SSGC

Sui Southern Gas Company Limited

TCS

Mr. Tahir Mahmood
Commissioner
Company Law Division and Information System
& Technology Division, Securities and Exchange
Commission of Pakistan
ISLAMABAD

BS/HR/15
25 February 2015

Dear Sir,

APPLICATION FOR EXTENSION IN THE PERIOD FOR SUBMISSION OF HALF YEARLY ACCOUNTS OF THE COMPANY FOR THE PERIOD ENDED 31 DECEMBER 2014

We refer to SECP's letter dated 26 December 2014 (copy enclosed) granting us extension in the period of holding AGM and laying therein the annual audited accounts of the Company for the year ended 30 June 2014.

As informed earlier that despite our extreme efforts and follow up with OGRA, till date the determination of tariff in our case is pending with OGRA. Without determination of revenue requirement by OGRA, our accounts for the year ended 30 June 2014 cannot be finalized and Audit of Accounts cannot be completed for the want of final revenue requirement. Accordingly the opening audited balances for preparation of half yearly accounts would not be available.

SECP and IAS-34 (Interim Financial Reporting) requires that interim reports shall include interim financial statements (condensed or complete) and comparative figures of immediately preceding financial year be mentioned at appropriate place, which in our case are provisional and unaudited till date. Furthermore, if OGRA makes any change in its parameters to determine final tariff, it will have an impact on the half yearly accounts as well. In the absence of final determination of tariff for FY 2013-14, the opening balance sheet figures for half yearly accounts ended 31 December 2014 would be based on provisional figures which could be changed materially, once the tariff is finalized by OGRA.

Apart from above mentioned reasons which makes the Company unable to finalize its accounts, another reason due to which half yearly accounts of the Company cannot be prepared is the fact that the Final Revenue Requirements (FRR) for FY 2012-13 issued by OGRA which forms the basis of Company's quarterly and half yearly financial statements, has not been issued by OGRA.