



Fueling Progress: A 60-year Journey

Statement of Corporate Intent 2025-26



Statement of Corporate Intent (2025-26)

Preface

As per Clause 8(4) of the State-Owned Enterprises (Governance And Operations) Act, 2023, the board of every state-owned enterprise shall at the start of each financial year, adopt and cause to have published a statement of corporate intent for the state-owned enterprise or the group comprising the state-owned enterprise and its subsidiaries (if any), in respect of that year and the following two financial years in the manner and form set out in Schedule-III.

The Board of Directors, in its 638th meeting held on 25-06-2025, has approved SNGPL's Statement of Corporate Intent (FY 2025-26) along with the Business Plan for the period of FY 2026-28

This comprehensive plan, developed through a 360-degree approach, aims to leverage the Company's strengths and assets while considering the evolving environment and stakeholders' expectations.

The plan is built on three fundamental principles/goals:

1. Protect its Core by implementing various initiatives
2. Achieve Excellence in business operations
3. Grow smarter and maintain its position in the energy sector by investing in right resources and pursuing new business opportunities.

The plan assumes stability in the Company's corporate structure, regulatory environment, and government control. Significant changes in these factors could materially impact the plan's dynamics.



Statement of Corporate Intent (SCI)

FY 2025-26



Section 8(4) of the SOE Act 2023 states that The board of every state-owned enterprise shall at the start of each financial year, adopt and cause to have published a statement of corporate intent for the state-owned enterprise or the group comprising the state-owned enterprise and its subsidiaries (if any), in respect of that year and the following two financial years in the manner and form set out in **Schedule-III**.

Statement of Corporate Intent [Sec- 8, Schedule-III]

1	Name of State-Owned Enterprise	Sui Northern Gas Pipelines Ltd
2	Incorporated/established on	17 th June 1963
3	Subsidiaries included in this statement of Corporate Intent.	Nil
4	Description of the main Business of the state-owned enterprise [as per the constitutive documents/relevant statute]	The principal activity of the Company is the purchase, transmission, distribution and supply of local and imported natural gas.
5	Summary of the business goal of the state-owned enterprise. [as per the approved business plan]	Transform into a future-ready energy enterprise <i>(Reference Slide:06-08)</i>
6	Summary of the performance measures and benchmarks against state-owned enterprises business goal and its primary objective. [targets of state-owned enterprise]	
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 the key risks identified in the achievement of the business goals to also be included here]	Set out in the document <i>(Reference Slide:09-15)</i>
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]	<i>(Reference Slide:16)</i>

Statement of Corporate Intent (SCI) FY 2025-26



Statement of Corporate Intent [Sec- 8, Schedule-III]

9	The accounting policies that state-owned enterprise will apply for financial records and reporting	Being a public sector listed company, it complies with all related accounting as well as the reporting requirements given in Company's Act, International Accounting and Financial Reporting Standards.
10	Summary of indicative Balance Sheet and Profit or Loss Statement for the state-owned enterprise.	Projected Financial Statements are not being disclosed as it falls under the ambit of price-sensitive information as defined in the Securities Act, 2015 [Section-96] and PSX Regulations [Clause 5.6.1(a)]. <i>(Reference Slide:16)</i>
11	Consolidated summary of indicative Balance Sheet and Profit and Loss Statement for the state-owned enterprise and its subsidiaries as a group:[need to be filled if the state-owned enterprise does not have any subsidiary]	Not applicable
12	The proposed dividend declaration and distribution policy of the state-owned enterprise.	This information is not disclosed being a price sensitive information, where confidentiality needs to be maintained under the corporate laws. The Company understands that any disclosure of such information at this stage is strictly prohibited to avoid insider trading implications.
13	Description of any public service obligation and their impact on the forecasted financial outcomes of the state-owned enterprise [as agreed with the Federal Government]	Although Gas is being supplied to some sectors at a subsidized rate yet this does not come under public service obligation as the same is compensated through cross subsidy mechanism which is in accordance with the tariff determined by the regulator in consultation with the Federal Govt. as provided in section 8(3) and 8(4) of OGRA Ordinance, 2002.
14	Any other matter directed to be included in this statement by the Federal Government.	-



Appendixes



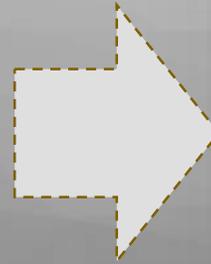
سوئی ناردرن گیس
Sui Northern Gas

Strategic Goal

Transformation



Natural Gas Utility



Energy Company

1. Strategy Development

Sustain, Optimize, Grow



Summary

The strategic goal is rooted in the foundations laid by the Board and is shaped by the 'Intent' and 'Positioning' chapters of this Business Plan.

As Pakistan's leading gas utility, SNGPL acknowledges its evolving role amid a dynamic and transitioning energy landscape. Guided by its public mandate and sector realities, the Company aspires to **transform into a future-ready energy enterprise**—ensuring safe, efficient, and equitable gas delivery while gradually integrating cleaner energy solutions.

To achieve this, SNGPL is pursuing a three-pronged strategic approach:

1. **Protect the Core (Sustain):** Focused on controlling Unaccounted-for Gas (UFG), addressing the supply - demand gap, and securing timely tariff revisions to maintain financial sustainability.
2. **Excel Operationally (Optimize):** Through optimal resource utilization, workforce capacity building, enhanced operational efficiency via digitization and adoption of AI tools.
3. **Grow Smarter (Expand):** By investing in high-impact, future-focused projects and pursuing viable business diversification opportunities to maintain strategic relevance in Pakistan's energy sector.



1. Strategy Development

Mapping Strategic Goal with Objectives and KPIs of Business Plan

Protecting the Core



- Reduce and control UFG
- Increase Profitability/Cashflow
- Manage Supply-Demand gap
- Optimize Operating Costs

Excellence



- Improve Organizational Culture
- Improve Knowledge & Skills
- Improve Market Perception

Growth



- Continue or Maintain ROA Stream
- Integration & Diversification



Strategic Goal



2. Strategic Objectives and KPIs of Business Plan

Performance Measures & Benchmarks

Protecting the Core

Objective	Source	Key Challenges / Risks	Strategy/Action Plan	Performance Measure [KPI]			
					2026	2027	2028
UFG Control [Sustainable UFG]	 External	– Losses in law & order affected areas – [10% of total volumetric Loss].	✓ Implementation of rehabilitation project Phase-2 in law & order affected areas; ✓ Deploy LEAs for controlling gas theft in the relevant areas.	UFG reduction target based on volumetric loss of Distribution Network (MMCF)			
				Reduction Target*	1000	700	700
				Total Loss	27,515	26,815	26,115
	 Internal	– Aging and Looped gas network	✓ Improvement in network visibility through TBS level loss monitoring, increased vigilance, timely replacement of defective/suspected meters, fast track scanning of network. ✓ Improve governance structure for accountability at TBS level ✓ Replacement of old network and meters	✓ Completion of ongoing project of installation of measuring facilities on TBS ✓ Replacement of old network as per approved annual budget. ✓ Replacement of old meters as per approved annual budget. ✓ Use of technology to deter gas theft (Cyber Locks, online monitoring thru SCADA etc.)			

* UFG reduction targets for FY 2026 & FY 2027 are approved by the Board of Directors in 637th meeting held on May 10, 2025. For FY 2028, target is provisional and will be reviewed in the respective year.



2. Strategic Objectives and KPIs of Business Plan

Performance Measures & Benchmarks

Protecting the Core

Objective	Source	Key Challenges / Risks	Strategy/Action Plan	Performance Measure [KPI]		
				2026	2027	2028
Manage –Supply / Demand Gap	 External	<ul style="list-style-type: none"> – Surplus RLNG due to lower off-takes by power and captive power sectors. – New Well Head Gas Allocation Ratio 65:35. Risk of high paying consumers shifting to private shippers. 	<ul style="list-style-type: none"> ✓ Gas supply management for subsidized domestic sector viz a viz minimization of RLNG diversion cost. ✓ Following up with the Govt. for implementation of WACOG based pricing. ✓ Exploring the possibility of reduction of LNG supplies from Qatar. ✓ Sale of surplus cargoes in the market under Net Price Differential (NPD) arrangement. 	Manage the surplus RLNG supplies by exploring all the available options.		
			<ul style="list-style-type: none"> ✓ Incorporate our own sale marketing company for bidding of 35% allocation and sale of this gas under de-regulated pricing regime. 			
Improve Cashflow thru: Implementation of WACOG while keeping the natural gas affordable, Cope-up Irrational Pricing and Circular Debt	 External	<ul style="list-style-type: none"> – WACOG without change in Regulatory framework coupled with increased UFG disallowance value – Non recovery of OGRA determined cost 	<ul style="list-style-type: none"> ✓ Pursue amendment in OGRA procedures to cater for monthly gas prices not only for imported gas but for indigenous gas consumers too. ✓ Amendment in OGRA law to allow determination of consumer prices by OGRA without government consultation. ✓ Pursue SSGC, FG and OGRA for implementation of Cost equalization arrangement with SSGC. ✓ Pursue OGRA to determine UFG disallowance at Indigenous gas prices only. 	<ul style="list-style-type: none"> ✓ Target is to stop further accumulation through timely and sufficient revision of consumer gas sale prices. ✓ Target for recovery of already accumulated amounts through implementation of committee recommendations/ direct subsidies or increase in sale prices. ✓ Target is to get the Cost Equalization Agreement signed with SSGC in in line with the spirit of ECC decision dated 23-Oct-23. 		
	 External		<ul style="list-style-type: none"> ✓ Pursue clearing of circular debt stock 			



2. Strategic Objectives and KPIs of Business Plan

Performance Measures & Benchmarks

Protecting the Core

Objective	Source	Key Challenges / Risks	Strategy/Action Plan	Performance Measure [KPI]			
					2026	2027	2028
Improve Cashflow thru: Address Extensive Litigation	 External	<ul style="list-style-type: none"> - Litigation related to Tariff etc. 	<ul style="list-style-type: none"> ✓ Fully utilize provisions of Gas Act 2016 to expedite recoveries ✓ Pursue cases at High/Supreme Court level 	Reduction in Active-Chronic Litigation.	Rs.4 Bn.	Rs.5 Bn	Rs.3 Bn
				Recoveries from Disconnected	Rs.0.20 Bn	Rs.0.25 Bn	Rs.0.25 Bn
	 External	<ul style="list-style-type: none"> - Tax related litigation Rs.170 billion In FY 2025. (Contingencies surged to Rs.364 billion in 2023-24 but have been reduced to Rs.170 billion through effective dispute resolution.) 	<ul style="list-style-type: none"> ✓ As per the recent change in law, SOEs are required to use the forum of Alternative Dispute Resolution Committee (ADRC) only instead of ATIR (Appellate Tribunal Inland Revenue). ✓ Company will continue pursuing all available legal recourse including ADRC to defend the tax disputes. 	Efforts are being made to keep contingencies at minimum level.			



2. Strategic Objectives and KPIs of Business Plan

Performance Measures & Benchmarks

Excellence

Objective	Source	Key Challenges / Risks	Strategy/Action Plan	Performance Measure [KPI]		
				2026	2027	2028
Improve Market Perception thru Customer Services	 Internal	<ul style="list-style-type: none"> Extensive Gas load management impacting Consumer Service and Reputation of the Company 	✓ Consumer awareness about energy conservation thru Increased footprint/outreach of Social Media platforms 	20% YoY	20% YoY	20% YoY
			✓ Use of Technology especially mobile application "ConnectOn" and SMS service. 	25% YoY	25% YoY	25% YoY
Improve Organizational Culture	 Internal	<ul style="list-style-type: none"> Change is strongly resisted. Core values are not observed 	✓ Making Organizational Development (OD) function more effective through regular surveys on annual basis.	✓	✓	✓
			✓ Inculcate Core Values through training of every employee including executives and subordinates.	8 Hours mandatory for each year		
			✓ Monitor and document cases of non-compliances and carry out interventions thru training and disciplinary actions.	Within 90 days of reporting of case		
			✓ Establishing a robust organizational culture through regular training.	8 Hours mandatory for each year		



2. Strategic Objectives and KPIs of Business Plan

Performance Measures & Benchmarks

Excellence

Objective	Source	Key Challenges / Risks	Strategy/Action Plan	Performance Measure [KPI]		
				2026	2027	2028
Capacity Building & Bridge the Skill Gap	 Internal	<ul style="list-style-type: none"> Necessary Training and development. Existing employees are not skilled enough to handle changing business scenarios. 	<ul style="list-style-type: none"> Conduct the Training Needs Analysis (TNA) through Heads of Departments (HODs) as part of the annual performance appraisal process. 	All Executive Employees	All Executive Employees	All Executive Employees
			<ul style="list-style-type: none"> Succession planning will be ensured as per best management practices. 	✓	✓	✓
			<ul style="list-style-type: none"> Implementation a job rotation policy for both executives and staff to enhance skill development, adaptability, and organizational efficiency. 	✓	✓	✓
Managing Third Party Access through Level Playing Field	 External	<ul style="list-style-type: none"> G to G Committed Supplies of 900 MMCFD. Cherry picking of full paying/cross subsidizing consumers by the third parties. Lack of level playing field - Third parties are allowed to sell gas at negotiated price while SNGPL will be selling its gas at OGRA notified rate. 	<ul style="list-style-type: none"> Unutilized capacity to be made available for TPA on first come first serve basis. Pursue for implementation of level playing field for all parties i.e. private shippers and SOEs to be treated equally. 	<ul style="list-style-type: none"> TPA arrangement – projecting an additional revenue over the period of 3 Yrs [Rs. 5bn/pa] 		
			<ul style="list-style-type: none"> Incorporate our own sale and marketing subsidiary for competing with 3rd party shippers. 	318 MMCFD	318 MMCFD	318 MMCFD



2. Strategic Objectives and KPIs of Business Plan



Performance Measures & Benchmarks

Growth

Objective	Source	Key Challenges / Risks	Strategy/Action Plan	Performance Measure [KPI]		
				2026	2027	2028
Continue or Maintain ROA Stream	 Internal	<ul style="list-style-type: none"> Maintain ROA stream at adequate levels 	<ul style="list-style-type: none"> Continue prudent capex 	Projected ROA/profitability is not being disclosed being a price sensitive information and any disclosure of such information at this stage is strictly prohibited under relevant statute		
Integration & Diversification	 External	<ul style="list-style-type: none"> Explore business opportunities to diversify and compete with upcoming competitors. 	<ul style="list-style-type: none"> Evaluate and pursue new opportunities based on existing capabilities: <ol style="list-style-type: none"> To enhance EPC business To enhance Pipeline O&M Services To manufacture PE Pipe & allied fittings Explore Geothermal energy possibilities 	Projected incremental revenue from Diversification of Business		
			<ul style="list-style-type: none"> Through creation of Subsidiary(s), Company will progressively Spin-off the new business initiatives 	Rs. 200 Mn	Rs. 300 Mn	Rs. 400 Mn
				Incorporation of a subsidiary company		



2. Strategic Objectives and KPIs of Business Plan

Monitoring and Evaluation - Physical Targets

Distribution Development		UOM	2026	2027	2028
1	System Augmentation ¹	KMs	200	150	125
2	Laying in New Town & Villages (against GOP directives)	KMs	Due to moratorium on new domestic connections, budget not approved by OGRA .		
3	Laying on 100% Cost Recovery Basis ²	KMs	286	300	350
4	New Connections [Domestic] ³ (Based on RLNG supplies)	Nos.	30,000	30,000	30,000
	New Connections – [Industrial, Commercial]	Nos.	[Ind.-250 , Com 2,800]	[Ind.-250 , Com 2,800]	[Ind.-250 , Com 2,800]
5	Construction/Modification of TBS, DRS	Nos.	335	200	200

1	Targets are based on advance surveys conducted by the Regions and installation of IOT devices to assess the low pressure areas.
2	As per Company policy, approval for new TOR jobs is discontinued, consequently, the cases of external and internal network are to be processed on 100% cost recovery basis. Therefore, enhanced meterage is expected.
3	Targets are based on the progress of installation of new domestic gas connections in the current fiscal year (RLNG & system gas connections in Karak). However, the targets for new domestic gas connections may be reviewed in case of lifting of moratorium by GOP.

Ind.-Industrial, Com - Commercial

UFG Control Activities		UOM	2026	2027	2028
1	Underground Leakage ¹ (Identification & Rectification)	KMs.	76,209	76,209	76,384
2	System Rehabilitation Program (SRP) ²	KMs	1,700	1,725	1,750
3	Replacement of Old Meters (Domestic)	Nos.	775,000	780,000	790,000
4	CP System (New/Renovation)	Nos.	New:32 Renovation:113	New:32 Renovation:113	New:30 Renovation:140
5	Re-Inspection of Disconnected Domestic Consumers	Nos.	10,000	10,500	10,700
6	Above Ground Leakage inspection/rectification [AGLIR]	Nos.	700,000	730,000	750,000
7	Vigilance Commercial ³	Nos.	139,496	139,280	138,996
8	Vigilance Domestic ³	Nos.	1,450,000	1,440,000	1,430,000
9	Vigilance Industrial ³	Nos.	30,876	30,492	30,192

1	Total Distribution network of 152,418 Km will be surveyed in 2 years i.e. FY 25-26 & 26-27.
2	SRP will progressively increase, based on network survey as mentioned at serial # 1, budget availability, construction / NOC cost and dia mix
3	Vigilance Criteria = Ind : monthly, Com : Quarterly, Dom : 20% of total consumers/annum. The annual target is subject to revision depending upon number of active consumers, so for physical targets of 25-26 to 27-28, active consumer base of April, 25 is taken.

Note: Targets mentioned above are dependent upon approval of budget by OGRA/BOD and subsequent sanctioning of work for execution based on dia mix.



Million Rs.

3. Financial Planning

Bank Borrowing - The current & anticipated

S. No.	Term	Description	Present	Projected Incremental		
			May-25	2026	2027	2028
1	Long Term	Infrastructure Development Loans	23,035	20,000	5,000	5,000
2	Short Term	Working Capital requirements	175,000	-	-	-
Total			198,035	20,000	5,000	5,000



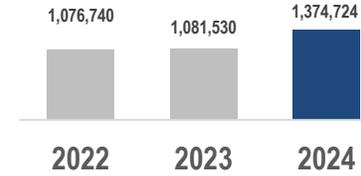
4. Financial Projections

Statement of Profit or Loss - Projected Financials

Million Rs.

	Historical	
	2024	2023
Revenue from contracts with customers - gas sales	1,374,724	1,081,530
Add: Tariff adjustment	158,187	377,514
	1,532,911	1,459,044
Less: Cost of gas sales	1,488,497	1,331,586
Gross profit	44,414	127,458
Add: Other operating income	54,643	36,288
	99,057	163,746
Less: Operating expenses		
Selling cost	11,397	9,527
Administrative expenses	11,956	9,931
Take or pay adjustment relating to prior years	1,079	-
Other operating expenses	2,686	6,021
Expected credit loss	4,054	1,973
	31,173	27,453
Operating profit	67,885	136,293
Less: Finance cost	38,041	120,521
Profit before taxation	29,843	15,722
Less: Taxation	10,867	5,208
Profit for the year	18,976	10,563
Earnings per share - basic and diluted - (Rs.)	29.92	16.66

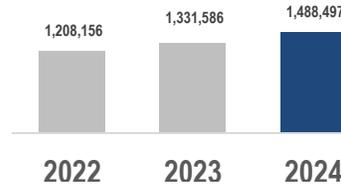
Revenue



5% to 10% growth over the period of Business Plan

2026-28

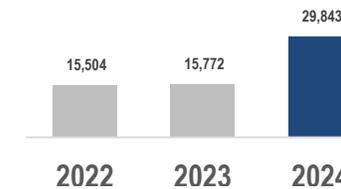
Cost of gas sold



5% to 10% growth over the period of Business Plan

2026-28

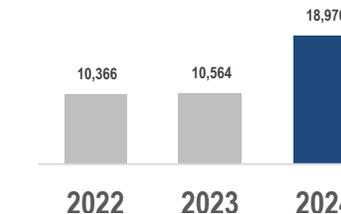
Profit before Tax



5% to 10% growth over the period of Business Plan

2026-28

Profit after Tax



5% to 10% growth over the period of Business Plan

2026-28

Projected



Caveat

Following information has **not been included** in this document as *it falls under the ambit of price-sensitive information as defined in the Securities Act, 2015 [Section-96] and PSX Regulations [Clause 5.6.1(a)]*:

- Summary of indicative Balance Sheet and Profit or Loss Statement for the SOE.
- The proposed dividend declaration and distribution policy of the SOE.

سوئی ناردرن گیس
Sui Northern Gas



Thankyou

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