



## Sui Southern Gas Company Limited

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

CS/BOD/16  
11 April 2016

CONFIDENTIAL  
UNDER SEALED COVER

Dear Sir,

### FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2015

Please refer to your letter No. KSE-Gen-2724 dated 1 April 2016.

We wish to inform you that the Board of Directors of the Company in their meeting held on 9 April 2016 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 27.1 and 27.2 to the unconsolidated financial statements, trade debts include receivables of Rs.40,073 million (2014:Rs.41,302 million) and Rs. 20,879 million (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 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.

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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) as described in note 31.2 and 31.2.1 to the unconsolidated financial statements, Rs. 2,122 million is receivable from Sui Northern Gas Pipelines Limited (SNGPL), which is being disputed by SNGPL for the reasons mentioned in note 31.2.1, due to which we were unable to determine the extent to which the receivable amount is likely to be recovered and time frame over which such recovery will be made.
- c) in our opinion except for the possible effects of the matter stated in paragraphs (a) and (b) above, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984.
- d) In our opinion
  - i) except for the possible effects of the matter stated in paragraphs (a) and (b) 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.
  - 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.
- e) except for the possible effects of the matter stated in paragraphs (a) and (b) 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, give 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, 2015 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and



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We draw attention to:

- (i) Note 1.3 to the unconsolidated financials statements 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 opinion is not qualified in respect of the said matter.

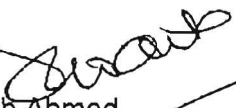
The Annual General Meeting of the Company will be held on 14 May 2016 at 2:30 pm at Karachi.

The Share Transfer Books of the Company will be closed from 7 May 2016 to 14 May 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, Block "B", 99-B, SMCHS, Main Shahrah-e-Faisal, Karachi or at the Registered Office of the Company, SSGC House, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi at the close of business on 6 May 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

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

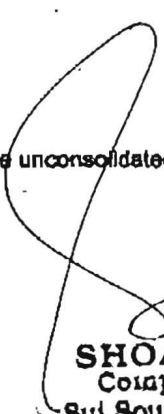
cc: Head of Operations  
Central Depository Company of Pakistan  
CDC House, 99-B, Block "B"  
Main Shahrah e Faisal, Karachi

## Annexure "A"

Sul Southern Gas Company Limited  
Unconsolidated profit and loss account  
For the year ended June 30, 2015

	Note	2015 (Rupees in '000)	2014 (Rupees in '000)
Sales		182,791,953	178,545,162
Sales tax		(23,938,506)	(24,003,820)
		<u>158,853,447</u>	<u>152,541,542</u>
Gas development surcharge		3,729,723	742,280
Net sales		162,583,170	153,283,822
Cost of sales	34	(170,666,082)	(162,252,203)
Gross loss		(7,981,912)	(8,968,381)
Administrative and selling expenses	35	(3,733,602)	(3,440,422)
Other operating expenses	36	(1,588,587)	(2,181,582)
		<u>(5,322,189)</u>	<u>(5,622,004)</u>
Other operating income	37	(13,304,101)	(14,690,385)
		<u>2,475,025</u>	<u>2,801,288</u>
Operating loss		(10,829,078)	(11,789,099)
Other non-operating income	38	11,756,090	13,395,307
Finance cost	39	(9,696,368)	(7,418,614)
Loss before taxation		(8,769,354)	(5,810,406)
Taxation	40	3,378,305	2,056,945
Loss for the year		<u>(5,391,049)</u>	<u>(3,753,461)</u>
			(Rupees)
Basic and diluted loss per share	42	<u>(8.12)</u>	<u>(4.28)</u>

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

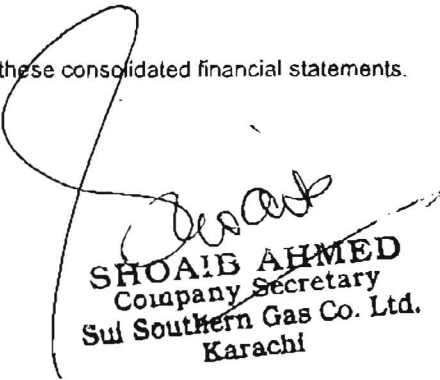
  
**SHOAIB AHMED**  
Company Secretary  
Sul Southern Gas Co. Ltd.  
Karachi

Sul Southern Gas Company Limited  
Consolidated profit and loss account  
For the year ended June 30, 2015

Annexure "B"

	Note	2015 (Rupees in '000)	2014 (Rupees in '000)
Sales		182,791,953	176,545,162
Sales tax		(23,938,506)	(24,003,620)
		<u>158,853,447</u>	<u>152,541,542</u>
Gas development surcharge		3,729,723	742,280
Net sales		162,583,170	153,283,822
Cost of sales	34	(170,565,082)	(162,252,203)
Gross loss		(7,981,912)	(8,968,381)
Administrative and selling expenses	35	(3,834,957)	(3,555,934)
Other operating expenses	36	(1,589,425)	(2,214,476)
		<u>(5,424,382)</u>	<u>(5,770,410)</u>
		(13,406,294)	(14,738,791)
Other operating income	37	2,554,027	2,859,079
Operating loss		(10,852,267)	(11,879,712)
Other non-operating income	38	11,742,492	13,009,899
Finance cost	39	(9,698,218)	(7,426,011)
Loss before taxation		(8,807,993)	(6,295,824)
Taxation	40	3,378,305	2,026,372
Loss for the year		<u>(5,429,688)</u>	<u>(4,269,452)</u>
			(Rupees)
Basic and diluted loss per share	42	<u>(6.16)</u>	<u>(4.85)</u>

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

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