



**Sui Southern Gas
Company Limited**

SSGC/PSX/AGM2018-19/July/2020/03

July 8, 2020

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

Dear Sir,

SUBJECT: EXTENSION IN PERIOD OF HOLDING OF ANNUAL GENERAL MEETING (AGM) FOR THE FY 2018-19 AND LAYING OF ACCOUNTS THEREIN UNDER SECTIONS 132 & 223 READ WITH SECTION 147 OF THE COMPANIES ACT, 2017

With reference to above subject, please find attached our letter No. MD/SECP/18/2020 dated July 07, 2020 to Securities and Exchange Commission of Pakistan, the content of which is self-explanatory.

Thanking you,

Yours Sincerely,

Shoaib Ahmed
Company Secretary

Encl: aa

cc: **The Registrar of Companies**
Securities and Exchange Commission of
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 and
Information System & Technology Division
Securities & Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue,
Blue Area,
Islamabad

**Subject: EXTENSION IN PERIOD OF HOLDING OF ANNUAL GENERAL MEETING (AGM)
FOR THE FY 2018-19 AND LAYING OF ACCOUNTS THEREIN UNDER SECTION
132 & 223 READ WITH SECTION 147 OF THE COMPANIES ACT, 2017**

Dear Sir,

This is in continuation of our letter No. DMD-F&A/SECP/14/2020 dated 24 April 2020 (**Annexure A**) seeking the directions of the Commission under section 147 of the Companies Act 2017 for holding of AGM for FY 2018-19. The timelines communicated were based on the expected AGM date for FY 2017-18 as 4 July 2020 in which the external auditors for FY 2018-19 were expected to be appointed. Till date SSGC has not received reply of letter dated 24 April 2020 thus through this letter we are apprising latest update and requesting for extension to convene the Annual General Meeting for laying therein Financial Statements for the year ending 30 June, 2019 by 10 December, 2020.

In respect of FY 2017-18, OGRA has issued its decision on FRR on 23 April 2020 without implementing the ECC Policy Guidelines on RLNG pricing which is long pending issue and to resolve the same necessary action are being taken at ECC level. After issuance of FRR, in order to avoid any further delay, SSGC finalized its Financial Statements for FY 2017-18 which have now been approved by the Board of Directors (BOD) in its meeting held on 20 June, 2020 reporting a substantial loss. SSGC has announced the date of AGM for FY 2017-18 as 05 August, 2020.

Now in order to start the process of finalization of Financial Statements for FY 2018-19, SSGC is required to submit Draft Financial Statements duly initialed by the Statutory Auditors to OGRA along-with petition for FRR for requisite decision as per the provisions of OGRA Ordinance and Rules thereto. This process would be started as soon as appointment of External Auditors is completed in AGM for FY 2017-18. After appointment of External Auditors, Draft Financial Statements would be submitted to OGRA along with FRR Petition for FY 2018-19 and after OGRA decision Financial Statements would be finalized for consideration of the Board.

Based on foregoing, following is the revised expected timelines for finalization of Financial Statements and holding of AGM for FY 2018-19:

Financial Year	Activity	Target Date
2018-19	Holding of AGM for FY 2017-18 and appointment of External Auditor for FY 2018-19	5 August 2020



Submission of FRR alongwith draft FS duly initialed by External Auditor	5 September 2020
Expected decision on FRR from OGRA	15 October 2020
Finalization of duly Audited Financial Statements and its approval from BOD	31 October 2020
Holding of AGM and appointment of External Auditor for FY 2019-20	10 December 2020

Meanwhile, SSGC has also received from Adjudication Department of SECP a Show Cause Notice (SCN) No. CSD/ARN/530/2018-329 dated 2 June, 2020, through Company Secretary - Sui Southern Gas Company Limited (SSGC) issued to 12 existing and former Directors of SSGC including the then Acting Managing Director,. A formal response to the SCN has already been sent through our letter reference MD/SECP/12/2020 dated 6 July 2020.

Keeping in view of above you are requested to kindly grant us extension up to 10 December, 2020 in terms of issuance of directions under section 147 of the Companies Act, 2017 for holding of AGM of the Company and laying of Audited Financial Statements for the year ended 30 June 2019 before the shareholders of the Company..

The above is submitted for the favourable consideration of the Commission.

With regards,

Yours sincerely,

Syed Fasihuddin Fawad
Acting Chief Financial Officer

M. Amin Rajput
Acting Managing Director

CC:

- Registrar of Companies
Securities & Exchange Commission
of Pakistan
State Life Building No. 2
Wallace Road
Karachi
- President
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Off I.I. Chundrigar Road
Karachi

Encl. as above

NOOCC: Chairperson / ASGM (F) / Company Secretary / GM (Accounts)

The Commissioner

Company Law Division and
Information System & Technology Division
Securities & Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue,
Blue Area, Islamabad.

**Subject: EXTENSION IN PERIOD OF HOLDING OF ANNUAL GENERAL MEETING (AGM) FOR
THE FY 2018-19 AND LAYING OF ACCOUNTS THEREIN UNDER SECTION 132 & 223
READ WITH SECTION 147 OF THE COMPANIES ACT, 2017**

Dear Sir,

The SECP vide its letter No. EMD/233/415/2002. 421 dated 17 December 2019 (Annexure A) had granted SSGC extension to convene the Annual General Meeting for laying therein Financial Statements for the year ending 30 June 2019 i.e. FY 2018-19 till 30 April 2020. This extension was granted in response to SSGC letter No. DMD-F&A/SECP/47/19 dated 10 December 2019 wherein SSGC has sought direction of the Commission under section 147 of the Companies Act, 2017 (the Act).

However, the position is that till date decision on Final Revenue Requirement (FRR) for FY 2017-18 has not been provided by OGRA thus finalization of Financial Statements (FS) and holding of AGM is still pending. Due to non-holding of AGM for FY 2017-18, External Auditors for FY 2018-19 could also not been appointed.

In order to start the process of finalization of FS for FY 2018-19, SSGC is required to submit Draft FS duly initialed by Statutory Auditors to OGRA along-with petition for FRR for requisite decision as per the provisions of the OGRA Ordinance and Rules thereto. This process would be started as soon as appointment of External Auditors is completed in AGM for FY 2017-18. After the appointment of Auditors, Draft FS would be submitted to OGRA in 30 days' time period and after OGRA's decision further 50 days would be required for finalizing Financial Statements and holding of AGM. It is pertinent to mention here that on the request of the Company vide letter reference DMD-F&A/SECP/04/2020 dated 3 March 2020, SECP through its letter No. EMD/233/415/2002.627 dated 25 March 2020 extended the date of holding of AGM for FY 2017-18 latest by 31 May 2020 in terms of issuance of directions under Section 147 of the Companies Act 2017.

Due to above situation causing delay in submission of FRR to OGRA, the matter was also referred to the Company Legal Advisor for guidance. The Legal Advisor has advised that the Company has no option to make any change in the sequence of actions. Accordingly, in the first stage, AGM for FY 2017-18 is required to be convened in which FS for FY 2017-18 would be approved and External Auditors for FY 2018-19 would be appointed. Only then process of submission of Draft FS for FY 2018-19 duly initialed by the External Auditors along with FRR would be undertaken.

On our query, they have specifically stated that there is no room for SSGC to ask existing External Auditor to start work on FY 2018-19 and provide draft FS for FY 2018-19 duly initialed by them for submission to OGRA on the assumption that their appointment along with

remuneration for FY 2018-19 would be approved subsequently in next AGM considering FS of FY2017-18.

Based on foregoing, following is the expected timelines in relation to finalization of matters pertaining to FY 2017-18 and FY 2018-19:

Financial Year	Activity	Expected Timelines
2017-18	Expected decision on FRR from OGRA	15 May 2020
	Holding of AGM and appointment of External Auditor for FY 2018-19	4 July 2020
2018-19	Submission of FRR along-with draft FS duly initialed by External Auditor	3 August 2020
	Expected decision on FRR from OGRA	12 September 2020
	Holding of AGM and appointment of External Auditor for FY 2019-20	1 November 2020

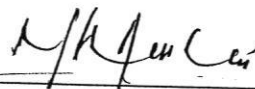
Keeping in view of above you are requested to kindly grant us extension up to 1 November 2020 for holding of AGM of the Company and laying of Audited Financial Statements of the Company for the year ended 30 June 2019 before the shareholders of the Company under section 147 of the Companies Act, 2017.


We are also enclosing herewith Affidavit duly signed by the DMD(F&A)/CFO in original and Bank Challan dated 24 April, 2020 of Rs. 15,035/- in original, paid on account of application fee for extension in the date of holding of AGM for FY 2018-19.

We hope that the above is as per the requirements with request for favourable consideration of the Commission.

With regards,

Yours sincerely,


M. Amin Rajput
DMD (F&A) / Chief Financial Officer


Mohammad Wasim
Acting Managing Director

CC:

- Registrar of Companies
Securities & Exchange Commission
of Pakistan
State Life Building No. 2
Wallace Road
Karachi

- President
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Off I.I. Chundrigar Road
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Encl. as above