for the year ended June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, June 30, 2024, June 30, 2025 and half year ended December 30, 2025 amounting to Rs. 7,569 million, Rs. 7,477 million, Rs. 10,525 million, Rs. 26,335 million, Rs 25,939 million, Rs. 27,921 million, Rs. 44,303 million and Rs. 99,005 million, Rs. 95,359 million and Rs 58,322 million, respectively in these consolidated financial statements. The Holding Company will record and pay such LPS in the period when it receives LPS on amount receivable from KE and PSML.

- 16.1.2** The Holding Company is subject to various other claims totaling Rs. 8,760 million by income tax and sales tax authorities. The management is confident that ultimately these claims would not be payable.
- 16.1.3** There are several other pending litigations in the nature of billing disputes, employees disputes and related matters in which the Holding Company is defendant / respondent. The management, based on the view of the in-house legal advisor, is of the view that the aggregate exposure in all the said cases is not material to the Holding Company. Accordingly, no provision has been made in these consolidated financial statements.
- 16.1.4** The Holding Company has an aggregate disputed difference of Rs. 10,661 million with Sui Northern Gas Pipelines Limited (SNGPL) on account of tariff differential. The management is in the process of sorting out such difference and does not anticipate any adverse consequences, accordingly no provision has been made in these consolidated financial statements for eventual liability.

	<b>December 31, 2025 (Unaudited)</b>	<b>June 30, 2025 (Audited)</b>
	----- (Rupees in '000) -----	
<b>16.2</b> Claims against the Group not acknowledged as debt	<b>4,139,070</b>	4,244,716
<b>16.3 Commitments</b>		
<b>16.3.1</b> Guarantees issued on behalf of the Group	<b>11,558,021</b>	11,422,818
<b>16.3.2</b> Commitments for capital and other expenditure	<b>11,611,333</b>	7,026,586

Half year ended  
December 31, 2025      December 31, 2024  
Quarter ended  
December 31, 2025      December 31, 2024  
(Unaudited)  
----- (Rupees in '000) -----

**17 REVENUE FROM CONTRACTS WITH CUSTOMERS - GAS SALES-NET**

**Gross sales**

Note

Indigenous gas	189,295,550	214,089,305	87,999,584	97,818,617
RLNG	35,037,913	72,980,870	20,057,485	32,866,209
LPG	15,216,329	3,496,312	8,049,228	1,216,967
Services	666,318	588,102	494,141	251,167
	<b>240,216,110</b>	<b>291,154,589</b>	<b>116,600,438</b>	<b>132,152,960</b>

**Less: Sales tax**

Indigenous gas	(29,302,338)	(31,716,045)	(13,546,746)	(14,445,139)
RLNG	(5,925,101)	(11,262,599)	(3,305,902)	(5,089,212)
LPG	(2,324,445)	(535,630)	(1,229,762)	(187,004)
Services	(86,911)	(76,709)	(64,453)	(32,761)
	<b>(37,638,795)</b>	<b>(43,590,983)</b>	<b>(18,146,863)</b>	<b>(19,754,116)</b>

Net sales

	<b>202,577,315</b>	<b>247,563,606</b>	<b>98,453,575</b>	<b>112,398,844</b>
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**18 TARIFF ADJUSTMENTS**

Indigenous gas	18.1	(1,352,738)	(16,868,041)	5,943,578	(1,203,212)
RLNG	18.2	(6,239,413)	(2,878,529)	(3,009,280)	(590,595)
		<b>(7,592,151)</b>	<b>(19,746,570)</b>	<b>2,934,298</b>	<b>(1,793,807)</b>

**18.1 Tariff adjustment - indigenous gas**

Price increase adjustment for the period	(644,881)	(16,211,253)	6,320,946	(833,221)
Subsidy for LPG air mix operations	(707,857)	(656,788)	(377,368)	(369,991)
	<b>(1,352,738)</b>	<b>(16,868,041)</b>	<b>5,943,578</b>	<b>(1,203,212)</b>

**18.2 Tariff adjustment - RLNG**

Price increase adjustment for the period	(6,239,413)	(2,878,529)	(3,009,280)	(590,595)
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**19 COST OF REVENUE**

Cost of gas	19.1	174,859,927	206,077,992	88,841,955	100,710,079
Transmission and distribution costs		14,963,287	13,767,513	8,134,721	6,962,874
		<b>189,823,214</b>	<b>219,845,505</b>	<b>96,976,676</b>	<b>107,672,953</b>

**19.1 Cost of gas**

Opening stock	2,768,890	2,663,277	2,416,621	2,352,201
RLNG purchases	27,828,264	58,488,187	16,413,281	27,281,676
Gas purchases	136,041,607	145,333,344	66,787,570	72,693,819
LPG purchases	11,412,007	2,876,938	6,270,618	1,455,518
	<b>178,050,768</b>	<b>209,361,746</b>	<b>91,888,090</b>	<b>103,783,214</b>
Gas consumed internally	(619,656)	(396,691)	(474,950)	(186,072)
Closing Stock	(2,571,185)	(2,887,063)	(2,571,185)	(2,887,063)
	<b>(3,190,841)</b>	<b>(3,283,754)</b>	<b>(3,046,135)</b>	<b>(3,073,135)</b>
	<b>174,859,927</b>	<b>206,077,992</b>	<b>88,841,955</b>	<b>100,710,079</b>

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2025	2024	2025	2024
	(Un-audited)			
	------(Rupees in '000)-----			

**20 OTHER OPERATING EXPENSES**

Workers' profit participation Fund	65,329	366,655	(4,732)	108,000
Auditors' remuneration	6,275	3,726	3,412	1,863
Sports expenses	14,850	17,664	7,596	9,672
Corporate social responsibility	635	1,155	335	726
Exchange loss	-	108,473	-	108,473
Provision against slow-moving and obsolete stores and spares	79,187	-	71,365	-
Liquidated damages	1,320	-	1,320	-
	<b>167,596</b>	<b>497,673</b>	<b>79,296</b>	<b>228,734</b>

**21 OTHER INCOME**

**Income from financial assets**

Receivable against asset contribution	-	6,791	-	2,879
Interest on loan to related party	-	-	-	-
Late payment surcharge	2,633,351	3,491,890	1,396,261	1,183,139
Interest income from JJVL against LPG / NGL	373,857	-	215	-
Liquidated damages recovered	99,818	66,155	59,499	29,346
Return on term deposits and profit and loss bank account	107,376	376,061	55,256	226,990
Dividend income	11,039	19,774	9,141	1,305
	<b>3,225,441</b>	<b>3,960,671</b>	<b>1,520,372</b>	<b>1,443,659</b>

**Income from other than financial assets**

Meter manufacturing division profit / (loss) - net	(46,257)	927,336	(21,283)	530,096
Income from JJVL against LPG / NGL - net	231,165	-	231,165	-
Meter rentals - net	784,372	795,139	390,334	397,132
RLNG transportation income	9,947,596	5,672,384	4,324,591	2,766,717
Income against deferred credit and contract liability	513,649	490,614	261,130	262,770
Income from LPG air mix distribution - net	103,530	105,155	51,330	52,330
Income from sale of tender documents	1,793	5,072	1,132	3,286
Gain on scrap sales - net	25,200	23,450	25,200	3,160
Recoveries from customers	141,651	46,652	101,360	32,052
Gain on disposal of property, plant and equipment	34,517	28,092	35,598	6,711
Reversal against slow moving and obsolete stores and spares	-	18,085	-	10,485
Amortization of Government grant	-	2,925	-	1,462
Rental from SSGC LPG Limited	-	-	-	-
Exchange gain	945,847	-	267,088	(600,617)
LSA margins against RLNG	767,848	785,903	360,411	371,481
Miscellaneous	19,873	31,350	(4,662)	15,297
	<b>16,696,225</b>	<b>12,892,828</b>	<b>7,543,766</b>	<b>5,296,021</b>

**22 TAXATION**

Prior year tax	414,967	-	414,967	-
Current tax	4,021,012	3,297,828	3,790,630	1,669,565
Deferred tax	(3,778,775)	(3,103,189)	(3,705,227)	(1,517,115)
	<b>657,204</b>	<b>194,639</b>	<b>500,370</b>	<b>152,450</b>

**23 EARNING PER SHARE - BASIC AND DILUTED**

Profit for the period	1,300,201	7,055,284	515,082	1,860,497
Average number of ordinary shares	<b>880,916,309</b>	<b>880,916,309</b>	<b>880,916,309</b>	<b>880,916,309</b>
Earnings per share - basic and diluted	<b>1.48</b>	<b>8.01</b>	<b>0.58</b>	<b>2.11</b>

Half year ended  
December 31, December 31,  
2025 2024  
(Unaudited)  
------(Rupees in '000)-----

24	CASH GENERATED FROM OPERATIONS	Note	2025	2024
	Adjustments for non-cash and other items	24.1	<b>22,744,829</b>	16,174,333
	Working capital changes	24.2	<b>(13,219,361)</b>	(2,523,483)
			<b>9,525,468</b>	<b>13,650,850</b>
24.1	ADJUSTMENTS FOR NON-CASH AND OTHER ITEMS			
	Provisions	24.1.1	<b>8,285,632</b>	3,761,959
	Depreciation on property, plant and equipment	5.1	<b>5,845,254</b>	4,897,378
	Depreciation on right of use assets		<b>49,564</b>	46,467
	Amortization of intangibles		<b>64,352</b>	66,761
	Finance cost		<b>8,029,787</b>	6,682,041
	Amortization of transaction cost		<b>17,117</b>	26,866
	Amortization of government grant		<b>-</b>	(2,925)
	Income against deferred credit and contract liability		<b>(527,422)</b>	(468,023)
	Dividend income		<b>(11,039)</b>	(19,774)
	Interest income		<b>(107,376)</b>	(376,061)
	(Gain) / loss on disposal of property plant and equipment		<b>(36,222)</b>	(28,814)
	Decrease in long term advances		<b>(43,796)</b>	(69,499)
	Increase in deferred credit and contract liability		<b>1,148,784</b>	1,620,681
	Finance cost on payable against transfer of pipeline		<b>22,677</b>	26,549
	Finance cost on lease liability		<b>7,517</b>	10,727
			<b>22,744,829</b>	<b>16,174,333</b>
24.1.1	PROVISIONS			
	Charge / (reversal) in provision against slow moving / obsolete stores		<b>78,763</b>	18,167
	Allowance for expected credit loss		<b>6,677,704</b>	2,383,832
	Provision / (reversal) against compensated absences		<b>203,749</b>	(26,078)
	Provision for post retirement medical and free gas supply facilities		<b>655,545</b>	609,341
	Provision against retirement benefit		<b>669,871</b>	776,697
			<b>8,285,632</b>	<b>3,761,959</b>

Half year ended  
December 31, 2025      December 31, 2024  
(Unaudited)  
------(Rupees in '000)-----

**24.2 WORKING CAPITAL CHANGES**  
**(Increase) / Decrease in current assets**

Stores and spares	(978,303)	(233,296)
Stock-in-trade	(116,074)	(123,902)
Customers' installation work-in-progress	(19,701)	(24,466)
Trade debts	(6,768,034)	(5,769,907)
Advances, deposits and short term prepayments	(54,296)	(167,711)
Other receivables	(8,058,379)	20,572,081
	<u>(15,994,787)</u>	<u>14,252,799</u>

**(Decrease) / Increase in current liabilities**

Trade and other payables	2,775,426	(16,776,282)
	<u>(13,219,361)</u>	<u>(2,523,483)</u>

**25 CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD**

Cash and bank balances	4,146,496	2,454,676
Short term borrowings	(109,083,682)	(48,226,234)
	<u>(104,937,186)</u>	<u>(45,771,558)</u>

**26 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of subsidiary companies, associated companies due to common directorship, Government related entities, staff retirement benefits plans, directors and key management personnel (including their associates). Purchase and sale of gas from / to related parties are determined at rates finalised and notified by the Oil and Gas Regulatory Authority. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms as approved by the Board of Directors.

The details of transactions with related parties not disclosed elsewhere in these condensed consolidated interim financial statements are as follows:

Half Year ended  
December 31, December 31,  
2025 2024  
(Un-audited)  
-----  
(Rupees in '000)-----

Relationship		
<b>Government related entities - various</b>		
- Purchase of fuel and lubricant	170,183	187,488
- Sale of gas and allied charges inclusive of sales tax	5,778,210	29,953,348
- Gas purchases - Indigenous gas	85,140,870	85,765,508
- Gas purchases - RLNG	27,828,264	58,488,187
- Sale of gas meters and spare parts	18,653	3,424,035
- Rent expense	9,122	6,502
- Right of way	27,752	-
- Insurance premium	83,875	96,769
- Royalty expense	2,581	596
- Licence fee	390,488	188,333
- Public Procurement Regulatory Authority fee	16,385	12,182
- Telecommunication	32,589	16,800
- Electricity expenses	144,499	195,457
- RLNG transportation income	9,947,597	5,672,384
- LPG Purchases	429,555	431,390
- Income against LNG service agreement	767,848	785,903
- Dividend income	7,243	17,164
- Mark up income on bank deposits	1,550	2,879
<b>Karachi Grammar School</b>	Associated undertaking	
- Sale of gas and allied charges inclusive of sales tax	30	41
<b>Key management personnel</b>		
- Remuneration	148,767	104,384
<b>Pakistan Institute of Corporate Governance</b>	Associated Company	
- Subscription / trainings	-	1,018
<b>Pakistan Stock Exchange Limited</b>	Associated Company	
- Sale of gas and allied charges inclusive of sales tax	549	88
- Subscription	2,920	2,124
<b>Pakistan Cables Limited</b>	Associated Company	
- Sale of gas and allied charges inclusive of sales tax	57,698	218,161
<b>Staff retirement benefit plans</b>	Employee benefit plan	
- Contribution to provident fund	305,724	236,897
- Contribution to pension fund	376,456	499,001
- Contribution to gratuity fund	293,415	277,696

- 26.1 Contribution to the defined contribution and benefit plans are in accordance with the terms of the entitlement of the employees and / or actuarial advice.
- 26.2 Remuneration to the executive officers of the Holding Company and loans and advances to them are determined in accordance with the terms of their employment. Mark-up free security deposits for gas connections to the executive staff of the Holding Company is received at rates prescribed by the Government of Pakistan.
- 26.3 Amount (due to) / receivable from / investment in related parties.

The details of amount due (to) / from with related parties not disclosed elsewhere in these condensed consolidated interim financial statements are as follows:

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
Relationship		----- (Rupees in '000) -----	
<b>Government related entities - various</b>			
- Sale of gas and allied charges		55,155,372	57,369,525
- Gas purchases - Indigenous gas		(723,988,648)	(716,733,782)
- Gas purchases - RLNG		(12,033,603)	(18,342,311)
- Sale of gas condensate		4,365	4,365
- Gas meters and spare parts		181,949	1,328,686
- Uniform cost of gas-RLNG		20,000,000	20,000,000
- Cash at bank		12,936	19,339
- Stock loan		5,774	28,015
- Gas supply deposit		(502,598)	(508,766)
- Contingent rent		2,025	19,529
- Differential tariff		4,284,080	4,284,080
- Capacity and utilisation charges of RLNG		5,880,546	3,958,765
- RLNG transportation income		27,724,290	20,680,918
- LSA margins		741,482	374,282
- Lease rentals		18,207	18,207
- Advance for sharing right of way		(18,088)	(18,088)
- Advance against LPG purchases		129,391	118,518
- Long term deposits		13,577	12,663
- Retention Money		(2,761)	(2,512)
- Prepayment		389,297	177,924
<b>* Karachi Grammar School</b>	Associated undertaking		
- Sale of gas and allied charges		-	5
- Gas supply deposit		-	(22)
<b>* Pakistan Stock Exchange</b>	Associated company		
- Sale of gas and allied charges		-	8
- Gas supply deposit		-	(99)

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	<b>Relationship</b>	----- <b>(Rupees in '000)</b> -----	
<b>* Pakistan Cables Limited</b>	Associated company		
- Sale of gas and allied charges		-	7,696
- Gas supply deposit		-	(1,189)
<b>** Diamond International Corporation Limited</b>	Associated company		
- Sale of gas and allied charges		<b>303,791</b>	-
- Gas supply deposit		-	-
<b>** N. P. Cotton Mills Limited</b>	Associated company		
- Sale of gas and allied charges		<b>346,977</b>	-
- Gas supply deposit		<b>3,041</b>	-

\* Current balances with these parties have not been disclosed as they did not remain related parties as at year end.

\*\* Comparative balances with these parties have not been disclosed as these parties were not related parties in last year.

## 27 OPERATING SEGMENTS

IFRS 8 - Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief operating decision maker in order to allocate resources to segments and to assess their performance. As a result, management has identified the following two segments:

- 1) Gas transmission and distribution (sale of gas); and
- 2) Meter manufacturing (manufacturing and sale of gas meters)

### Segment revenue and results.

The following is analysis of the Group's revenue and results by reportable segment.

	Half Year ended	
	December 31, 2025 (Unaudited)	December 31, 2024
	----- <b>(Rupees in '000)</b> -----	
	<b>Segment profit</b>	
<b>Return on Assets net of UFG disallowance</b>		
Gas transmission	6,225,114	5,796,513
Gas distribution and marketing		
- Lower Sindh	<b>6,255,608</b>	3,309,783
- Upper Sindh	<b>315,070</b>	1,616,247
- Balochistan	<b>(4,763,421)</b>	(3,731,508)
	<b>1,807,257</b>	1,194,522
Meter manufacturing	<b>10,141</b>	10,883
Total segment results	<b>8,042,512</b>	7,001,918
Unallocated		
Finance cost	<b>(8,059,981)</b>	(6,719,317)
Other income - net	<b>2,926,369</b>	7,271,696
Profit before tax	<b>2,908,900</b>	7,554,297

	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	------(Rupees in '000)-----	
<b>Segment assets and liabilities</b>		
<b>Segment assets</b>		
Gas transmission	273,016,816	255,964,043
Gas distribution and marketing		
- Lower Sindh	516,088,369	514,154,006
- Upper Sindh	144,245,774	144,482,863
- Balochistan	155,659,668	148,889,764
	815,993,811	807,526,633
Meter manufacturing	1,825,002	2,651,721
Total segment assets	1,090,835,630	1,066,142,397
Unallocated		
- Loans and advances	318,785	813,913
- Taxation - net	48,770,071	51,327,204
- Interest accrued	715,211	682,659
- Cash and bank balances	4,146,496	2,925,655
	53,950,563	55,749,431
Total assets as per condensed consolidated interim statement of financial position	1,144,786,193	1,121,891,828
<b>Segment Liabilities</b>		
Gas transmission	81,324,499	74,752,735
Gas distribution and marketing		
- Lower Sindh	646,260,914	645,033,904
- Upper Sindh	115,633,723	113,908,822
- Balochistan	288,017,612	275,709,540
Meter manufacturing	491,899	339,608
	1,050,404,148	1,034,991,874
Total liabilities as per condensed consolidated interim statement of financial position	1,131,728,647	1,109,744,609

## 28.1 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual audited consolidated financial statements for the year ended June 30, 2025.

## 28.2 FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these condensed consolidated interim financial statements approximate their fair values except for investment in unquoted companies which are reflected at cost less impairment losses.

The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

### Valuation techniques used in determination of fair values within level 1 and level 2

The table below analyses financial and non-financial assets carried at fair value. The different levels have been defined as follows:

#### Level 1- Listed securities

The valuation has been determined through closing rates of Pakistan Stock Exchange.

#### Level 2 - Operating fixed assets (Freehold and lease land)

The fair value of the freehold and leasehold land are derived using the Sale Comparison approach. The sales value is determined by physically analyzing the condition of land and by ascertaining the market value of similar land, which is by selling in near vicinity.

	As at December 31, 2025			Total
	Level 1	Level 2	Level 3	
-----Rupees in '000-----				
<b>Assets</b>				
<b>Non-financial assets</b>				
Operating fixed assets - free hold and lease hold land		61,477,968		61,477,968
<b>Fair value through OCI Financial Assets</b>				
Quoted equity securities	504,695	-	-	504,695
-----Rupees in '000-----				
	As at June 30, 2025			Total
	Level 1	Level 2	Level 3	
-----Rupees in '000-----				
<b>Assets</b>				
<b>Non-financial assets</b>				
Operating fixed assets - free hold and lease hold land		61,465,659		60,531,864
<b>Fair value through OCI Financial Assets</b>				
<b>Quoted equity securities</b>	454,109	-	-	454,109

There have been no transfers during the period.

### 28.3 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

	Conventional	Shariah Compliant	Total
	----- Rs. in 000' -----		
<b>Statement of financial position</b>			
Cash and bank balances	2,780,291	1,366,205	4,146,496
Short-term Borrowings	52,385,079	56,698,603	109,083,682
Long term financing	16,264,206	24,387,990	40,652,196
Accrued markup	422,228	1,282,620	1,704,848
<b>Statement of profit or loss</b>			
Revenue from contracts with custo	-	194,985,164	194,985,164
Finance cost	3,366,920	4,469,413	7,836,333

### 29 EVENTS AFTER THE REPORTING DATE

There were no events occurred after the reporting period, other than those disclosed, which requires disclosure and adjustments in the condensed consolidated interim financial statements.

### 30 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary.

### 31 DATE OF AUTHORISATION

These unaudited condensed consolidated interim financial statements were authorized for issue in Board of Directors meeting held on February 26, 2026.

### 32 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.



**Asif Inam**  
Chairman



**Muhammad Amin Rajput**  
Managing Director



**Wajeeh Uddin Sheikh**  
Chief Financial Officer

## KEY DATA

### FRANCHISE AREA

### SINDH AND BALOCHISTAN

Six months period ended December 31,

	2025	2024
<b>GAS SALES VOLUME (MMCF)</b>	<b>110,189</b>	<b>126,839</b>
<b>NUMBER OF CUSTOMERS (CUMULATIVE)</b>		
INDUSTRIAL	3,885	4,000
COMMERCIAL	15,307	17,465
DOMESTIC	3,136,093	3,176,856
TOTAL	<b>3,155,285</b>	<b>3,198,321</b>
<b>GAS METERS MANUFACTURED (NOS.)</b>	<b>247,943</b>	<b>603,934</b>
<b>TRANSMISSION NETWORK - CUMULATIVE (KM)</b>		
DIAMETER		
6"	36	36
8"	128	26
12"	591	591
16"	558	558
18"	940	940
20"	844	844
24"	782	782
30"	58	58
42"	371	371
	<b>4,308</b>	<b>4,206</b>
<b>DISTRIBUTION NETWORK - CUMULATIVE (KM)</b>		
MAINS (1" - 30" DIAMETER)	38,768	38,427
SERVICES	11,428	11,411
	<b>50,196</b>	<b>49,838</b>



## اہم منصوبے اور مستقبل کی حکمت عملی

سوئی سدرن آپریٹس اور مالیاتی پائیداری کے حصول کے لیے پُر عزم رہی ہے۔ اہم منصوبے اور اقدامات درج ذیل ہیں:

- ☆ بحالی: مالی سال 2025-26 کے لیے سالانہ 2,500 کلومیٹر کا ہدف مقرر کیا گیا ہے جبکہ بحالی اور ری انفرسٹ منسٹ منصوبوں کی کڑی نگرانی کے تحت ماہانہ اوسط پیش رفت 200 کلومیٹر سے زائد رہی۔ جولائی تا دسمبر 2025 کے دوران تقریباً 1,250 کلومیٹر ڈسٹری بیوشن نیٹ ورک کی بحالی کی گئی، جس میں لمبر، نارتھ کراچی، نارتھ ناظم آباد، ایف بی ایریا اور اہلسندھ کے مختلف علاقے شامل ہیں۔ مزید برآں گارڈن، نارتھ ناظم آباد، ایبیری اور نارتھ کراچی میں پرانے بحال شدہ نیٹ ورکس کو ڈی کمیشن کر دیا گیا ہے جبکہ لمبر میں کام جاری ہے۔
- ☆ گیس چوری: تقریباً 26,000 غیر قانونی کنکشن منقطع کیے گئے، جس کے نتیجے میں سپلائی میں 13,100 ایم ایم سی ایف گیس کے مجموعی کلیم درج کیے گئے۔ اس کے علاوہ براہ راست چوری میں ملوث 50,505 مقامات کے کنکشن بھی منقطع کیے گئے۔
- ☆ پریشر ٹیمسٹ اور کسٹمر سروس: نیٹ ورک سیکورٹیشن اور سی آئی ایس وی پی ٹیلیٹی کے ذریعے پریشر ٹیمسٹ میں نمایاں بہتری لائی گئی۔ صارفین کی خدمات کے معیار کو بھی بہتر بنایا گیا، جس کے نتیجے میں مالی سال 2025 کے جولائی تا دسمبر کے دوران کم پریشر سے متعلق 90 فیصد شکایات حل کی گئیں۔
- ☆ ٹیکنالوجی اور جدت: سوئی سدرن گیس لکچ کی زیادہ درستی کے ساتھ نشانہ بندی اور زیر زمین مصوبی/ بی ای پائپ لائن کی لوکیشن کے لیے نئے اقدامات پر مسلسل کام کر رہی ہے۔ موہاٹل گیس ڈیٹیلن سسٹم (انتھین اور مینٹین سلیٹیوٹی کے ساتھ) اور مصوبی پائپ لائن لوکیٹرز کے لیے کسٹمز کردی گئی ہیں۔ اس کے ساتھ ٹی بی ایس اور ایس ایم ایس آڈیو کنٹرول سسٹم (II) بھی شروع کیا گیا ہے جس میں 47 ناؤن بارڈر اسٹیشنز اور 16 سبڈ میٹر اسٹیشنز شامل ہیں۔
- ☆ ہنگ میں بہتری: ہنگوں کو گیس میٹرز کے سروے کیے گئے تاکہ خراب میٹرز کی نشانہ بندی ہو سکے اور گھریلو فروخت میں اضافہ کیا جاسکے۔ مزید برآں ٹیکنالوجی پر مبنی ہنگ موہاٹل ڈیش بورڈز تیار کیے گئے ہیں جو لائیو میٹر ریڈنگ، ہنگ ڈینا کے تجزیے، چوری کی نشانہ بندی اور میٹر ریڈرز کی کارکردگی کی نگرانی کے ذریعے بروقت مسائل کی نشانہ بندی اور حل کو ممکن بناتے ہیں۔

## اظہار تشکر

بورڈ اپنے شیئر ہولڈرز، معزز صارفین اور ملازمین کا اُن کی مسلسل حمایت اور لگن پر شکریہ ادا کرتا ہے۔ ہم حکومت پاکستان، وزارت توانائی (پیٹرولیم ڈویژن) اور اوگرا کی رہنمائی اور معاونت کا بھی اعتراف کرتے ہیں جنہوں نے ہمیں کو اپنے اہداف کے حصول میں مدد فراہم کی۔

از طرف بورڈ

حکیم بورڈ



آصف انعام

چیئر پرسن

تاریخ: 26 فروری 2026



ایم ایم راجپوت

منیجنگ ڈائریکٹر

## ڈائریکٹرز کا جائزہ نصف سالہ مدت جو 31 دسمبر 2025 کو ختم ہوئی

### مالی جائزہ

بورڈ آف ڈائریکٹرز کو یہ پیش کرتے ہوئے خوشی بوری ہے کہ وہ 31 دسمبر 2025 کو ختم ہونے والی مدت کے عبوری مالیاتی گوشوارے پیش کر رہے ہیں۔ مالی سال 2025-26 کے پہلے نصف کے دوران سوئی سدرن نے آپریشنل کارکردگی اور مالی بحالی میں پہلے سے حاصل شدہ بہتری کو برقرار رکھا۔ نمایاں پہلو یہ رہا کہ بلک برنس (کپچو پاور پلانٹس) میں نمایاں کمی اور بلوچستان کے گھریلو شعبے کو سردیوں کے باعث اضافی گیس فراہمی جیسے سخت چیلنجز کے باوجود کمپنی نے منافع حاصل کیا، جو آپریشنل نظم و ضبط اور کاروباری اخلاقیات کے عزم کی عکاسی کرتا ہے۔ کمپنی نے بعد از گیس 290 ملین روپے منافع اور فی حصص آمدنی 0.33 روپے رپورٹ کی۔

### مالیاتی جھلکیاں

فرق	نصف سال ختم شدہ دسمبر 2024	نصف سال ختم شدہ دسمبر 2025	
	ملین روپے		
	6,949	1,241	منافع قبل از ٹیکس
(5,708)	(261)	(951)	ٹیکس و لیوی
	6,688	290	منافع بعد از ٹیکس و لیوی
(6,398)	7.59	0.33	فی شیئر آمدنی (روپے میں)
(7.26)			

مشکل آپریٹنگ ماحول کے باوجود سوئی سدرن کی آپریشنل کارکردگی بہتر بنانے کی حکمت عملی کے نتیجے میں زبر جائزہ مدت کے دوران یو ایف جی بی کی سطح برقرار رکھی گئی۔ مالی سال 2018-19 سے مالی سال 2024-25 کے عرصے میں کمپنی نے مجموعی طور پر تقریباً 42 بی سی ایف یو ایف جی بی میں کمی حاصل کی، جو آپریشنل چیلنجز سے نمٹنے کی مسلسل کوششوں کا مظہر ہے۔

جولائی تا دسمبر 2025 کے دوران ملک اور صنعتی شعبوں کو گیس کی فروخت میں نمایاں کمی کی وجہ جو بنیادی طور پر کپچو پاور پلانٹس (CPPs) پر آف گرڈ ڈیوی کے نفاذ اور طلب میں کمی سے متعلق عوامل کے باعث ہوئی، کمپنی نے یو ایف جی بی کی سطح گزشتہ سال کی اسی مدت کے برابر برقرار رکھا۔ اس مدت میں تقریباً یو ایف جی بی 14.14 بی سی ایف رہی جبکہ جولائی تا دسمبر 2024 میں یہ 14.09 بی سی ایف تھی۔

تاہم مٹائی قدرتی گیس کی فراہمی میں نمایاں کمی کے باعث مجموعی گیس خریداری میں تقریباً 10 بی سی ایف کی کمی واقع ہوئی، جس کے نتیجے میں فیصد یو ایف جی بی 14.14 فیصد رہی جو گزشتہ سال کی اسی مدت میں 14.09 فیصد تھی۔ یہ معمولی اضافہ بنیادی طور پر گیس کے کم ان پٹ (ڈیٹوی نیٹر ایفیکٹ) کے باعث ہے نہ کہ یو ایف جی بی کے حجم یا تقاضا کی کارکردگی میں کمی خرابی کی وجہ سے۔

مذکورہ حالات کے باوجود نظامیہ پر عزم ہے کہ ہدف کی کمی کی حکمت عملیوں پر عمل درآمد جاری رکھا جائے تاکہ مالی سال کے اختتام تک جی اور فیصد دونوں حوالوں سے یو ایف جی بی میں خالص کمی حاصل کی جاسکے۔ یو ایف جی بی کے مجموعی منافع پر اہم اثرات کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نظامیہ کے ساتھ قریبی رابطے میں یو ایف جی بی سے متعلق اقدامات کی مسلسل حمایت کر رہا ہے تاکہ طویل مدتی اور پائیدار نقصانات میں کمی ممکن بنائی جاسکے۔ مالی سال 2025-26 کی آئندہ مہما میں یو ایف جی بی کی سطح کم کرنے کے لیے ہدفی اقدامات جاری رکھے جائیں گے۔

### منافع اور مالیاتی ایڈجسٹمنٹس

سوئی سدرن کی منافع بخشی بنیادی طور پر اوگرا کی جانب سے مقرر کردہ کارگریڈ ریٹرن فارمولے پر مبنی ہے، جو ویڈ ایوریج کاسٹ آف کپٹل (WACC) سے منسلک ہے۔ تاہم کارکردگی کے معیارات سے متعلق ایڈجسٹمنٹس، جن میں یو ایف جی بی، بیومن ریسیورسٹی شیڈ مارک اخراجات اور منگولک واجبات کے لیے فیضیہ رقم شامل ہیں، جتنی منافع پر اثر انداز ہوتے ہیں۔

ویڈ ایوریج کاسٹ آف گیس (WACOG)، جو بڑی حد تک امریکی ڈالر سے منسلک ہے، کمپنی کے مالیاتی چیلنجز کا ایک اہم سبب رہی ہے۔ زبر جائزہ نصف سال کے دوران WACOG میں 3.96 فیصد اضافہ ہوا اور یہ 1,107.81 روپے فی ایم ایف سے بڑھ کر 1,151.64 روپے فی ایم ایف ہو گئی، جس کے نتیجے میں یو ایف جی بی کی مدت میں 234 ملین روپے کی اضافی عدم منظوری سامنے آئی۔

اور گرا کی جانب سے مالی سال 2024-25 کے لیے 16 اکتوبر 2025 کو جاری کردہ فیضیہ کے مطابق، اس سہ ماہی میں یو ایف جی بی کی عدم منظوری کی رقم 6,164 ملین روپے رہی (دسمبر 2024: 2,251 ملین روپے)۔ اس مدت کے دوران مالیاتی لاگت 8,055 ملین روپے رہی (دسمبر 2024: 6,713 ملین روپے)۔

### آپریٹیشنل توسیع

سوئی سدرن نے بہترین گیس فراہمی، صارفین کے اطمینان میں بہتری اور یو ایف جی بی نقصانات میں کمی کے لیے اپنے عزم کو برقرار رکھا ہے اور درجن ذیل اقدامات جاری رکھے ہیں:

سوئی سدرن نے مہاراجپور میں اضافہ مزیت اور مسائل کے مؤثر استعمال جیسے اقدامات کے ذریعے اپنی تنظیمی ساخت کو مسلسل بہتر بنایا ہے۔ اس سال برنس بوٹ (SBU) ماڈل، جو پہلے کراچی اور بلوچستان میں نافذ تھا، اب پورے فرنیچر ایئر لائن کو توسیع دے دی گئی ہے۔

نومبر 2025 میں ہے جے وی ایل پلانٹ کو گیس کی فراہمی کا آغاز کر دیا گیا ہے۔



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