



SUI NORTHERN GAS PIPELINES LIMITED

GAS HOUSE, 21 KASHMIRI ROAD, P.O. BOX 66, LAHORE, PAKISTAN

Reference: RA-GOP-014-14

Date: September 15, 2014

Secretary,
Government of Pakistan,
Ministry of Petroleum & Natural Resources,
Block- A, Pak Secretariat,
Islamabad.

POLICY GUIDELINES UNDER SECTION 21 OF OGRA ORDINANCE 2002

Dear Sir,

Kindly refer to OGRA's letters reference OGRA-9(156)/2011 dated February 14, 2014 and OGRA-9(156)/2011 dated February 27, 2014 on the above mentioned subject, requesting the Government of Pakistan to issue policy guide lines under section 21 of the OGRA Ordinance 2002.

We are in receipt of letter reference KSE/C-190-5757 dated September 04, 2014 from Karachi Stock Exchange (KSE) reminding the Company of its legal obligation under the Companies Ordinance 1984 for submission of annual accounts for FY 2012-13 and holding of Annual General Meeting within 4 months from completion of financial year. The KSE also highlighted that there is an increasing concern among the share holders and investors about the fate of their investment in SNGPL due to non issuance of financial statements.

It is further highlighted that the Company has projected a shortfall of Rs. 35 billion in the petition of FRR for FY 2012-13, which is still outstanding despite a lapse of over 15 months. The Company has been forced to resort to short term and medium term borrowings as well as withholding payments of the creditors to meet its operational expenses. The financial cost of this borrowing and Late Payment surcharge to the creditors is not provided as an operating expense to the Company by the Authority.

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