SUI SOUTHERN GAS COMPANY LIMITED
SCHEDULE-III
STATEMENT OF CORPORATE INTENT
(SEE SECTION 8(4))

1. Name of State-Owned Enterprise: SUI SOUTHERN GAS COMPANY LIMITED

2. Incorporated/established on: 17 August 1955

3. Subsidiaries included in this statement of corporate intent:
    1. SSGC LPG Limited
    2. SSGC Alternate Energy (Pvt.) Limited

4. Description of the main business of the state-owned enterprise:

    Sui Southern Gas Company (SSGC) is Pakistan's leading natural gas utility company, majority-owned by the Government of Pakistan. Since 1954, it has been involved in transmission, distribution, and installation of gas systems in Sindh and Balochistan.
    The main business of SSGC is the Gas Infrastructure development from the Point of Delivery (PODs) to the end Users. Additionally, SSGC owns the only domestic gas meter manufacturing plant in the country which serves to support the domestic sector metering at both SSGCL and SNGPL. SSGC owns two fully owned subsidiaries i.e. SSGC LPG Limited (SLL) and SSGC Alternate Energy (Pvt.) Limited (SSGC-AE).

5. Summary of the business goals of the state-owned enterprise: [**as per the approved business - plan**] **(Ref: Business Plan- Strategic Objectives Page 4)**
    - SSGC plans to continue to make investments towards improving the effectiveness and efficiency of its gas infrastructure.
    - Making systematic and sustainable reduction and maintenance of UFG within the OGRA allowed benchmarks.
    - Enabling loss-free operations of the company's core business of transmission, distribution and sale of natural gas while opportunities in LPG and Alternate Energy spheres would be pursued to fortify the aggregate bottom-line.
    - To continue its focus towards improving supplies to bulk consumers.

- To undertake record rehabilitation of the distribution network which will not only mitigate the operational limitations but would also be helpful in sustainable reduction of 'Unaccounted-for-gas' (UFG)
- To actively monitor the emerging market scenarios in the mid-to-longer term so as to appropriately position itself while diligently safeguarding the interests of existing business

6. Summary of the performance measures and benchmarks against the state-owned enterprises business goals and its primary objective: [**targets of the state-owned enterprise**]

   (Ref: Business Plan- Financial Outlook & Performance Measures Page 10)

   - As per prevailing Tariff Regime, SSGC Profitability is derived from the Return Formula prescribed by OGRA based on the Weighted Average Cost of Capital (WACC). Under this formula, SSGC was allowed Return on its average net operating fixed assets before financial charges and taxes.
   - OGRA makes disallowances/ adjustments while determining the revenue requirements based on efficiency related benchmarks viz a viz Un-accounted for Gas (UFG), Human Resource Benchmark Cost, Provision for Doubtful Debts and some other expenses/ charges. These disallowances/ adjustments affect the bottom-line of the Company.
   - Settlement of circular debt and reducing working capital requirements to avoid borrowings for operational needs.
   - Strategic plan for Diversification, business ventures which are non-regulatory in nature and adoption of other businesses to enhance bottom line through subsidiaries.
   - Government to consider the deregulation of downstream TPAs and upstream policy decisions of 35% of hydrocarbons to be sold directly to third parties.
   - Resolution of Circular Debt including GDS / Tariff Adjustments, Increase in Customer Gas Sale Prices and Resolution of Balochistan UFG.

7. Summary of the strategies of the state-owned enterprise for achieving its business goals and primary objective: [**commercially sensitive strategies are not required to be included here, summary of key risks identified in the achievement of the business goals to also be included here**]

a. **Transmission**

   (Ref: Business Plan- Operational Outlook (Transmission) Page 5)

b. **Distribution**

   (Ref: Business Plan- Operational Outlook (Distribution) Page 6)

c. **Rehabilitation**

   (Ref: Business Plan- Operational Outlook (Rehabilitation) Page 6)

d. **Unaccounted- for Gas**

   (Ref: Business Plan- Operational Outlook (UFG) Page 7)

e. **Research & Development- Technology Adoption & Continuous Improvement**

   (Ref: Business Plan- Operational Outlook (R&D) Page 7)

f. **Meter Manufacturing Plant**

   (Ref: Business Plan- Operations Outlook Page 10)

g. **HSEQAQC Department**
   (Ref: Business Plan- Page 20)

h. **I.T Department**
   (Ref: Business Plan- Page 21)

i. **Sales Department**
   (Ref: Business Plan- Page 22)

j. **Recovery Department**
   (Ref: Business Plan- Page 23)

k. **Human Resource Department**
   (Ref: Business Plan- Page 24)

l. **Corporate Communication Department**
   (Ref: Business Plan- Page 26)

SUI SOUTHERN GAS COMPANY LIMITED
SCHEDULE-III
STATEMENT OF CORPORATE INTENT
(SEE SECTION 8(4))

8. The current or anticipated borrowing of the state-owned enterprise, including borrowing by a subsidiary: [current borrowing has to be specific- anticipated borrowing to be included on the basis of projected revenue requirements of the state-owned enterprise and will not be binding on the state-owned enterprise]

Sr. No.	Description	Current Borrowing (As at June 30, 2026) (Provisional)	Anticipated Borrowing (as at June 30, 2027)
	Amounts in PKR		
1	***SSGC***		
	Long Term loans		
	Under Sovereign Guarantee		
	-Faysal Bank Limited	1,166,666,670.00	-
	-United Bank Limited	937,500,000.00	5,625,000,000.00
	Meezan Bank Limited	10,500,000,000.00	20,000,000,000.00
	Meezan Bank Limited	20,000,000,000.00	20,000,000,000.00
	New Loan		44,000,000,000.00
	Sub Total (a)	**32,604,166,670.00**	**89,625,000,000.00**
	SHORT TERM LOAN / RUNNING FINANCE FACILITY (available Limit)	130,000,000,000.00	130,000,000,000.00
	Outstanding as at 30-Jun-2025	82,898,173,683.00	
	Outstanding as at 30-Jun-2026 (Projected)		130,000,000,000.00
	Sub Total (b)	**82,898,173,683.00**	**130,000,000,000.00**
	Grand Total (a+b)	**115,502,340,353.00**	**219,625,000,000.00**

9. The accounting policies that the state-owned enterprise will apply for financial records and reporting:

   The financial statements are prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

   - International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Act, 2017; and
   - Provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act (SOE Act), 2023.

   Where provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023 differ with the requirement of IFRS, the provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023 have been followed.

   Please find below link to Annual Report 2025 for inclusion in SCI:

   https://www.ssgc.com.pk/web/wp-content/uploads/pdfs/2025/2025_annual_report_updated.pdf

10. Summary indicative balance sheet and profit and loss statement for the state-owned enterprise:

    Please find below link to Annual Report 2025 for inclusion in SCI:

    https://www.ssgc.com.pk/web/wp-content/uploads/pdfs/2025/2025_annual_report_updated.pdf

    Unconsolidated Financial Statements are mentioned at Page 78 – 194 of Annual Report.

11. Consolidated summary indicative balance sheet and profit and loss statement for the state-owned enterprise and its subsidiaries as a group: [need not be filled if the state-owned enterprise does not have any subsidiary].

    Please find below link to Annual Report 2025 for inclusion in SCI:

    https://www.ssgc.com.pk/web/wp-content/uploads/pdfs/2025/2025_annual_report_updated.pdf

    Consolidated Financial Statements are mentioned at Page 195 – 322 of Annual Report.

12. The proposed dividend declaration and distribution policy of the state-owned enterprise:

    The Company declared Dividend for FY 2024-25 and future Dividend is dependent on Profits and recovery of accumulated losses.

13. Description of any public service obligations and their impact on the forecasted financial outcomes of the state-owned enterprise: [**as agreed with the Federal Government**]

    (Ref: Business Plan- Public Service Obligation Page 18)

14. Any other matter directed to be included in this statement by the Federal Government:

    Nil