



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-991/2024

BEFORE THE ADJUDICATING OFFICER

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

IN THE MATTER OF SINDH ENERGY HOLDING COMPANY (PVT.) LIMITED

Date of 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, case was referred by the company registration office (CRO) Karachi alleging that the company has failed to file its annual return for the year(s) 2020 to 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 the date of the 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 for personal hearing. However, a written reply dated 16-01-2024 was received from the Company stating therein that:

"Sindh Energy Holding Company (SEHCL) is a Sindh Government-owned Company and the majority of the directors of SEHCL are Government officers, nominated by the government of Sindh. The company could not file the annual returns in a timely fashion because it was stuck in an audit of financial statements for the year 2017. The audit (2017) was delayed because of financial reporting issues related

to the joint arrangement business in oil and gas exploration. In addition, the COVID lockdown, suspension of audits by the external auditor due to their prearrangement, a lack of employees in the company, and frequent shuffling by government-side directors further delayed the Audit 2017 account. The Government of Sindh took this matter seriously and directed management to comply with all the pending compliances with SECP. After tireless and continuous efforts, the company received the approved audit accounts for the year 2017 on June 23, 2023. Afterwards, the company promptly completed the audit for 2018 and submitted to SECP (Annex A), as well as finalized the audit procedure for the 2019 and 2020 accounts. The company is currently in the process of completing audits for the years 2021-2023. SEHCL is in the process of taking director for the year 2019 and will file the return accordingly. Additionally, SEHCL will complete the remaining audits and file all pending returns as soon as possible. However, the company submitted Form A from 2020 to 2023 (without AGM). After regularizing its' pending AGMs, SEHCL will file the returns as per the Companies Act 2017."

However, the company has now filed the requisite return(s) for the year(s) 2020 to 2022 with delay, which is regretted. Additionally, 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.

6. The written submission made by the company with regard to the said default warrants favourable consideration for the reason that the company has now made good of the default by filling the requisite annual return(s). Further, there is no evidence on the record that the subject default jeopardizes the interest of any stakeholder. I am therefore, convinced to take a lenient view. Hence, the subject default is condoned. However, the management of the company is hereby warned not to repeat the said or any other default in future and ensure the timely compliances all the statutory requirements of applicable laws, rules and Regulations.
7. A copy of this order be placed on the record/file of the company for future reference and further appropriate action, if any, be taken by the concerned registrar accordingly.



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

Dated: 13-06-2024