



**PAKISTAN STOCK EXCHANGE LIMITED**

PSX/N-4886

**NOTICE**

August 18, 2017

Reproduced hereunder letter received from **SOUTHERN ELECTRIC POWER COMPANY LIMITED**, for information of all TREC Holders of the Pakistan Stock Exchange.  
(Copy of the same is also available on our Website [www.psx.com.pk](http://www.psx.com.pk)).

\*\*\*\*\*

HO/CEO/2017/0117

SOUTHERN

August 16, 2017

**Mr. Abid Hussain**

Executive Director

**Security & Exchange Commission of Pakistan**

7<sup>th</sup> Floor, NIC Building, 63 – Jinnah Avenue,  
Islamabad.

**Mr. Hafiz Maqsood Munshi**

Manager

Companies & Security Compliance - RAD

**Pakistan Stock Exchange,**

Stock Exchange Building,

Stock Exchange Road,

Karachi.

**The Registrar**

**National Electric Power Regulatory Authority**

NEPRA Tower, Ataturk Avenue (East) G-5/1,

Islamabad

**The Chief Technical Officer**

**Central Power Purchasing Agency Guarantee Limited (CPPAG)**

ENERCON Building Ground Floor, G-5/2

Islamabad.

**Mr. Rashid Mirza**

Inter Creditor Agent

**National Bank of Pakistan**

Private Energy Division

6<sup>th</sup> Floor, FTC Building

Shahrah-e-Faisal,

Karachi.

All Lenders

**Subject: SEPCOL is no longer a Going Concern**

Dear Sir,

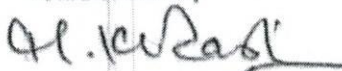
As you are aware that SEPCOL has been under immense financial pressure since September 2012 when it had to stop plant production due to WAPDA's refusal to pay our CPPs (our sole source of income) or to continue with the established practice of advancing money for fuel and in the years that followed we made several attempts to rectify the situation by negotiating with all concerned institutions including WAPDA, Ministry of Water and Power and NEPRA but all these efforts having failed, we have now reached a position that the management can no longer consider the Company to be a going concern.

In this context we bring to your notice some of the recent relevant steps that the Company was forced to take as it was no longer able to sustain the demands or meet its obligations under law and contract.

1. All the elected Directors had to resign on July 07, 2017 as they felt they were no longer able to continue to meet their obligations to oversee the management of the Company.
2. The Company Secretary also resigned on July 25, 2017 for the same reason
3. Recently the plant at Raiwind has become a serious security risk. Recently some of the equipment to a value of about Rs 16 million has been stolen and this threat continues despite FIRs registered and police involved.
4. While the Sponsors provided a monthly amount of about Rs 800,000 to maintain the plant and to comply with the regulations of relevant bodies but now they too are left with no option but to stop further funding.
5. The banks of 6<sup>th</sup> engine Syndicate BOP and BOK have instituted cases for recovery of their dues and the company is in no position to defend these suits for lacking funds to bear the costs.
6. Some of the Ex-employees and other debtors, including shareholders, have also threatened to take legal action against the company.
7. The Company is unable to pay annual / maintenance fees of different agencies like NEPRA, Pakistan Stock Exchange, and Railways due to non-availability of funds.
8. Also Company is unable to pay outstanding amounts to different lenders / suppliers like NTDC for energy payment, PSO ( fuel supply), Corplink ( external Share Registrar Company), KPMG Company's Auditors,, Law Debenture Trust Company, Contractors Siemens, Ferguson (Tax litigator) and numerous others due to non-availability of funds.
9. The Company is no longer in a financial position to comply with its obligations under Company Law or rules and regulations of PSX.
10. The Company is no longer in a position to justify to the Commission that it is a Going Concern

In the light of some of the circumstances outlined above, the Management, as now solely represented by the undersigned CEO who also intends to give up his office, no longer believe that the Company can be considered a Going Concern.

Yours Sincerely



M. Khalid Rashid  
Chief Executive Officer