

Copy of Inspection Report by M/s KPMG Taseer Hadi & Co. is marked Annexure 'G'.

9. That on 27 September 2007, the Company and its Board of Directors were issued a Show Cause Notice ("the **Second SCN**") by the Commission under section 305 read with section 309 of the Ordinance.

Copy of Second Show Cause Notice dated 27 September 2007 is marked as Annexure 'H'.

10. That three replies to the Show Cause Notice dated 27 September 2007 were filed on behalf of the Respondent and its Directors.

Copy of Respondent's Reply dated 04 December 2007 is annexed and marked as Annexure 'I'.

Copy of Respondent's Reply dated 21 January 2008 is annexed and marked as Annexure 'J'.

Copy of Respondent's Reply dated 22 January 2008 is annexed and marked as Annexure 'K'.

11. That after conducting the hearings in the matter, the Commission concluded that the Company has admitted to the various defaults as pointed out in the Second SCN and has not provided any cogent explanation for the same. The analysis of inspection report confirms that the affairs of the Company are not being managed prudently, its management is guilty of misconduct and its shareholders are being deprived of a reasonable return and the financial position of the Company has put its viability and solvency under peril. This leads to the natural deduction that the Company is not a 'going concern'.

12. That the Commission further concluded that there is no workable/feasible option available with the Commission as the Company has total assets of Rs. 14.97 million as on June 30, 2007 and its 'going concern' assumption is questionable which is also confirmed by the inspectors and that the provisions Section 305 of the Ordinance are invoked which provides that a Company may be wound up by the

(C)