



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

BEFORE HEAD OF DEPARTMENT
ORDER UNDER SECTION 123 A OF THE COMPANIES ACT, 2017 AND REGULATION 44
OF THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018
READ WITH SECTION 512(2) OF THE COMPANIES ACT, 2017

IN THE MATTER OF M/S SHANGLA POWER (PRIVATE) LIMITED

Date of Hearing	Attended by
February 12, 2024	No one appeared
February 28, 2024	No one appeared
April 29, 2024	No one appeared

This Order shall dispose of the adjudication proceedings initiated by the Securities and Exchange Commission of Pakistan (the "**Commission**") through Show Cause Notice No. Adj-II/123-A/& Reg. 19-A/IAN-92/CRO-ISB/2023-24 - 232 dated January 26, 2024 (the "**SCN**") issued to M/s Shangla Power (Private) Limited (the "**Company**") and its Chief Executive and Directors (called hereunder the "**Respondents**") under section 123A of the Companies Act, 2017 (the "**Act**") and under regulation 44 of the Companies (General Provisions and Forms) Regulations, 2018 (the "**Regulations**") read with Section 512(2) of the Companies Act, 2017.

2. It was observed that the Company did not file Form 45, with the concerned registrar, *prima facie*, in violation of section 123A (2) of the Act read with regulation 19A (5) of the Regulations. It needs to be mentioned that the said requirement was introduced to enhance transparency of ownership of the companies. The Commission undertook various measures to facilitate the companies to ensure compliance with the aforesaid requirement, including issuance of multiple demand notices through emails during the period January-July 2021, issuance of detailed FAQs and Ultimate Beneficial Ownership (UBO) Guidelines as available on the Commission's website, press releases in print media, video clips and messages through social media accounts, etc.

3. The aforesaid default attracts penal provision contained in section 123A (3) (b) of the Act, which provides that any contravention or default in complying with requirement of this section shall be liable in case of the company, to a penalty which may extend to ten million rupees.

4. Further, CRO, Islamabad, vide letter dated December 14, 2023, followed by a reminder dated December 20, 2023 advised the Company for filing of Form 45 and furnish the following documents duly certified by the authorized person for verification purposes, in terms of regulation 19A (6) of the Regulations:-

- a) Register maintained for Ultimate Beneficial Owners (UBO Register).
- b) Notice on Form 42, issued to every member who hold directly/directly at least twenty five percent of shares or voting rights in the company or to the representative of every legal person or legal arrangement which holds at least twenty five percent of shares or voting rights in the company,
- c) Declarations made to the company as per Form-43;
- d) Declarations made to the company as per Form 44, stating the nature of change and other particulars (if applicable).

However, the Company neither filed Form 45 nor furnished the aforesaid information to the concerned CRO. The non-response to the above-mentioned communication by the concerned registrar attracts penal provision contained in Regulation 44 of the Regulations read with section 512 (2) of the Act, which provides that any contravention or default in complying with requirement of the Regulations shall be punishable with a penalty which may extend to five million rupees.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Division Adjudication Department-II

5. Accordingly, SCN dated January 26, 2024 was issued to the Respondents to show cause in writing within ten (10) days from the date of issuance of the SCN as to why penalty as laid down in terms of section 123A (3) of the Act as well as in terms of Regulation 44 of the Regulations, may not be imposed on them; and to attend the hearing to be held on February 12, 2024. Further hearing opportunity was provided to the Respondents vide letter dated February 15, 2024. The notices were also communicated at the email address consultant681@gmail.com as provided on the latest Form A of the Company as well as forwarded at the email shanglapp1@gmail.com as verbally communicated by the Company's representative. Moreover, a final hearing opportunity vide letter dated April 5, 2024 was also issued to the Respondents. The Respondents were further advised through the SCN and the hearing notices to inform the Commission whether it wanted to be heard in person or through an authorized representative or through online zoom facility.

6. Despite various opportunities provided to the Respondents, they have neither filed Form-45, nor responded to the letters communicated by the concerned registrar as mentioned in para 4 above nor submitted any written response to the SCN till date. In view of the foregoing, the default of section of 123(2) of the Act is established, therefore I, being the authorized officer, in exercise of the powers under section 123A (3) of the Act delegated to the undersigned vide SRO S.R.O.1356 (I)/2020 dated 16th December, 2020 as well as the powers under the Regulations delegated to the undersigned vide SRO S.R.O.1546 (I)/2019 dated 6th December, 2019, hereby impose penalty of Rs. **20,000/-** on the Company, for non-filing of Form 45 in violation of section of section 123A (2) of the Act read with regulation 19A of the Regulations as well as impose a further penalty of **Rs. 10,000/- each** on the Chief Executive and Directors of the Company for violation of Regulation 19A (6) of the Regulations.

7. The Respondents are directed to deposit the aforesaid penalties in the account of the Commission being maintained in the designated branches of MCB Bank Limited within 30 days of the receipt of this Order and furnish Original Deposit Challan to this office.

8. This order is being issued without prejudice to any other action that the Commission may initiate against the Respondents in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.

(Hammad Javed)

Additional Director/Head of Department
Adjudication Department-II

Date of Order: **May 7, 2024**