

**Securities and Exchange Commission of Pakistan
Enforcement and Monitoring Division
7th Floor, NIC Building, Jinnah Avenue, Blue Area, Islamabad.**

Nov 05, 2001

**Before Rashid Sadiq, Executive Director
In the matter of**

M/S EXTRACTION PAKISTAN LIMITED

Number and date of show cause notice 19(319)CF/ISS/71/2001

dated
April 27, 2001

Date of final hearing
June 18, 2001

Present:

Mian Ijaz Iqbal, Chief Executive

**ORDER UNDER SUB-SECTION (I) OF SECTION 158 READ WITH SECTION 476
OF THE COMPANIES ORDINANCE. 1984)**

The facts of this case are that M/s Extraction Pakistan Limited (the “Company”) was required to hold its annual general meeting (AGM) for the year ended September 30, 2000 latest by March 31, 2001 under Sub-section (1) of Section 158 of the Companies Ordinance. 1984 (the ‘Ordinance’). The Company, its Chief Executive and directors, however, failed to hold the said AGM within the prescribed period. A show cause notice dated April 27, 2001. therefore, was served on the directors including Chief Executive of the Company for the violation of Sub-section (1) of Section 158 of the Ordinance.

2. No response was received to the aforesaid show-cause notice. In order to give an opportunity of being heard, the case was fixed for hearing on May 28, 2001, which was adjourned to June 18, 2001. On the date of hearing, Mian Ijaz Iqbal, Chief Executive of the Company appeared on behalf of the Company and its directors and argued the case. He contended that the default was not willful and the delay in holding of AGM was

beyond the control of the management being due to adverse financial position of the Company. He also requested to condone the default.

3. The directors of the Company are responsible for the timely holding of AGM. Had there been serious effort on their part to manage constraints, there would have been no delay in the holding of AGM. No facts were placed before me that could prove that the delay in holding of the AGM was beyond the control of the directors.

4. In view of the above discussion and after careful consideration of the arguments given by the Company's Chief Executive, the default is considered willful; which attracts the provisions of Clause (a) of Sub-section (4) of Section 158 of the Ordinance. However, on the assurance that the Company will ensure timely holding of AGM in future, I take a lenient view of the default and impose a fine of Rs 20,000 (Rupees twenty thousand) only on the Chief Executive of the Company for the default under Sub Section (1) of Section 158 read with Section 476 of the Ordinance.

5. Mian Ijaz Iqbal, Chief Executive of the Company is directed to deposit the fine in the designated bank account of Securities and Exchange Commission of Pakistan, maintained with Habib Bank Limited within 30 days of the date of this Order and furnish a receipted challan to the Securities and Exchange Commission of Pakistan.

RASHID SADIQ
(Executive Director (Enforcement and Monitoring))

Announced
November 05, 2001
ISLAMABAD