



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

ORDER	
Name of Company:	M/s. Hascol Petroleum Limited
Show Cause Notice No. & Date:	CSD/ARN/554/2018-595 dated June 27, 2025
Name(s) of Noticee(s):	(i) Sir Alan Duncan, Chairman/Director; (ii) Mr. Mustafa Ashraf, Director; (iii) Mr. Farid Arshad Masood, Director; (iv) Mr. Aernout Willem Boot, Director; (v) Ms. Naheed Memon, Director; (vi) Mr. Amir Amin, Director; (vii) Mr. Ummad Ahmed Tanwari, Company Secretary; and (viii) M/s. Hascol Petroleum Limited, through its Chief Executive Officer
Date(s) of Hearing(s):	September 16, 2025
Case Represented by:	(i) Ms. Amad Uddin, Chief Financial Officer (ii) Mr. Ummad Ahmed Tanwari, Company Secretary (As Authorized Representatives on behalf of all the Noticees)
Provision of Law Involved	Section 132 of the Companies Act, 2017 read with Section 479 thereof.
Date of Order:	October 16, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (**the Commission**) against M/s. Hascol Petroleum Limited (**the Company**), its Board of Directors (**BOD**) and the Company Secretary, hereinafter collectively referred to as the **Noticee(s)**, through Show Cause Notice CSD/ARN/554/2018-595 dated June 27, 2025 (**SCN**) issued under Section 132 of the Companies Act, 2017 (**the Act**) read with Section 479 thereof.

2. The brief facts of the case are that from perusal of the relevant record of the Commission, it was revealed that the Noticee(s) failed to hold the Annual General Meeting of the Company for the Financial Year ended December 31, 2024 (**AGM**) within a period of one hundred and twenty (120) days following the closure of its afore-stated Financial Year, as required under sub-section (1) of Section 132 of the Act. The relevant provisions of law relating to the instant matter are reproduced hereunder for ready reference:

“132. Annual general meeting.—(1) Every company, shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year...

.....

(5) Any contravention or default in complying with requirement of this section shall be an offence liable— (a) in case of a listed company, to a penalty of level 2 on the standard scale...

3. Taking cognizance of the abovesaid contravention, SCN was issued to the Noticee(s) to show the cause in writing as to why penal action may not be taken against them for non-compliance of the provisions of Section 132 of the Act. In response, the Company vide its letter dated: July 08, 2025, *inter alia*, submitted that;

“...the Company through its application dated 25 March 2025, had formally requested an extension for convening the AGM to lay before the shareholders the annual audited financial statements for the year ended 31 December 2024. The rationale for seeking the extension was duly conveyed to the Commission, highlighting that the delay in finalizing the consolidated financial statements was primarily due to the delayed closure of accounts of the Company's wholly owned subsidiary, Hascol Lubricants (Private) Limited. Consequently, the completion of the consolidated audit required additional time. This position was also supported by the statutory

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auditors of the Company via their letter dated 24 March 2025, outlining the need for further time to complete the audit process. However, the Commission, through its correspondence dated 10 April 2025, communicated its decision not to grant the requested extension for holding the AGM. The Board of Directors, in its meeting held on 15 May 2025, resolved to convene the AGM on 11 June 2025, and in pursuance thereof, the notice of AGM was issued on 21 May 2025. The Company respectfully submits that the delay in holding the AGM was unintentional, as previously explained. The actions taken demonstrate the Company's good faith, diligence, and commitment to upholding sound corporate governance principles. In light of the foregoing, we respectfully request the Commission to take a considerate view of the matter and to kindly condone the delay..."

4. In order to provide an opportunity for personal representation, a hearing in the matter was fixed for September 16, 2025, where Mr. Amad Uddin, Chief Financial Officer and Mr. Ummad Ahmed Tanwari, Company Secretary (*Noticee No. vii - representing himself as well as the Noticees*) appeared on behalf of the Noticee(s) as their **Authorized Representatives** and reiterated the submissions made in the aforementioned letter dated July 08, 2025 and also requested for a lenient view in the matter with an assurance to adhere to the regulatory requirements in the future.

5. I have gone through the relevant provisions of Section 132(1) of the Act and considered the facts of the case, available record of the Company; as well as written and verbal submissions of the Authorized Representatives. I have also perused the provisions of Section 132 of the Act comprehensively which also stipulates penal action for contravention of the afore-referred provisions of law. It is observed that in terms of Section 132(1) of the Act, every company is required to hold its AGM once in every calendar year within a period of one hundred and twenty (120) days following the close of its financial year. Accordingly, the Company was obligated to hold its AGM for the financial year 2024 by April 30, 2025, which it has evidently failed to do. The holding of AGMs in a timely manner is a crucial regulatory and legal requirement that ensures transparency, accountability and shareholders' engagement. It allows shareholders to participate in discussions, approve financial statements and hold management accountable, especially as the management acts as their agent. Adhering to legal provisions under the Act is essential for protecting shareholders' rights, fostering trust and promoting good corporate governance. A listed company must meet its statutory duties to hold AGMs on time, facilitating open communication and feedback from its shareholders, regardless of the status of its operations. The Company, in the instant matter, was required to meticulously adhere to the provisions of law as prescribed under the Act for holding of AGM and the Noticee(s), in any manner whatsoever, cannot absolve themselves from their statutory duties pertaining to holding of AGM in a timely manner. In a judgment passed by the Appellate Bench of the Commission in the matter of *Gulistan Spinning Mills Limited vs. Director/HoD Adjudication-I* (Appeal No. 71 of 2022), it was held that "A public listed company has a higher responsibility to disseminate a true and accurate state of affairs to all the stakeholders by holding the AGM within the stipulated time so that appropriate and timely decisions are made. Therefore, the Company, the BoD and Company Secretary should have conducted the AGM as per the applicable legal framework."

6. Moreover, in the matter of C.A No. 1 of 2007 titled *Mian Muhammad Ilyas Mehraj and 17 others vs Appellate Bench No. III, Securities and Exchange Commission of Pakistan, Islamabad and 6 others* (2009 CLD 883 Lahore) the Honorable Court held that, "[The above provision of law] in unqualified terms, provides for holding of Annual General Meeting. No departure is permissible from the compliance of the mandatory provisions of section 158 [pari-materia to Section 132 of the Companies Act, 2017]. The company is artificial person and those who manage it's affairs are under legal as well as fiduciary obligation, to run the affairs of the company as the law Companies Ordinance, 1984 [now replaced with Companies Act, 2017] requires Corporate democracy is the essence of the corporate personality of a juristic person. The legislature in it's wisdom was conscious of the importance of holding of Annual General Meeting and that is why a company is made liable to be wound up, if fails to hold two consecutive Annual General Meetings."

Order in the matter of M/s. Hascol Petroleum Limited, its BOD and Company Secretary dated October 16, 2025

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7. Further guidance can also be drawn from a judgment passed by the Appellate Bench of the Commission in the matter of 2017 CLD 839 [Appeal No. 28 of 2013], where it was held that “...the facts of the case are clear and evident that the Appellants failed to conduct the AGM within stipulated time...therefore, they have acted against the fiduciary responsibilities towards the Company in capacity of directors...it was the collective responsibility of the directors of the Company to hold the meeting in accordance with law but they have failed to comply with the requirements of law, therefore no distinction could be assumed regarding guilt or innocence of the directors...”. Moreover, it is also observed that the Authorized Representatives’ argument regarding the delay in convening the AGM due to circumstances beyond their control, specifically the delay in concluding the audit of its wholly owned subsidiary, is not a plausible justification for failure to hold the AGM within the stipulated time. The responsibility for timely consolidation of financial statements rests squarely with the parent company, which is expected to ensure that the audit of its subsidiary is completed well within the statutory timelines to enable the consolidation process. Any delay at the subsidiary level, being within the same corporate group and under the parent’s control, cannot be regarded as an external or uncontrollable factor. It was, therefore, incumbent upon the Company to plan and coordinate the audit and consolidation activities in a manner that enabled compliance with the mandatory timeline prescribed for holding the AGM. Hence, the explanation advanced by the Authorized Representatives does not absolve the Noticees from its statutory obligation under the law. Furthermore, as per available records, it is pertinent to observe the Company also failed to hold its AGM for the year 2023 in a timely manner for which penal action was taken vide order dated August 02, 2024. Moreover, the earlier request by the Company for grant of extension in holding the AGM vide its letter dated March 24, 2025 was also turned down by the Commission vide its letter dated April 10, 2025 on account of failing to present any cogent reason for such grant of extension.

8. In view of the preceding facts, I am of the considered view that by failing to hold AGM for the year ended December 31, 2024 within the prescribed timeline, the contravention with the requirements of sub-section (1) of Section 132 of the Act has been established beyond doubt which attracts penal action in terms of sub-section (5) of Section 132 of the Act. I, therefore, in exercise of the powers conferred upon me under clause (a) of sub-section (5) of Section 132 of the Act read with Section 479 thereof, vide S.R.O. 1545(I)/2019 dated December 06, 2019, hereby, conclude the instant proceedings with an aggregate penalty of **Rs.140,000/- (Rupees One Hundred Forty Thousand Only)** on the following Noticee(s) in the manner given below:

S.No.	Name of Noticee(s)	Amount of Penalty (Rs)
1.	Sir Alan Duncan, Chairman/Director	20,000
2.	Mr. Mustafa Ashraf, Director	20,000
3.	Mr. Farid Arshad Masood, Director	20,000
4.	Mr. Aernout Willem Boot, Director	20,000
5.	Ms. Naheed Memon, Director	20,000
6.	Mr. Amir Amin, Director	20,000
7.	Mr. Ummad Ahmed Tanwri, Company Secretary	20,000
	Total Amount	140,000

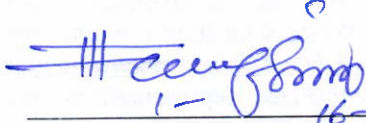
9. Furthermore, in view of the above, Noticee No. viii is hereby strictly **WARNED** to ensure meticulous compliance with all the applicable laws in future.

10. The Noticee(s) are, hereby, further directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue pursuant to provision of

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Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997.

11. 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 (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.


1-16-10-2025

(Sohail Qadri)
Director/ Head of Department
Adjudication Department-I

Announced:

Dated: October 16, 2025

Islamabad