



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

(Adjudication Department-II, Adjudication Division)

4<sup>th</sup> Floor State Life Building No.2, Wallace Road, Karachi.

Website: [www.secp.gov.pk](http://www.secp.gov.pk)

CASE No. 7672/2021

**BEFORE THE ADJUDICATING OFFICER**

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


**IN THE MATTER OF M/S. IFFCO PAKISTAN (PRIVATE) LIMITED**

Present: Mr. Rahat Aziz (Authorized Representative)

Date of hearing: 11-Jan-2022

1. This Order shall dispose of the proceedings initiated under Section 132 of the Companies Act, 2017 (The Act), vide Show Cause Notice dated 30-Dec-2021 ["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 2020 after a considerable lapse of time on 17-02-2021 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 section 132 (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 30-Dec-2021 was served to the company through its Chief Executive as well as the directors of the company, calling upon them to Show Cause in my office on 11-Jan-2021, 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 stated in the light of his's reply dated 11-01-2022 that the financial statements could not be finalized due to Covid-19 pandemic situation as the company is 99.9% owned by a foreign company registered in UAE and the nominee directors /CEO could not manage to get the accounts audited within time due to Covid-19 pandemic situation.

6. The contention of the authorized representative of the company for the non-compliance of law is not a justifiable excuse, as it shows 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. Although, the directors were facing quite unusual circumstances, it was their responsibility to make genuine efforts to fulfil corporate and statutory requirements of law. Even, they could delegate and authorized the permissible powers to other officers/officials of the company to ensure compliances. But, no such evidence was provided by the authorized representative 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 authorized representative 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.15,000/- is imposed on the company.
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: 11-Jan-2022