

BS/PSX/AGM-2017-18/001

March 20, 2019

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

Dear Sir,

**SUBJECT: EXTENSION IN TIME FOR HOLDING THE ANNUAL GENERAL MEETING FOR THE
YEAR ENDED JUNE 30, 2018**

We have applied to the Securities & Exchange Commission of Pakistan for extension of time for holding our Annual General Meeting for the year ended June 30, 2018 upto June 30, 2019. A copy of the application filed with the Securities & Exchange Commission of Pakistan is enclosed for your information and record.

We will notify the Exchange of extension in time of holding the Annual General Meeting and also submit a copy of approval of the Securities & Exchange Commission of Pakistan allowing such extension, within 48 hours of its receipt.

Yours Sincerely,



Shoaib Ahmed
Company Secretary

Encl: aa

cc: **The Registrar of Companies**
Securities and Exchange Commission
Pakistan
State Life Building No.2
Wallace Road,
Karachi.

The Director / HOD
Surveillance, Supervision & Enforcement of
Department,
Securities and Exchange Commission of
Pakistan,
NIC Building, 63 Jinnah Avenue, Blue Area,
Islamabad

The Commissioner
Company Law Division
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue
Islamabad

Subject: Application for Extension in the Period of Holding of Annual General Meeting for FY 2017-18 and Laying of Accounts therein under Sections 132 & 223 of the Companies Acts, 2017

Dear Sir,

The Sui Southern Gas Company Limited (SSGCL) was granted approval of extension up to 31st March 2019 in the period by Securities & Exchange Commission of Pakistan (SCP) for holding the Annual General Meeting 2018 (AGM) of the company and laying of accounts for FY 2017-18 therein, under Sections, 132 and 233 of the Companies Act, 2017 (Annexure-A).

As explained in our previous letters that SSGC operates in a Regulated Regime under the OGRA Ordinance, 2002 which requires the Company to finalize its Financial Statements based on the Determination of Final Revenue Requirements (FRR) by OGRA. The Financial Statements for FY 2017-18 are still not finalized due to persistent reason which caused delay for FY 2016-17.

To recapitulate the background, kindly note that SSGCL managed to hold its Annual General Meeting (AGM) for FY 2016-17 on 15 February, 2019 after the lapse of considerable time from the date of close of FY i.e.; 30 June, 2017, primarily, due to delay in materializing SSGC's efforts to mitigate the adverse implications of OGRA's decision for Final Revenue Requirement for FY 2016-17 dated 26 October 2017 coupled with the delayed of decision by OGRA on SSGCL's Review Petition on Motion for Review (MFR) issued on Determination of Final Revenue Requirement (DFRR) for the FY 2016-17. In the MFR petition, SSGCL in order to support its deteriorating financial position contested for adjustments directed in the Policy Guidelines issued by ECC of the Federal Cabinet under Section 21 of the OGRA Ordinance, 2002 on the following matters:

- 1) Past adjustments/ finalizing the UFG provisional benchmarks set from FYs 2010-11 to 2016-17 in line with the UFG benchmark set by the Authority based on UFG Consultant Study Report (Reference Case No. ECC-45/10/2018 dated 17 May 2018).

- 2) For staggering of PKR 18.35 billion Losses for further five years (Reference Case No. ECC-46/10/2018 dated 17 May 2018).
- 3) For allowance of UFG losses in SSGCL's Distribution System due to physical handling of RLNG volumes in Karachi Distribution System (Reference Case No. ECC-37/9/2018 dated 11 May 2018).

OGRA vide its decision dated 24 December, 2018 on SSGCL MFR petition, allowed adjustments on account of matters in serial number (i) and (ii) which were accordingly incorporated in the Financial Statements for FY 2016-17 and placed before the shareholders in the AGM on 15 February, 2019. However, OGRA rebuffed the Policy Guidelines mentioned at serial number (iii) above and disallowed the amounts claimed however kept the matter open with following remarks:

"Para 4.30; However, as stipulated in the said Policy Guidelines as para 2 of M/o Energy's letter dated 25-05-2018, the matter may, if required, again be referred by the Ministry of Energy (Petroleum Division) to the Government based on the facts as per OGRA's determination."

In this regard, keeping in view of OGRA's decision referred above and the fact that non-implementation of ECCs decision by OGRA has far reaching negative consequences for the State Owned Gas Utility (SSGC) in terms of the financial stability, a letter Ref: DMD-F&A/MoE/19/11 dated 1 March, 2019 (Annexure-B) containing SSGC's request for intervention of MoE (PD) to assist the Company in getting its legitimate claim already approved by the ECC of Cabinet so that the Company can revert back to its financial stability.

Moreover, a separate letter Ref: CS/SSGC-11-2019 dated 11 March, 2019 on behalf of SSGC Board of Directors (Annexure-C) has also been sent with a request to MOE (PD) to expedite the process to resolve the matter in a perspective of a Listed Company's obligation to its shareholders in respect of holding of AGM and laying of accounts for FY 2017-18.

Therefore, this application under sections 132 & 223 of the Companies Act, 2017 was necessitated for seeking extension up to 30 June 2019 in holding the Annual General Meeting for FY 2017-18 of the Company and laying of accounts therein. Therefore, it is respectfully prayed that the Company may kindly be granted extension up to 30 June 2019 for holding of Annual General Meeting of the Company and laying of Audited Accounts of the Company for the year ended 30 June 2018 before the Shareholders of the Company.

Moreover, we would also like to draw your attention on the sub-rule (1) of Rule 24 of the Public Sector Companies (Corporate Governance) Rules, 2013, which requires that every public sector company shall publish and circulate a Statement of Compliance along with its Annual Report to set out the status of its compliance with

