



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s. Oilboy Energy Limited
Show Cause Notice No. & Date:	CSD/ARN/100/2015-771 dated September 17, 2025
Name(s) of Noticee(s):	(i) Ms. Fatimah Jamil, Chief Executive/Director; (ii) Mr. Saad Liaquat, Director; (iii) Mr. Muhammad Usman Shaukat, Director; (iv) Ms. Farkhanda Abbas, Director; (v) Mr. Abdul Ghaffar, Director; (vi) Mr. Muneeb Ahmad Khan, Director; and (vii) Mr. Farhan Abbas Sheikh, Director
Date(s) of Hearing(s):	(i) October 15, 2025; (ii) October 22, 2025; and (iii) October 29, 2025.
Case represented by:	(i) Mr. Inam Ullah, Company Secretary; and (ii) Mr. Ahsan Inam, Manager Finance. <i>As the Authorized Representatives of all the Noticee(s).</i>
Provision of law involved:	Section 158(2) of the Companies Act, 2017 read with Sections 169 and 479 thereof.
Date of Order:	December 02, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through the Show Cause Notice No. CSD/ARN/100/2015-771 dated September 17, 2025 ("SCN") against the Board of Directors ("BOD") including Chief Executive of M/s. Oilboy Energy Limited (the "Company"), hereinafter collectively referred to as the "Noticee(s)", for contravention of the requirements of Section 158(2) of the Companies Act, 2017 (the "Act") read with Sections 169 and 479 thereof.

2. The provisions of sub-section (1) of Section 158 of the Act provide that all directors of a company, on expiry of their term of office as mentioned in Section 161 of the Act, shall stand retired from office and shall continue to perform their functions until their successors are elected; whereas sub-section (2) of Section 158 of the Act further provides that the directors so continuing to perform their functions shall take immediate steps to hold the election of directors and, in case of any impediment, shall report such circumstances to the registrar not later than forty-five (45) days before the due date of the annual general meeting or extraordinary general meeting, as the case may be, in which the elections are to be held.

3. The provisions of sub-section (1) of Section 161 of the Act provide that a director elected under Sections 159 or 162 shall hold office for a period of three (03) years unless he earlier resigns, vacates office due to fresh election required under Section 162 as the case may be, becomes disqualified from being a director or otherwise ceases to hold office.

4. Upon examination of the record of the Company available with the Commission, it has been observed that the Annual General Meeting ("AGM") of the Company for the year ended June 30, 2021 was held on October 22, 2021 in which the election of directors was held and their term commenced from October 31, 2021, as reported vide Form 29 dated October 31, 2021. Accordingly, the three (03) year term of office of the directors expired on October 30, 2024. Thereafter, the Company vide Form 9 dated February 11, 2025 reported the subsequent election of directors as having been held in the AGM for the year ended June 30, 2024 on December 07, 2024. The said election was held belatedly, beyond the prescribed three (03) year term, in

Handwritten signature and date:
#cecp/arn/100/2015-771
02-12-2025

contravention of the requirements of Section 161 of the Act. The Company also did not report any impediment in terms of Section 158(2) of the Act prior to the aforesaid delayed holding of the election of directors.

5. In order to probe the matter, the Companies Registration Office, Lahore ("CRO"), vide letter dated February 24, 2025, raised an observation regarding the non-holding of election of directors from the Company. In response, the Company vide letter dated February 26, 2025, *inter alia*, submitted as under:

"The [relevant department of the Commission] granted us permission for an extension in holding of the AGM under Section 132 of the Act. However, due to non-preparation of annual accounts, the AGM was held on December 07, 2024 and in the same meeting the election of directors was conducted by the Company. This delay was an oversight and unintentional error. We deeply regret the inconvenience caused and assure that the delay was not intended to undermine any legal or regulatory framework."

6. In view of above, the BOD including the Chief Executive of the Company, *prima facie*, contravened the requirements of Section 158(2) of the Act, which attracts penal action in terms Section 169 read with Section 479 of the Act. The relevant provisions of the Act are reproduced hereunder for ready reference:

Section 169 of the Act:

"Whoever contravenes or fails to comply with any of the provisions of sections 154 to 168 or is a party to the contravention of the said provisions shall be liable to a penalty of level 2 on the standard scale and may also be debarred by the authority which imposes the penalty from becoming or continuing a director of the company for a period not exceeding three years."

7. Taking cognizance of the alleged violation of law, a SCN was served upon the Noticee(s) to show the cause in writing as to why a penal action may not be taken against them for non-compliance of aforesaid requirements of the Act. However, no response was submitted by the Noticee(s) within the stipulated timeline.

8. In order to provide an opportunity for personal representation and to meet the ends of justice, a hearing in the matter was fixed for October 15, 2025 which was adjourned on the request of the Company Secretary made vide a request letter dated October 15, 2025. Subsequently, the Chief Executive of the Company vide letter dated October 21, 2025 submitted written response, *inter alia*, stating as under:

".....the delay in holding the election of directors was entirely unintentional. The last election of directors was held at the [AGM] on October 22, 2021, and duly reported through Form 29 dated October 31, 2021. The subsequent election took place on December 07, 2024, and was reported via Form 9 dated February 11, 2025. The short delay of approximately two (02) months occurred due to certain operational matter and late finalization of the audited financial statements for the year ended June 30, 2024, which consequently delayed the AGM

During the intervening period, the existing directors continued to discharge their responsibilities as permitted under Section 158(1) of the Act, which allows retiring directors to hold office until their successors are elected. Hence, the Company at no time remained without a validly constituted Board. We acknowledge that the formal notice

*# Complaint
1-02-25*

required under Section 158(2) of the Act was inadvertently not submitted-this was a genuine oversight and not a deliberate act of non-compliance.

Upon receiving the CRO's observation letter dated February 24, 2025, the Company promptly responded on February 26, 2025, clarifying that the delay resulted from the late completion of annual accounts and that an extension under Section 132 of the Act had already been sought. The AGM and elections were conducted immediately thereafter. The lapse, therefore, was purely procedural and occurred in good faith.

In light of the above, we respectfully submit that the delay may kindly be treated as a technical and non-willful lapse, rather than one attracting penalties under Section 169 of the Act, which pertains to deliberate or repeated contraventions. The Company has always strived to ensure strict compliance with all statutory obligations and this isolated delay should not be construed as intentional non-compliance.

To prevent recurrence, the Company has instituted an internal compliance calendar for AGMs and elections, enhanced coordination with auditors, and assigned the Company Secretary to monitor all statutory filings and timelines.

The Commission is requested to take a lenient and sympathetic view of the matter, treating it as a bona fide procedural delay. We assure the Commission of our full cooperation and continued compliance with all applicable legal requirements. We further request that no penalty or debarment action be initiated under Section 169 of the Act and that the matter be considered closed upon submission of the retrospective compliance report and certificate."

9. Another hearing in the matter was fixed for October 22, 2025, which was again adjourned upon the request of the Company Secretary made vide an even dated email. Therefore, in order to conclude the matter in a bona fide manner, a final hearing was fixed for October 29, 2025, with an advice that no further requests for adjournment will be entertained and that, in case of non-appearance, an ex-parte order will be passed. On the date of hearing, Mr. Inam Ullah-Company Secretary; and Mr. Ahsan Inam-Manager Finance, appeared as the "**Authorized Representatives**" on behalf of the Noticee(s). During the hearing, the Authorized Representatives reiterated the response earlier furnished to SCN and admitted the default. They further submitted that the Company had applied for an extension in holding the AGM and were under the impression that such extension would also apply to the holding of elections. The Authorized Representatives assured that due compliance with the requirements of the Act would be ensured in future and requested leniency in the instant matter.

10. I have gone through the provisions of Sections 158(2) and 161 of the Act and considered the facts of the case, as well as the written and the verbal submissions made by the Noticee(s) through their Authorized Representatives. I have also perused Section 169 of the Act which stipulates penal provisions for violation of aforementioned provisions of law. It is pertinent to observe that Section 161 of the Act prescribes a statutory term of three (03) years for elected directors. Upon the expiry of such term, directors automatically stand retired in accordance with Section 158(1) of the Act but may continue to perform their functions until their successors are elected. However, this continuity of function is not indefinite and must be exercised strictly within the framework of Section 158(2) of the Act, which mandates that the retiring directors "*shall take immediate steps to hold election of directors*" and, in case of any impediment, report such impediment to the registrar not later than forty-five (45) days before the due date of the meeting in which the elections are to be held. The purpose and spirit of these provisions is to ensure corporate democracy, transparency, and accountability in the governance of companies. The

Handwritten signature and date: 02-12-2025


periodic election of directors serves as an essential mechanism to uphold the shareholders' statutory right to elect their representatives on the Board and to prevent prolonged continuation of boards beyond their lawful tenure. However, in the instant case, the Noticee(s) held the subsequent election of directors on December 07, 2024 i.e., thirty-seven (37) days after the expiry of the prescribed three (03) year term, and also failed to report any impediment to the Registrar, as required under Section 158(2) of the Act, prior to the expiry of the due date of election.

11. The assertion of the Authorized Representatives that the delay in holding elections was unintentional, occurred due to certain operational matters and late finalization of the audited financial statements, and that an extension under Section 132 of the Act for holding the AGM was obtained, which they misconceived to cover the election of directors as well, is untenable. It is important to observe that an extension under Section 132 of the Act pertains exclusively to the holding of the AGM and does not extend the tenure of the board or the statutory requirement to conduct elections within the prescribed period under Section 161 of the Act. The Noticee(s), therefore, were under a clear obligation to either (i) hold elections within time, or (ii) in case of any impediment report to the Registrar at least forty-five (45) days before the due date of the AGM; which they admittedly failed to do so.

12. The argument of the Authorized Representatives that the lapse was merely procedural or technical in nature does not absolve the Noticee(s) of their statutory obligations. The responsibility to ensure timely conduct of elections is a mandatory duty imposed upon the Board collectively under the Act. Accordingly, failure to adhere to the prescribed timelines, irrespective of intent or the absence of mala fide, constitutes a contravention of law and cannot be treated as a mere procedural irregularity.

13. In light of the foregoing, I am of the considered view that the contravention of the requirements of Section 158(2) of the Act has been established beyond doubt. However, considering that the Noticee(s) subsequently held the election of directors belatedly, and further taking into account that the Noticee(s) have admitted the default and undertaken to ensure strict compliance with the provisions of the Act in future by exercising greater vigilance in adhering to legal and regulatory requirements, I am inclined to take a lenient view in the instant matter and, in exercise of the powers conferred upon me under Section 169 of the Act read with Section 479 thereof and S.R.O. 1545(I)/2019 dated December 06, 2019, conclude the instant proceedings by strictly **WARNING** the Noticee(s) to exercise greater caution and due diligence in ensuring compliance with all regulatory requirements in true letter and spirit in future.

14. Without prejudice to the above, in case the Noticee(s) are aggrieved by this Order may, within thirty (30) days of the Order, may prefer to file review application in terms of Section 32B of the Securities and Exchange Commission of Pakistan Act, 1997 (the "SECP Act") or may file an appeal to Appellate Bench of the Commission in terms of Section 33 of the SECP Act in accordance with the procedure for filing an appeal as laid down under the Securities and Exchange Commission of Pakistan (Appellate Bench Procedure) Rules, 2003.


Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:

Dated: December 02, 2025

Islamabad

Order in the matter of Board of Directors (BOD) of M/s. Oilboy Energy Limited dated 02nd of December, 2025