



**Sui Southern Gas
Company Limited**

SSGC/CS/2021-163

August 20, 2021

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

**DISCLOSURE OF MATERIAL INFORMATION PURSUANT TO OGRA DECISION IN RESPECT OF
DETERMINATION OF ESTIMATED REVENUE REQUIREMENT (DERR) OF THE COMPANY FOR FY
2021-22**

While determining the SSGC petition for DERR FY 2021-22, Oil and Gas Regulatory Authority (OGRA), in its decision dated August 17, 2021 has in line with the present tariff regime, reworked the Rate of Return on Average Net Assets (ROA) for the year 2021-22 at 16.60% as compared to the previous ROA rate of 17.43% determined up to 2020-21. Reduction in net rate of return will have a negative impact on the profitability of the Company for FY 2021-22.

At the same time, OGRA has also advised the reduction in depreciation rates of Computer Hardware only from present rates of nearly 33.33% per annum to rates ranging from 15% to 25% per annum.

While the change in rate of depreciation of Computer Hardware will have positive impact but it would be insignificant due to meagre share of these assets in overall assets base. However, the adverse impact on the profitability of FY 2021-22 due to reduction of Rate of Return is estimated to be Rs. 576 Million.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

Mateen Sadiq

Assistant Company Secretary

Cc:

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