



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-993/2024

BEFORE THE ADJUDICATING OFFICER

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

**IN THE MATTER OF
SINDH LAKHRA COAL MINING COMPANY (PVT.) LIMITED**

Date of Final Hearing: 07-06-2024

Present: None present for hearing nor any written response received from the company or its management

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 returns for the year(s) 2021 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. However, in response to the above-mentioned show cause notice, no one appeared before the undersigned for personal hearing. However, a written request for seeking extension of time was received on 06-02-2024 for and on behalf of the subject company stating that:

"We are wholly owned by Government of Sindh. Being a public Sector company majority of our directors are nominated by GoS. Sindh Assembly was dissolved on 11 August 2023 (notification enclosed as Annex-1). After the dissolution of the

assembly, the GoS nominated Board Members (list of officers enclosed as Annex-2) got dysfunctional. Throughout the interim period we have completed the audit of financial statements for the year ended 30 June, 2022 (auditors initialed accounts enclosed as annex-3). Forgoing in view, as elections are to be held on 08 February 2024, it is kindly requested please grant 03 months time for filing form A for 2021 and 2022 and permission to hold joint AGM for 2021 and 2022, it is also requested to please grant us 06 months time for conducting audit of financial statements for the year ended June 30, 2023."

However, in spite of an ample opportunity of being heard and sufficient extension of time, neither anyone appeared for hearing nor the default was made good.

6. The contentions of the Company Secretary for and on behalf of the company 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) 2021 to 2022. Accordingly, this is a consecutive default of 2 year(s). Hence, a penalty of Rs. 25000/- 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 from the date of this order in any designated branches of MCB Bank Limited or UBL Bank and furnish original receipted challan within the above said period and also directed to file the overdue annual return(s) 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/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