SUI SOUTHERN GAS COMPANY LIMITED

CONSOLIDATED CONDENSED

INTERIM FINANCIAL STATEMENTS

(UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED

DECEMBER 31, 2012

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

As at December 31, 2012

	Note	December 31, 2012 (Un-audited)	June 30, 2012 (Audited)
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	6	68,495,814	66,466,873
Intangible assets		154,904	46,020
Long term investments	7	90,309	71,574
Net investment in finance lease		743,552	802,950
Long-term loans and advances		139,694	124,235
Long-term deposits		5,636	3,481
Total non-current assets		69,629,909	67,515,133
Current assets			
Stores, spares and loose tools		2,471,971	2,080,850
Stock-in-trade		825,254	795,567
Current maturity of net investment in finance lease		118,795	118,795
Customers' installation work-in-progress		200,667	191,900
Trade debts	8	79,440,762	71,740,913
Loans and advances		311,839	120,758
Trade deposits and short-term prepayments		267,900	191,117
Interest accrued		3,333,620	3,438,828
Other receivables	9	33,618,118	24,153,103
Taxation - net		1,320,607	1,429,149
Cash and bank balances		1,376,125	1,509,341
Total current assets		123,285,658	105,770,321
Total assets		192,915,567	173,285,454
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital: 1,000,000,000 ordinary shares of Rs. 10 each		10,000,000	10,000,000
Issued, subscribed and paid-up capital		8,809,163	8,809,163
Reserves		4,907,401	4,907,401
Surplus on re-measurement of available for sale securities		76,680	57,946
Unappropriated profit		5,296,695	4,339,687
Total equity		19,089,939	18,114,197
Surplus on revaluation of fixed assets		10,251,946	10,251,946
Non-current liabilities			
Long-term finance	10	16,948,936	18,315,383
Long-term deposits		4,941,021	4,602,874
Deferred tax		6,711,721	7,550,239
Employee benefits		2,316,347	2,154,237
Deferred credit	11	5,462,301	5,336,479
Long-term advances		1,588,178	1,896,646
Total non-current liabilities		37,968,504	39,855,858
Current liabilities			
Current portion of long-term financing		3,240,615	3,227,262
Short-term borrowings	12	4,559,733	-
Trade and other payables	13	98,599,616	85,639,076
Interest and mark-up accrued		19,205,214	16,197,115
Total current liabilities		125,605,178	105,063,453
Total liabilities		163,573,682	144,919,311
Contingencies and commitments	14		
Total equity and liabilities		192,915,567	173,285,454

The annexed notes from 1 to 28 form an integral part of these consolidated condensed interim financial information.

Waqar A. Malik
Chairman

Zuhair Siddiqui
Managing Director

	Relationship	Six months period ended		Three months period ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
		(Un-audited) (Rupees in '000)			
Habib Metropolitan Bank Limited	Associate				
-Profit on Investment		2,391	2,035	877	1,281
-Markup on Local Currency Finance		12,348	26,971	5,128	12,209
Inter State Gas Systems(Private) Limited	Associate				
-Sharing of expenses		31,322	26,971	15,798	12,209
International Industries Limited	Associate				
-Line Pipe Purchases		468,496	420,537	347,301	194,964
-Sale of Gas		473,733	443,909	238,255	237,188
Liaquat National Hospital	Associate				
-Medical Services		18,009	31,274	11,087	16,727
-Gas Sales		44,144	34,897	19,306	16,202
Minto & Mirza	Associate				
-Professional Charges		4,000	3,450	3,000	3,450
Oil and Gas Development Company Limited	Associate				
-Principal portion of lease rental		4,317	1,309	3,104	550
-Gas purchases		22,445,401	12,915,972	11,289,234	6,745,349
Petroleum Institute of Pakistan	Associate				
-Subscription/Contribution		-	434	-	-
Packages Limited	Associate				
-Gas Sales		5,986	4,415	2,906	2,340
Pak Suzuki Motor Company Limited	Associate				
-Motor Vehicle Purchases		40,121	41,572	12,823	13,052
-Gas Sales		15,863	21,366	7,439	21,726
Pakistan Cables Limited	Associate				
-Gas sales		30,397	28,962	15,613	14,063

	Relationship	Six months period ended		Three months period ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
		(Un-audited) (Rupees in '000)			
Pakistan State Oil Company Limited	Associate				
-Purchase of fuel and lubricant		3,653	5,949	2,321	3,317
-Gas sales		11,559	12,027	4,644	5,989
Remuneration of key management personnel					
-Executive staff	23.3	70,922	58,900	55,583	28,387
Sui Northern Gas Pipelines Limited	Associate				
-Principal portion of lease rental		32,629	65,630	16,315	32,932
-Sale of gas meters	23.1	1,030,412	598,214	608,809	265,077
-Gas Purchases		358,907	292,998	177,131	154,963
-Uniform cost of gas		18,565,268	14,946,081	9,740,222	8,210,083
-Dividend income		475	2,090	238	-
State Life Insurance Corporation Limited	Associate				
-Rent of premises		3,026	-	2,145	-
-Insurance premium		11,338	10,518	7,543	6,884
Staff retirement benefit plans					
-Contribution to provident fund	23.2	103,807	94,192	57,752	49,548
-Contribution to pension fund	23.2	137,612	167,536	68,933	128,272
-Contribution to gratuity fund	23.2	107,787	102,352	53,952	55,227
Thatta Cement Company Limited	Associate				
-Gas sales		6,717	73,368	4,696	9,345
U.G Foods Company (Private) Limited	Associate				
-Gas sales		7,160	6,601	3,407	3,328

23.1 Sale of gas meters is made at cost plus method. The Company is the only manufacturer of gas meters in the country.

23.2 Contribution to the defined contribution and benefit plans are in accordance with the terms of the entitlement of the employees and / or actuarial advice.

23.3 Remuneration to the executive officers of the Company and loans and advances to them are determined in accordance with the terms of their employment. Mark-up free security deposits for gas connections to the executive staff of the Company is received at rates prescribed by the Government of Pakistan.

23.4 Amount (due to) / receivable from / investment in related parties

The details of amount due with related parties not disclosed elsewhere in these consolidated condensed interim financial information are as follows:

	Realtionship	December 31, 2012 (Un-audited)	June 30, 2012 (Audited)
		(Rupees in '000)	
Askari Bank Limited	Associate		
-Long term finance		(1,689,000)	(1,689,000)
-Short term finance		(625,000)	-
-Cash at bank		3,234	2,310
Bank Al Habib Limited	Associate		
-Long term finance		(500,000)	(541,778)
-Short term finance		(752,739)	-
-Cash at bank		2,430	98,698
Habib Metropolitan Bank Limited	Associate		
-Long term finance		(142,000)	(225,566)
-Cash at bank		-	4,871
Liaquat National Hospital	Associate		
-Gas sales		5,348	8,313
Oil and Gas Development Company Limited	Associate		
-Gas purchases		(45,669,497)	(35,266,701)
Packages Limited	Associate		
-Gas sales		986	991
Sui Northern Gas Pipelines Limited	Associate		
-Lease rentals		108,138	78,743
-Sale of gas meters		307,129	84,006
-Cost of gas levelisation		5,708,000	9,387,759
U.G Foods Company (Private) Limited	Associate		
-Gas sales		794	1,177

	Realtionship	December 31, 2012 (Un-audited)	June 30, 2012 (Audited)
		(Rupees in '000)	
Pakistan Suzuki Motor Company Limited	Wholly owned Subsidiary		
-Gas sales		2,931	3,454
International Industries Limited	Associate		
-Gas sales		73,933	85,717
Pakistan Cables Limited			
-Gas sales	Associate	4,850	6,309
Thatta Cement Co. Limited			
-Gas sales	Associate	1,037	431

24. Operating Segments

Segment Revenue and Results

The following is analysis of the company's revenue and results by reportable segment.

	Segment Revenue		Segment Profit	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	(Un-audited) (Rupees in '000)			
Gas transmission and distribution	68,423,509	60,483,204	2,221,263	2,762,874
Meter manufacturing	1,130,704	961,345	223,958	43,259
Total segment results	69,554,213	61,444,549	2,445,221	2,806,133
Reconciliation of segment's profit with the profit before tax of the company				
Unallocated - other expenses				
- Other operating expenses			(1,114,477)	(682,769)
Unallocated - other income				
- Non-operating income			208,890	220,268
Profit before tax			1,539,634	2,343,632

25. Segment assets and liabilities

During the period, there were following significant increase in the assets and liabilities of transmission and distribution segment as compared to June 30, 2012:

	Increase (Rupees in '000)
Assets	
Property, plant and equipment	2,028,941
Trade debts	7,699,849
Other receivables	9,465,015
Liabilities	
Trade and other payables	12,960,540
Interest and mark-up accrued	3,008,099

As the company operates in one geographical area, there is no reportable geographical segment.

26. Non adjusting events after balance sheet

The Board of Directors have proposed a final dividend for the year ended June 30, 2012 of Rs. 2.25 per share (June 30, 2011: Rs. 2.5 per share), amounting to Rs. 1,982.061 million (June 30, 2011: Rs. 2,097.420 million) at their meeting held on February 15, 2013, for approval of the shareholders at the Annual General Meeting to be held on March 19, 2013.

27. General

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

28. Date of authorisation

This consolidated condensed interim financial information was authorised for issue on February 28, 2013 by the Board of Directors of the Company.

Waqar A. Malik
Chairman

Zuhair Siddiqui
Managing Director

KEY DATA

FRANCHISE AREA	SINDH AND BALOCHISTAN	
	FOR THE SIX MONTHS ENDED	
	December 31, 2012	December 31, 2011
NATURAL GAS SALES VOLUME (MMCF)	182,277	177,869
NUMBER OF CUSTOMERS (CUMULATIVE)		
INDUSTRIAL	4,120	4,066
COMMERCIAL	24,221	24,417
DOMESTIC	2,499,800	2,396,090
TOTAL	2,528,141	2,424,573
GAS METERS MANUFACTURED (NOS.)		
(SSGC MEETS 100% REQUIREMENT OF DOMESTIC GAS METERS IN PAKISTAN	308,529	308,807
TRANSMISSION NETWORK - CUMULATIVE (KM)		
DIAMETER		
12"	379	344
16"	558	558
18"	950	933
20"	852	852
24"	653	624
30"	9	9
	3,401	3,320
DISTRIBUTION NETWORK - CUMULATIVE (KM)		
MAINS (1" - 30" DIAMETER)	32,983	31,782
SERVICES	8,646	8,251
	41,629	40,033