



SUI NORTHERN GAS PIPELINES LIMITED

GAS HOUSE, 21 KASHMIR ROAD, P.O. BOX 56, LAHORE (PAKISTAN)

Ref: ACL-4210/1750

September 25, 2018

Commissioner,
Company Law Division and Information System
& Technology Division,
Securities and Exchange Commission of Pakistan,
Islamabad.

Application for Extension in the Period of Holding of Annual General Meeting and Laying of Accounts therein Under Section 132 & 223 of the Companies Act 2017

Dear Sir,

Please find enclosed herewith copies of our letter reference RA-TAR-17-18(F)-002 & RA-TAR-17-18(F)-004 dated September 04, 2018 & September 12, 2018 respectively addressed to Oil & Gas Regulatory Authority (OGRA), wherein OGRA has been requested to advise the company about the Authority's stance regarding issuance of Final Revenue Requirement (FRR) for FY 2017-18 of our company on timely basis enabling us to meet the statutory deadline for holding of annual general meeting and laying of accounts therein. However, despite our efforts and follow up with OGRA, till date the determination of tariff in case of our Company has not been announced by OGRA which has necessitated this application under sections 132 & 223 of the Companies Act 2017 seeking extension for 30 days in holding the Annual General Meeting of the Company and laying of accounts therein.

The particulars required under Rule 14 of the Companies (General Provisions and Forms) Rules 1985 are given hereunder:

- | | |
|--|--|
| 1. The registration number, name and address of the company | Registration No. CUIN - 0043761
Sui Northern Gas Pipelines Limited
Registered office: Gas House, 21-
Kashmir Road, Lahore. |
| 2. The date on which the last AGM was held and the financial year for which the balance sheet, profit & loss account and other statement and reports relating to accounts were laid at such meeting. | The last Annual General Meeting of the Shareholders of the Company was held on November 27, 2017 and Accounts for the year ended June 30, 2017 were laid therein. |
| 3. The date up to which the AGM is required to be held under the purposes of the said sections and the date up to which the balance sheet and profit and loss account and reports relating to accounts are required to laid at such meeting. | The Annual General Meeting of the Shareholders of the Company is required to be held on October 28, 2018 and the Audited Accounts for the Year ended June 30, 2018 are required to be laid down before the Shareholders. |

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SUI NORTHERN GAS PIPELINES LIMITED

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4. Reasons for not being able to hold the AGM, or laying the balance sheet, profit & loss account at the AGM by the date mentioned in clause III and the justification for extension in the period to the extent applied for.

Due to non-finalization of the Final Revenue Requirement (FRR) by OGRA for FY 2017-18 (which forms the basis of the preparation of final Accounts), the audit of the Accounts could not be completed as of today i.e. September 25, 2018. The Auditors have given the understanding that audit will be completed and the audited Accounts will be submitted to the Audit Committee and the Board as well by October 28, 2018 after finalization of tariff by OGRA. Hence extension of 30 days is sought, so that statutory notice period of 21 days along with printing process may be met after October 28, 2018, being the last date of holding AGM in normal course of business. (Detailed reason for the delay is attached as Annex "A".)

5. When the delay is attributed to non-completion of books of accounts or non-finalization of audit, the exact state of books of accounts with reasons for non-completion of such books or for non-finalization of the audit, as the case may be, such information being accompanied by a certificate of the company's auditor as to the state of its accounts, reasons for delay in completion of audit and the minimum time required for the purpose; and

Letter from Company's Auditors M/s AF Ferguson & Co. Chartered Accountants is enclosed.

6. The application shall be accompanied by a copy of the last audited balance-sheet and profit and loss account.

A copy of the Audited Accounts for the Year ended June 30, 2017 is enclosed.

An Affidavit in original duly signed by the undersigned and Bank Challan dated September 25, 2018 of Rs. 15,000/- in original, paid on account of application fee for extension in the date of holding of AGM, are enclosed for your record and necessary action please.

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It is respectfully prayed that the Company may kindly be granted extension for 30 days (i.e up to November 27, 2018) for holding of Annual General meeting of the Company and laying of audited accounts of the Company for the year ended June 30, 2018 before the Shareholders of the Company for their approval.

We shall be grateful for your kind consideration to our request.

Thanking you.

Yours truly,
Sui Northern Gas Pipelines Ltd


(Saghir ul Hassan Khan)
Chief Financial Officer
for MANAGING DIRECTOR

Enclosures (6):

1. Detailed reason for delay in decision (Annex A)
2. Letters to OGRA regarding Authority's stance
3. Certificate of the Company's Auditors.
4. Affidavit of Chief Financial Officer.
5. Bank Challan dated September 25, 2018 of Rs. 15,000/- in original.
6. Copy of the last audited Balance Sheet and Profit & Loss Account for the year ended June 30, 2017.

cc: Additional Registrar,
SECP, 7 Egerton Road, Lahore

cc: The President,
Pakistan Stock Exchange Limited, Karachi

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**DETAILED JUSTIFICATION OF
DELAY IN FINALIZATION OF ACCOUNTS / AUDIT**

- Being a gas distribution company, SNGPL is subject to two Regulators, i.e., Oil & Gas Regulatory Authority (OGRA) as well as Securities & Exchange Commission of Pakistan (SECP).
- As a standard practice, audited accounts of the Company are submitted (on or before August 15 each year) to OGRA for determination of final tariff for the preceding financial year. After detailed scrutiny of Accounts, OGRA normally issues its order of final tariff around 20th September. The Company then incorporates the final adjustment in the Accounts and presents it to Board of Directors for its approval before presentation to the shareholders. The shareholders' meeting is then convened within the statutory timelines.
- With the exception of FY 2009-10, FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15 and FY 2015-16, the Company has always met the target of holding its AGM on or before October 31. This target is met annually with extreme hard work of our staff as well as our auditors, who spend continuous late hours to meet the extremely tough time frame.
- However, despite of the fact that Company had submitted its tariff case to OGRA on August 17, 2018, OGRA has not yet finalized the revenue requirements of the company which forms basis of preparation of its financial statements for the year the ended June 30, 2018. As the Audit of Accounts cannot be completed for want of final revenue requirements determination by OGRA, hence the request for extension is being submitted.

Since the finalization of tariff by OGRA, approval by our Board of Directors and compliance of mandatory notice requirement for AGM will take at least a period of two months, we therefore request you to kindly allow us extension in time limit for holding of AGM and Laying of Accounts therein for FY 2017-18 so that compliance to the provisions of Sections 132 and 223 be ensured up to November 27, 2018.



Date: September 04, 2018

Reference: RA-TAR-17-18(F)-002

Registrar,
Oil and Gas Regulatory Authority,
Fazal -e- Haq Road, ZTE Plaza,
Blue Area,
Islamabad.

**ISSUANCE OF DETERMINATION OF FINAL REVENUE REQUIREMENT
(FRR) FY 2017-18**

Dear Sir,

It is submitted that Sui Northern Gas Pipelines Ltd. (the Company) being a gas Transmission & Distribution Company is subject to report to two regulators i.e. Oil & Gas Regulatory Authority (OGRA) as well as Securities & Exchange Commission of Pakistan (SECP).

Section 132 of the Companies Act 2017 requires the Company to hold its Annual General Meeting (AGM) for laying and approval of annual accounts by the shareholders, within one hundred and twenty days from the close of its financial year.

As per OGRA's directions, audited accounts of the Company have to be submitted (on or before August 15 each year) to OGRA for determination of final tariff for the preceding financial year. After detailed scrutiny of accounts, the OGRA normally issues its order of final tariff by mid of September. The Company then incorporates the final adjustment in the accounts and presents it to the Audit Committee and the Board of Directors (BOD) for its final approval before presentation to the shareholders. The shareholders meeting will then be held, within one hundred and twenty days from the close of its financial year.

The Company has filed its petition for FRR, FY 2017-18 on August 17, 2018, so that the Authority after fulfilling all the legal requirements of OGRA Ordinance, 2002 can issue its decision on or before September 10, 2018. SNGPL is a Public Limited Company listed on Pakistan Stock Exchange and is required to adhere to stringent timelines under the provisions of the Companies Act 2017. OGRA being a statutory body is not only bound to comply with the requirements of its own statute but is also required to facilitate in the compliance of other statutory rules and regulations applicable in the Country.

In view of the above, the Authority is requested to take necessary steps for issuance of determination of FRR, FY 2017-18 latest by September 10, 2018, enabling the Company to meet its all legal and statutory requirements.

Yours Sincerely,
Sui Northern Gas Pipelines Limited


(LIAQAT ALI)
Chief Officer (RA)
for Managing Director

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SUI NORTHERN GAS PIPELINES LIMITED

Reference: RA-TAR-17-18 (F)-004

Date: September 12, 2018

Registrar,
Oil and Gas Regulatory Authority,
Fazal -e- Haq Road, ZTE Plaza,
Blue Area,
Islamabad.

REMINDER


ISSUANCE OF DETERMINATION OF FINAL REVENUE REQUIREMENT (FRR) FY 2017-18

Dear Sir,

Please refer to our earlier letter No. RA-TAR-17-18(F)-002 dated 04.09.2018 on the captioned subject (copy enclosed).

In this regard, it is once again requested to kindly take necessary steps for issuance of determination of FRR, FY 2017-18 at the earliest, enabling the Company to meet its all legal and statutory requirements.

Yours Sincerely,
Sui Northern Gas Pipelines Limited


(LIAQAT ALI)
Chief Officer (RA)
for Managing Director

Encl: As above

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A·F·FERGUSON&CO.

September 24, 2018

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The Company Secretary
Sui Northern Gas Pipelines Limited
21 Kashmir Road
Lahore

Dear Madam

EXTENSION IN HOLDING OF ANNUAL GENERAL MEETING

As you are aware that the financial statements of Sui Northern Gas Pipelines Limited (the Company) for the year ended June 30, 2018 have not been finalized due to non-finalization of 'Final Revenue Requirement' by Oil and Gas Regulatory Authority (OGRA), pending which the audit of the financial statements has not been completed yet. We have been informed by the management of the Company that the decision for 'Final Revenue Requirement' forming basis of the annual financial statements is expected in next few weeks and consequently the audit is expected to be completed by October 28, 2018. Under these circumstances, we suggest that an application be made to the Securities and Exchange Commission of Pakistan for an appropriate extension of the date for holding of the Annual General Meeting of the Company under section 132 and presentation of the financial statements under section 223(1) of the Companies Act, 2017 at the Annual General Meeting of the Company.

Yours truly

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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