

SSGC/CS/2024-128  
05 November 2024

**FORM-3**

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

Confidential

**SUBJECT: FINANCIAL STATEMENTS FOR THE FINANCIAL  
YEAR ENDED 30 JUNE 2023**

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on 05 November 2024 at 11:30 am, at SSGC Board Room, Head Office Building, Gulshan-e-Iqbal, 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 attached as **Annexure A and B**.

The Auditors in their initialed draft report to the members have stated:

**QUALIFIED OPINION**

**BASIS FOR QUALIFIED OPINION**

1. As disclosed in notes 15.1 and 15.2 to the unconsolidated financial statements, trade debts include receivables of Rs. 26,289 million and Rs. 22,272 million from K-Electric Limited (KE) and Pakistan Steel Mills Corporation (Private) Limited (PSML), respectively. Significant portion of such receivables include overdue amounts, which have been considered good by management and classified as current assets in the unconsolidated financial statements. Further, KE and PSML have disputed Late Payment Surcharge (LPS) on their respective balances due to which management has decided to recognise LPS on receipt basis from the aforesaid entities effective from July 01, 2012.

Due to the adverse operational and financial conditions 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 were likely to be recovered including the timeframe over which such recovery will be made;

2. As disclosed in note 18 to the unconsolidated financial statements, interest accrued includes interest receivable of Rs. 12,093 million and Rs. 5,858 million from Sui Northern Gas Pipeline Limited (SNGPL) and Water and Power Development Authority (WAPDA), respectively. These have been accounted for in line with Company's policy of charging LPS on overdue amounts, but have not been acknowledged by the counter-party. Due to disputes of the Company with WAPDA and SNGPL, and large accumulation of their respective overdue amounts of interest, we were unable to determine the extent to which the interest accrued amounts due from SNGPL and WAPDA are likely to be recovered including the timeframe over which such recovery will be made.

# Sui Southern Gas Company Limited

SSGC House, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi  
**Emphasis of Matter**

We draw attention to the following:

1. note 1.3 to the unconsolidated financial statements which states that in view of the financial position of the Company, the Government of Pakistan (Finance Division) has confirmed to extend necessary financial support to the Company for the foreseeable future to maintain its going concern status. Hence, the sustainability of the future operations of the Company is dependent on the said support;
2. note 36.1 to the unconsolidated financial statements which describe that the Company has not recognized the accrued markup up to June 30, 2023 amounting to Rs. 176,291 million relating to Government Controlled E&P Companies based on Government advise and a legal opinion;
3. note 37.1 to the unconsolidated financial statements which inter alia describe that the Company is subject to various material litigations and claims pending adjudication in different courts. The outcome of these cases is uncertain and beyond management's control; and
4. note 19.2, 35.2 and 37.2 to the unconsolidated financial statements which describe certain long outstanding matters prior to June 2020 pending settlement with SNGPL whose resolution is dependent on the OGRA's appointed consultant report.

Our opinion is not modified in respect of above matters.

## **Annual General Meeting:**

The Annual General Meeting of the Company will be held on Friday, 29 November 2024 at 10:30 a.m. at, Jade Hall, Arena, Habib Rehmatullah Road, Karsaz, Karachi, in person as well as through Video conferencing.

The Share Transfer Books of the Company will be closed from Friday 22 November 2024 to Friday 29 November 2024 (both days inclusive). Transfers received in order at the office of Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Sharah-e-Faisal, Karachi at the close of business on Thursday 21 November 2024 will be treated in time for the purpose of attending Annual General Meeting.

The Annual Report of the Company will be transmitted through PUCARS atleast 21 days before holding of Annual General Meeting.

Yours Sincerely,

**Fawad Ahmed Khan**  
Company Secretary

Cc:

1. **Executive Director/HOD,**  
Offsite-II Department, Supervision Division, Securities & Exchange Commission of Pakistan,  
Islamabad
2. **Head of Operations,** Central Depository Company of Pakistan CDC House, 99-B, Block B,  
S.M.C.H.S, Main Sharah-e-Faisal, Karachi
3. **Assistant General Manager,** CDC Share Registrar Services Limited Central Depository  
Company of Pakistan CDC House, 99-B, Block B, S.M.C.H.S, Main Sharah-e-Faisal, Karachi

## Annexure - A

### SUI SOUTHERN GAS COMPANY LIMITED UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	(Rupees in '000)	
Revenue from Contracts with Customers - Gas Sales	38	240,737,757	299,628,511
Tariff adjustments	39	208,763,422	75,930,537
<b>Net sales</b>		<u>449,501,179</u>	<u>375,559,048</u>
Cost of sales	40	(423,300,717)	(367,840,505)
<b>Gross profit</b>		<u>26,200,462</u>	<u>7,718,543</u>
Administrative and selling expenses	41	(6,074,498)	(5,084,613)
Other operating expenses	42	(34,748,998)	(20,337,874)
Allowance for expected credit loss	15.3	(1,907,945)	(2,121,563)
		<u>(42,731,441)</u>	<u>(27,544,050)</u>
		<u>(16,530,979)</u>	<u>(19,825,507)</u>
Other income	43	23,558,842	17,280,257
<b>Profit / (loss) before interest and taxation</b>		<u>7,027,863</u>	<u>(2,545,250)</u>
Finance cost	44	(8,618,746)	(5,190,235)
<b>Loss before taxation</b>		<u>(1,590,883)</u>	<u>(7,735,485)</u>
Taxation	45	(10,250)	(3,708,630)
<b>Loss for the year</b>		<u>(1,601,133)</u>	<u>(11,444,115)</u>

(Rupees)

**Loss per share - basic and diluted**

47. (1.82) (12.99)

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.



## Annexure - B

**SUI SOUTHERN GAS COMPANY LIMITED  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	(Rupees in '000)	
Revenue from Contracts with Customers - Gas Sales	39 240,737,757	299,628,511
Tariff adjustments	40 208,763,422	75,930,537
<b>Net sales</b>	<u>449,501,179</u>	<u>375,559,048</u>
Cost of sales	41 (423,300,718)	(367,840,505)
<b>Gross profit</b>	26,200,461	7,718,543
Administrative and selling expenses	42 (6,289,640)	(5,251,848)
Other operating expenses	43 (35,065,851)	(20,420,074)
Allowance for expected credit loss	15.3 (1,907,945)	(2,121,563)
	<u>(43,263,436)</u>	<u>(27,793,485)</u>
	(17,062,975)	(20,074,942)
Other income	44 25,262,125	17,629,800
<b>Profit / (loss) before interest and taxation</b>	8,199,150	(2,445,142)
Finance cost	45 (8,640,565)	(5,196,036)
<b>Loss before taxation</b>	(441,415)	(7,641,178)
Taxation	46 (394,642)	(3,770,841)
<b>Loss for the year</b>	<u>(836,057)</u>	<u>(11,412,019)</u>
	(Rupees)	
<b>Loss per share - basic and diluted</b>	48 <u>(0.95)</u>	<u>(12.95)</u>

The annexed notes 1 to 61 form an integral part of these consolidated financial statements.

