



## 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 2014**

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 includes receivable of Rs. 38,524 million (June 30, 2014: Rs. 41,302 million) and Rs. 19,105 million (June 30, 2014: Rs. 16,944 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 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, 2014 is not prepared, in all material respects, in accordance with the 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, 2014 and 2015 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 and March 29, 2016 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 years ended June 30, 2013, 2014 and 2015. 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

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

# Annexure "A"

Sui Southern Gas Company Limited  
Unconsolidated condensed interim profit and loss account (Un-audited)  
For the half year ended December 31, 2014

	Note	Half year ended		Quarter ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		(Rupees in '000)			
Sales		91,332,872	87,527,361	44,056,084	42,727,231
Sales tax		(12,058,401)	(11,997,765)	(5,307,391)	(5,764,693)
		79,274,471	75,529,596	38,748,693	36,962,538
Gas development surcharge		1,045,617	(2,873,058)	(239)	(3,793,235)
Net sales		80,320,088	72,656,538	38,748,454	33,169,303
Cost of sales	15	(85,029,203)	(77,525,743)	(42,923,621)	(39,604,901)
Gross loss		(4,709,115)	(4,869,205)	(4,175,167)	(6,435,598)
Administrative and selling expenses		(1,823,843)	(1,688,524)	(911,797)	(851,161)
Other operating expenses	16	(1,554,990)	(1,860,144)	(786,934)	(970,621)
		(3,378,833)	(3,548,668)	(1,698,731)	(1,821,782)
		(8,087,948)	(8,417,873)	(5,873,898)	(8,257,380)
Other operating income	17	1,312,741	1,846,510	568,725	925,604
Operating loss		(6,775,207)	(6,571,363)	(5,305,173)	(7,331,776)
Other non-operating income	18	6,565,643	8,586,298	4,707,958	6,971,723
Finance cost	19	(4,723,026)	(3,332,091)	(2,538,840)	(1,666,239)
Loss before taxation		(4,932,590)	(1,317,156)	(3,136,055)	(2,026,292)
Taxation	20	1,869,874	497,836	994,583	711,652
Loss for the period		(3,062,716)	(819,320)	(2,141,472)	(1,314,640)
(Rupees)					
Basic and diluted loss per share		(3.48)	(0.93)	(2.43)	(1.49)

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial information.

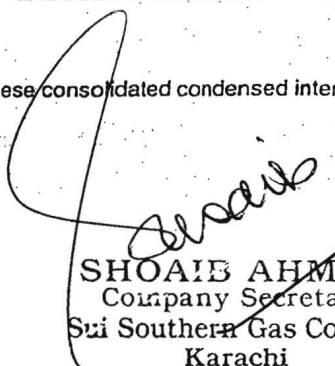
SHOAIB AHMED  
Company Secretary  
Sui Southern Gas Co. Ltd.  
Karachi

## Annexure "B"

**Sui Southern Gas Company Limited**  
**Consolidated condensed interim profit and loss account (Un-audited)**  
**For the half year ended December 31, 2014**

		Half year ended		Quarter ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	Note	(Rupees in '000)			
Sales		91,332,872	87,527,361	44,056,085	42,727,231
Sales tax		(12,058,401)	(11,997,765)	(5,307,391)	(5,764,693)
		79,274,471	75,529,596	38,748,694	36,962,538
Gas development surcharge		1,045,617	(2,873,058)	(239)	(3,793,235)
Net sales		80,320,088	72,656,538	38,748,455	33,169,303
Cost of sales	15	(85,029,203)	(77,525,743)	(42,923,621)	(39,604,901)
Gross loss		(4,709,115)	(4,869,205)	(4,175,166)	(6,435,598)
Administrative and selling expenses		(1,872,495)	(1,732,472)	(936,902)	(872,209)
Other operating expenses	16	(1,554,990)	(1,860,144)	(786,764)	(970,619)
		(3,427,485)	(3,592,616)	(1,723,666)	(1,842,828)
		(8,136,600)	(8,461,821)	(5,898,832)	(8,278,426)
Other operating income	17	1,502,089	1,992,672	695,225	1,006,757
Operating loss		(6,634,511)	(6,469,150)	(5,203,608)	(7,271,669)
Other non-operating income	18	6,582,268	8,221,247	4,596,816	6,749,386
Finance cost	19	(4,722,953)	(3,340,302)	(2,539,536)	(1,662,261)
Loss before taxation		(4,775,197)	(1,588,205)	(3,146,328)	(2,184,544)
Taxation	20	1,864,633	484,654	1,004,153	702,588
Loss for the period		(2,910,564)	(1,103,550)	(2,142,175)	(1,481,956)
Basic and diluted loss per share		(3.30)	(1.25)	(2.43)	(1.68)

The annexed notes from 1 to 26 form an integral part of these consolidated condensed interim financial information.

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