SECP

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-1169/2024

BEFORE THE ADJUDICATING OFFICER

ORDER UNDER SECTION 132 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017

IN THE MATTER OF AHMED OIL INDUSTRIES (PVT.) LIMITED

Present: Hassam Kazim (Authorized Representative)

Date of hearing: 06-06-2024

1. This Order shall dispose of the proceedings initiated under Section 132 of the Companies Act, 2017 (The Act), vide Show Cause Notice dated 24/04/2024 ["the Notice"].

2. The facts of the case are that after examination of the record/documents of the company it was revealed that the company has held its annual general meetings for year(s) 2023 after a considerable lapse of time on 31-01-2024 as reported in the form-A filed with the company.

3. Prima facie, the company violated the provisions of section 132(1) of the Act, which attracts penal provisions contained under section132 (5)(b) ibid.

4. Consequently, the afore mentioned violation of law rendered the company and its officer(s) liable to a penalty of level - 1 on the standard scale provided under section 132 (5)(b) read with section 479(2) of the Act. Accordingly, taking cognizance of the matter, a Show Cause Notice dated 24/04/2024 was served to the company, calling upon to Show Cause in my office within 10 days from the date of the show cause notice, as to why the penalty laid down under the above mentioned section should not be imposed.

5. On the date of hearing, Mr. Hassam Kazim, the Authorized Representative of the Company appeared before me in person. While admitting the default, he stated in the light of company's reply, that due to delay in finalization of audited accounts the company was unable to hold its Annual General Meeting within 120 days from close of its financial year.

6. The contention of the Company for delay in holding of AGM is not a justifiable excuse, as holding of AGM is obligatory upon the company under section 132 until

it is finally dissolved. Section 132 also allows only 30 days extension for holding the AGM from the due date prescribed under section 132 and not beyond. In case, the company manages to hold its AGM within the extended period of 30 days provided thereon, it absolves the company from the violation of section 132. Accordingly, it is a negligence on the part of management of the company who is responsible to manage, pursue and make sure that the compliances are being made timely and strictly in accordance with the law. It was the responsibility of the management to make genuine efforts to fulfil corporate and statutory requirements of law within prescribed period. But, no such evidence was provided by the Company which could establish that the management had taken reasonable efforts to avoid the subject violation of law. However, keeping in view the assurance given by the Company that no such default would be repeated in future and the company shall ensure proper and timely compliance of statutory requirements of law, I am convinced to take a lenient view. Hence, a token penalty of **Rs.20000/-** is imposed on the company only.

7. The management of the company is advised to deposit the penalty amount within 30 days from the date of receipt of this order 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.

8. A copy of this order be placed on the record of company maintained by the dealing Registrar of the Company Registration Office.

(ZIA UL RASHEED ABBASI)
ADJUDICATING OFFICER /
ADDITIONAL REGISTRAR

Dated: 13-06-2024