



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

(Adjudication Department-II, Adjudication Division)

4th Floor State Life Building No.2, Wallace Road, Karachi.

Website: www.secp.gov.pk

CASE No. AOK-336/2024

BEFORE THE ADJUDICATING OFFICER

ORDER UNDER SECTION 130 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017

IN THE MATTER OF ENAR PETROTECH SERVICES (PRIVATE) LIMITED

Case Fixed for Final Hearing: 07-06-2024

Present: None present for personal hearing

1. This Order shall dispose of the proceedings initiated under Section-130 of the Companies Act, 2017 ("The Act"), vide Show Cause Notice dated 09-01-2024["the Notice"].
2. The facts of the case are that the company was required to file its annual returns within thirty days from the date of the Annual General Meeting (AGM) held in the year or, when no such meeting is held or if held is not concluded, from the last day of the calendar year to which it relates in terms of provisions of section 130(3) of the Act.
3. However, the record of the company registration office revealed that the company failed to file its annual returns for the year 2022, in violation of the above said provisions of law.
4. This constituted violation of law and rendered the company liable to penalty of level – 1 on the standard scale, provided under section 130(6)(b) read with section 479(2) of the Act. Accordingly, taking cognizance of the matter, a Show Cause Notice dated 09-01-2024 and subsequent reminders dated 24-01-2024 and 15-03-2024 were served to the company, calling upon to show cause in my office within 10 days from date of show cause notice and reminders thereafter, as to why the penalty laid down under the above mentioned section should not be imposed.
5. In response to the above-mentioned show cause notice, no one appeared before the undersigned for personal hearing. However, a written reply dated 16-01-2024 was received for and on behalf of the company stating therein that :

"ENAR Petrotech Services (Pvt) Ltd. (EPSL) is a state owned company currently under administrative control of Ministry of Energy – Petroleum Division (MoE-PD),

Government of Pakistan. Previously, EPSL was owned by State Engineering Corporation (SEC) under administrative control of Ministry Industries and Production (MoI&P). As per Cabinet decision vide Memorandum No.4-11/2019-Min-I dated December 23, 2019, EPSL had to merge in OGDCL under Ministry of Energy – Petroleum Division (MoE-PD). As first step, EPSL transferred from State Engineering Corporation – SEC under Ministry of Industries and Production (MoI&P) to Ministry of Energy – Petroleum Division (MoE-PD) in 2020 vide Notifications No.1(15)/2019-LED-III(ENAR) dated April 15, 2020 and No.21(15)/2020-Admn dated May 11, 2020, respectively (copies enclosed), while second step (merger with OGDCL) is yet to be finalized. In this respect, State Engineering Corporation (SEC) as Transferor handed over the original share certificates to EPSL Representative / Company Secretary on March 03, 2021 but in second phase of this transition process, the OGDCL – Petroleum Division as Transferee did not received the original share certificates at that moment and the matter of transfer was put on hold by OGDCL which later confirmed the reason by MoE(PD) vide letter No.10(7)/2020-Oil dated March 17, 2021 along with enclosed letter of OGDCL for our information (copies enclosed). Consequently, the Members as Ex-Officio-Directors from SEC and MoI&P in EPSL Board withdrawn their responsibility due to shareholding transfer vide above referred MoI&P notification. EPSL management than continuously approached MoE(PD) for expediting shareholding transfer process could be completed and new constitution of EPSL Board with nomination of Ex-Officio-Directors from MoE(PD) and OGDCL could be made before the due date of AGM i.e. October 28, 2021 and statutory SECP compliance of Annual Return (Form-A) and Audited Accounts of FY2021 could be submitted timely but till due dates no outcome was received from competent authorities. Therefore, keeping in view the delay circumstances at GoP end, EPSL management had decided to submit the facts before your good office SECP vide above referred letter No. EPS-0861/SECP/2546 dated November 03,2021. Further, while continuous approaching Ministry of Energy – Petroleum Division upon shareholding transfer matter there is outcomes received from concerned Ministry vide Prime Minister’s Office letter No. 2476/SPM/2022 dated September 21, 2022 directed Ministry of Energy – Petroleum Division to submit the summary to the Cabinet for restructuring of EPSL. A meeting in this regard was held at the (MoE-PD) dated 07-10-2022 for discussing the matter of restructuring EPSL. The required working papers have been submitted and the summary for restructuring along with reconstitution of the Board is in process at the Ministry end. In view of above as the delay is not on part of the organization but the Government of Pakistan end, also AGM for approval of audited accounts for the year ended June 30,2022 could not be held before due date i.e. October 28, 2022 and necessary statutory compliance of Annual Return (Form-A) and Audited Accounts of FY2022 could not be submitted timely, EPSL management again decided to submit the facts before your good office SECP vide above referred letter No. EPS-0861/SECP/3090 dated October 27,2022. Finally, it is submitted that EPSL has been declared all the facts and outcome of pending matter of shareholding transfer process before your good office and ensure as soon as the process of transfer is completed, EPSL would file the overdue returns and Financial statements at the earliest.”

6. The contentions of the Company Secretary that the requirements of Section-130 of the Act could not be complied in accordance with law are not truly justifiable, as it shows negligence on the part of management of the company who is responsible to manage, pursue and make sure that all the statutory requirements of law are fulfilled diligently. The aforesaid circumstances, in spite of being conceivable, should have not been a hindrance in making requisite compliance, i-e filling of year ended forms-A (annual Returns). The board of Directors (BoD) could simply instruct it's any officer or even official to file the statutory returns containing the requisite information made upto the period ended on 31st December each year. It is an apparent ignorance and negligence on the part of management which could not be considered as a plausible plea under the eyes of law. Notwithstanding, keeping in view the circumstances narrated hereinabove and assurance given by the Company Secretary that the management of the company will ensure timely compliances of statutory requirements as soon as possible, I am convinced to take a lenient view and not inclined to impose penalty on the directors/officers in personam this time, particularly considering the fact that all are government officers holding ex-officio position as members of BoD of the company. In this regard, the record maintained by the dealing/concerned registrar, Company Registration Office shows that the company has failed to file its annual returns for the previous year(s) 2022. Accordingly, this is a consecutive default of 1 year(s). Hence, a penalty of Rs. 10000/- is hereby imposed on the company without prejudiced, the company has admittedly failed to hold its AGM(s) in violation of the provisions of section-132 of the Act, for which the dealing/concerned Registrar may take cognizance of the default separately.
7. The management of the company is advised to deposit the penalty amount within 30 days in any designated branches of MCB Bank Limited or UBL Bank and furnish original receipted challan to this office within the above said period positively and also directed to file requisite financial statements immediately but not later than 30 days from the date of receipt of this order positively.
8. A copy of this order be placed on the record of company maintained by the concerned/dealing Registrar of the Company Registration Office.



**(ZIA UL RASHEED ABBASI)
ADJUDICATING OFFICER /
ADDITIONAL REGISTRAR**

Dated: 13-06-2024