



Sui Southern Gas Company Limited

The Secretary
Pakistan Stock Exchange Limited
Stock Exchange Building
KARACHI

BS/HR/16
6 June 2016

CONFIDENTIAL
Under Sealed Cover

Dear Sir,

FINANCIAL RESULTS FOR THE HALF YEAR **ENDED 31 DECEMBER 2013**

We have to inform you that the Board of Directors of Sui Southern Gas Company Limited in its Meeting held on 4 June 2016 at SSGC Head Office Building, Gulshan-e-Iqbal, Karachi, recommended the following :

1	Cash Dividend	NIL
2	Bonus Issue	NIL
3	Right Shares	NIL
4	Any Other Entitlement / Corporation Action	NIL
5	Any Other Price-Sensitive Information	NIL

The financial results as approved by the Board of Directors of the Company are enclosed as Annexure A & B.

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

Basis for Qualified Conclusion

As described in notes 8.1 and 8.2 to the unconsolidated condensed interim financial information, trade debts include receivable of Rs. 40,569 million (June 30, 2013:Rs. 44,303 million) and Rs. 14,786 million (June 30, 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 this unconsolidated condensed interim financial information. 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

SSGC House, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi

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.

Qualified Conclusion

Except for the adjustments, if any, to the unconsolidated condensed interim financial information described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information as of and for the half year ended December 31, 2013 is not prepared in all material respects in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

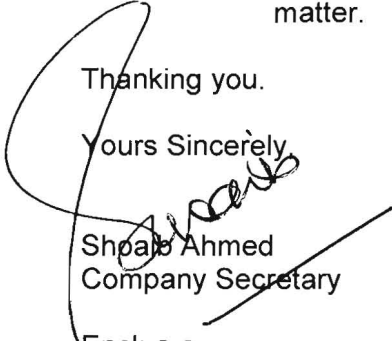
Emphasis of matter paragraph

We draw attention to :

- (i) note 1.3 to the unconsolidated condensed interim financial information that describes that revenue requirements for the years 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 orders 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. Our conclusion is not qualified in respect of this matter.

Thanking you.

Yours Sincerely


Shoaib Ahmed
Company Secretary

Encl: a.a.

Head of Operations
Central Depository Company of Pakistan Ltd.
CDC House, 99-B, Block "B", S.M. C.H.S.
Main Shahrah-e-Faisal, Karachi
Islamabad

cc:

The Chairman
Securities & Commission
of Pakistan, 7-NIC Building
Jinnah Avenue, Blue Area,

Annexure "A"

Sui Southern Gas Company Limited
Unconsolidated condensed interim profit and loss account (Un-audited)
For the half year ended December 31, 2013

		Half year ended		Quarter ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Note		----- (Rupees in '000) -----			
Sales		87,527,361	78,956,406	42,727,231	38,027,683
Sales tax		(11,997,765)	(10,730,979)	(5,764,693)	(4,944,256)
		75,529,596	68,225,427	36,962,538	33,083,427
Gas development surcharge		(2,873,058)	4,639,915	(3,793,235)	4,507,327
Net sales		72,656,538	72,865,342	33,169,303	37,590,754
Cost of sales	15	(77,525,743)	(72,478,749)	(39,604,901)	(37,674,369)
Gross (loss) / profit		(4,869,205)	386,593	(6,435,598)	(83,615)
Administrative and selling expenses		(1,688,524)	(1,517,424)	(851,161)	(844,754)
Other operating expenses	16	(1,860,144)	(1,788,006)	(970,621)	(1,227,405)
		(3,548,668)	(3,305,430)	(1,821,782)	(2,072,159)
		(8,417,873)	(2,918,837)	(8,257,380)	(2,155,774)
Other operating income	17	1,846,510	1,630,934	925,504	740,612
Operating loss		(6,571,363)	(1,287,903)	(7,331,776)	(1,415,162)
Other non-operating income	18	8,586,298	6,971,564	6,971,723	3,573,407
Finance cost	19	(3,332,091)	(4,055,337)	(1,666,239)	(2,078,552)
(Loss) / profit before taxation		(1,317,156)	1,628,324	(2,026,292)	79,693
Taxation	20	497,836	(580,760)	711,652	(33,367)
(Loss) / profit for the period		(819,320)	1,047,564	(1,314,640)	46,326
(Rupees)					
Basic and diluted (loss) / earnings per share		(0.93)	1.19	(1.49)	0.05

The annexed notes from 1 to 27 form an integral part of these unconsolidated condensed interim financial information.

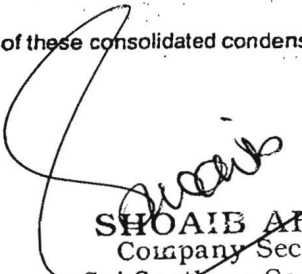
SHOAIB AHMED
 Company Secretary
 Sui Southern Gas Co. Ltd.
 Karachi

Annexure "B"

Sui Southern Gas Company Limited Consolidated condensed interim profit and loss account (Un-audited) For the half year ended December 31, 2013

		Half year ended		Quarter ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Note		(Rupees in '000)			
Sales		87,527,361	79,186,181	42,727,231	38,207,303
Sales tax		(11,997,765)	(10,762,672)	(5,764,693)	(4,969,032)
		75,529,596	68,423,509	36,962,538	33,238,271
Gas development surcharge		(2,873,058)	4,639,915	(3,793,235)	4,507,327
Net sales		72,656,538	73,063,424	33,169,303	37,745,598
Cost of sales	15	(77,525,743)	(72,764,776)	(39,604,901)	(37,841,340)
Gross (loss) / profit		(4,869,205)	298,648	(6,435,598)	(95,742)
Administrative and selling expenses		(1,732,472)	(1,537,955)	(872,209)	(860,934)
Other operating expenses *	16	(1,860,144)	(1,788,006)	(970,619)	(1,227,405)
		(3,592,616)	(3,325,961)	(1,842,828)	(2,088,339)
		(8,461,821)	(3,027,313)	(8,278,426)	(2,184,081)
Other operating income	17	1,992,672	1,754,654	1,006,757	812,939
Operating loss		(6,469,150)	(1,272,659)	(7,271,669)	(1,371,142)
Other non-operating income	18	8,221,247	6,867,664	6,749,386	3,495,555
Finance cost	19	(3,340,302)	(4,055,371)	(1,662,261)	(2,078,560)
(Loss) / profit before taxation		(1,588,205)	1,539,634	(2,184,544)	45,853
Taxation	20	484,654	(582,626)	702,588	(34,761)
(Loss) / profit for the period		(1,103,551)	957,008	(1,481,956)	11,092
		(Rupees)			
Basic and diluted (loss) / earnings per share		(1.25)	1.09	(1.68)	0.01

The annexed notes from 1 to 27 form an integral part of these consolidated condensed interim financial information.


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