



## Sui Southern Gas Company Limited

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

CS/BOD/16  
7 March 2016

CONFIDENTIAL  
UNDER SEALED COVER

Dear Sir,

**FINANCIAL RESULTS**  
**FOR THE FINANCIAL YEAR ENDED JUNE 30, 2014**

Please refer to your letter No. KSE-Gen-229 dated 8 January 2016.

We wish to inform you that the Board of Directors of our Company in their meeting held on 5 March 2016 at 3:30 p.m. at Karachi, recommended the following

i	Cash Dividend	Nil
ii	Bonus Shares	Nil
iii	Right Shares	Nil
iv	Any Other Entitlement / Corporate Action	Nil
v	Any Other Price-Sensitive Information	Nil

The financial results of the Company are enclosed as Annexure- A & B.

The Auditors in their report to the members have stated :-

- "a As described in notes 26.1 and 26.2 to the unconsolidated financial statements, trade debts include receivables of Rs. 41,302 million (2013: Rs. 44,303 million) and Rs. 16,944 million (2013: Rs.12,680 million) from K-Electric Limited (KE) and Pakistan Steel Mills Corporation (Private) Limited (PSML) respectively. As described in the aforesaid notes, significant portion of such receivables include overdue amounts, which have been considered good by the management and classified as current assets in these financial statements. Further, KE and PSML have disputed Late Payment Surcharge (LPS) on their respective balances and the financial condition of PSML is such that it has not been able to pay its obligations, due to which management has decided to recognize LPS on a receipt basis from the aforesaid entities effective from July 01, 2012.

# **Sui Southern Gas Company Limited**

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Due to the adverse financial condition of PSML, disputes by 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 are likely to be recovered and the time frame over which such recovery will be made.

- b In our opinion, except for the possible effects of the matter stated in paragraph (a) above, in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- c in our opinion:
  - (i) except for the possible effects of the matter stated in paragraph (a) above, the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change as disclosed in note 3.3.1 to the accompanying unconsolidated financial statements with which we concur;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business ; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- d except for the possible effects of the matter stated in paragraph (a) above, in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and the unconsolidated statement of changes in equity, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, given the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2013 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and

We draw attention to:

- (i) note 1.3 to the unconsolidated financial statements that describes that revenue requirements for the year ended June 30, 2011, 2012, 2013 and 2014, have been determined provisionally on the basis of stay orders of the High Court of Sindh (the Court) which was considered by OGRA while determining revenue requirements, except for impact of the order dated November 20, 2015, whereby OGRA was directed to treat income from royalty (arrears) and income from LPG and NGL as non-operating income which was not considered by OGRA while determining revenue requirements of the Company for the year ended June 30, 2013 and 2014."



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The Annual General Meeting of the Company will be held on April 16, 2016 at 4:30 pm at Karachi.

The Share Transfer Books of the Company will be closed from April 8, 2016 to April 16, 2016 (both days inclusive). Share transfers received in order at the office of our Shares Registrar, Central Depository Company of Pakistan Limited (CDC), CDC House, 99-B, Block "B", SMCHS, Main Shahrah-e-Faisal, Karachi at the close of business on April 7, 2016 will be treated in time.

We will be sending you 200 copies of printed accounts for distribution amongst the members of the Exchange 21 days before the date of Annual General Meeting.

Thanks and regards,

Yours Sincerely,



Shoaib Ahmed  
Company Secretary

Encl; a .a.

cc: The Commissioner  
Securities & Exchange Commission of Pakistan (SECP)  
Company Law Division/  
Corporate Supervision Department &  
Technology Division  
Islamabad

cc: Head of Operations  
Central Depository Company of Pakistan  
CDC House, 99-B, Block "B"  
Main Shahrah e Faisal, Karachi

## Annexure "A"

### SUI SOUTHERN GAS COMPANY LIMITED UNCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 (Rupees in '000)	2013 (Restated) (Rupees in '000)
Sales		176,545,162	164,353,539
Sales tax		(24,003,620)	(22,156,351)
		<u>152,541,542</u>	<u>142,197,188</u>
Gas development surcharge		742,280	9,440,389
Net sales		<u>153,283,822</u>	<u>151,637,577</u>
Cost of sales	33	(162,252,203)	(148,147,434)
Gross (loss) / profit		(8,968,381)	3,490,143
Administrative and selling expenses	34	(3,440,422)	(3,291,775)
Other operating expenses	35	(2,181,582)	(4,951,576)
		<u>(5,622,004)</u>	<u>(8,243,351)</u>
		<u>(14,590,385)</u>	<u>(4,753,208)</u>
Other operating income	36	2,801,286	3,815,889
Operating loss		<u>(11,789,099)</u>	<u>(937,319)</u>
Other non-operating income	37	13,395,307	8,925,313
Finance cost	38	(7,416,614)	(7,607,889)
(Loss) / profit before taxation		<u>(5,810,406)</u>	<u>380,105</u>
Taxation	39	2,056,945	(131,911)
(Loss) / profit for the year		<u>(3,753,461)</u>	<u>248,194</u>
			(Rupees)
Basic and diluted (loss) / earnings per share	41	<u>(4.26)</u>	<u>0.28</u>

The annexed notes 1 to 53 form an integral part of these unconsolidated financial statements.

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**SHOAIB AHMED**  
 Company Secretary  
 Sui Southern Gas Co. Ltd  
 Karachi

**SUI SOUTHERN GAS COMPANY LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Annexure "B"**

	Note	2014 (Rupees in '000)	2013 (Restated) (Rupees in '000)
Sales		176,545,162	164,353,539
Sales tax		(24,003,620)	(22,156,351)
		<u>152,541,542</u>	<u>142,197,188</u>
Gas development surcharge		742,280	9,440,389
Net sales		<u>153,283,822</u>	<u>151,637,577</u>
Cost of sales	33	(162,252,203)	(148,147,434)
Gross (loss) / profit		<u>(8,968,381)</u>	<u>3,490,143</u>
Administrative and selling expenses	34	(3,867,817)	(3,372,576)
Other operating expenses	35	(2,214,476)	(4,951,776)
		<u>(6,082,293)</u>	<u>(8,324,352)</u>
		<u>(15,050,674)</u>	<u>(4,834,209)</u>
Other operating income	36	2,859,079	3,857,296
Operating loss		<u>(12,191,595)</u>	<u>(976,913)</u>
Other non-operating income	37	13,321,782	8,657,425
Finance cost	38	(7,426,011)	(7,619,605)
		<u>(6,295,824)</u>	<u>60,907</u>
(Loss) / profit before taxation		<u>(6,295,824)</u>	<u>60,907</u>
Taxation	39	2,026,372	(66,617)
Loss for the year		<u>(4,269,452)</u>	<u>(5,710)</u>
			(Rupees)
Basic and diluted loss per share	41	<u>(4.85)</u>	<u>(0.01)</u>

The annexed notes 1 to 53 form an integral part of these consolidated financial statements.

**SHOAIB AHMED**  
**Company Secretary**  
**Sui Southern Gas Co. Ltd**  
**Karachi**