



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-29/2024

BEFORE THE ADJUDICATING OFFICER

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


**IN THE MATTER OF
ADAM (PRIVATE) LIMITED**

Date of Hearing: **17-01-2024**

Present: **Mohammad Ameen Memon - Authorized Representative**

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 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 was served to the company, calling upon to Show Cause in my office within 10 days from the date of the show cause notice, which was subsequently adjourned for a week, as to why the penalty laid down under the above mentioned section should not be imposed.
5. On the date of hearing, authorized representative of the Company appeared before me in person. While admitting the default, he submitted that the company could not hold its AGM for the year 2022. Now company has applied for direction to hold AGM and as soon as the AGM is held we shall file the annual return immediately. Reply not satisfactory. Company could file year ended Form-A.

6. The contentions of the Company / Authorized Representative 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. Non-holding of AGMs should have not been a hindrance in making requisite compliance, i-e filling of year ended Form-A (Annual Return). It is an apparent ignorance and negligence on the part of the company and its 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 Authorized Representative that the management of the company will ensure the compliance 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. Hence, a penalty of Rs.10,000/- is hereby imposed on the company. Without prejudiced, the company has admittedly failed to hold its AGM for the year 2022 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 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 and also directed to file requisite annual returns immediately but not later than 30 days from the date of this order positively.
8. A copy of this order be placed on the record of company maintained by the concerned/dealing Registrar of the Company Registration Office.


(ZIA UL RASHEED ABBASI)
ADJUDICATING OFFICER /
ADDITIONAL REGISTRAR

Dated: 08-03-2024