



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. 12/2023

BEFORE THE ADJUDICATING OFFICER

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

IN THE MATTER OF M/S. MILLENIUM ENGINEERING (PRIVATE) LIMITED

Date of Final Hearing: 06-February-2023

Present: Mr. Muhammad Ashraf (Company Secretary)

1. This Order shall dispose of the proceedings initiated under Section 132 of the Companies Act, 2017 (The Act), vide Show Cause Notice dated 18-01-2023 [“the Notice”].
2. The facts of the case are that the financial year of the M/S. MILLENIUM ENGINEERING (PVT.) LTD. (“the Company”) closed on 30 June, 2022, and it was required to hold its AGM within 120 days from the close of its financial year i.e. on or before 28th October, 2022. However, in Form A for the year 2022 the company reported holding of its AGM on 6th December, 2022 which depicts that the AGM was held after a considerable delay of 39 days.
3. The company, prima facie, violated the provisions of section 132(1) of the Act, which provides that Every company, shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year.
4. The aforesaid violation attracts the penal provisions of sub-section-5(b) of section-132 of the Act which provides that any violation of Section-132 shall be an offense liable to a penalty of Level-1 of the standard scale, i.e up-to Rs.25,000/- and upto Rs.500/- per day during which default continues, as provided u/s 479(2) of the Act. Accordingly, taking cognizance of the matter, a Show Cause Notice dated 18-01-2023 was served to the company calling upon them to Show Cause in my office on 27-01-2023 and subsequently adjourned to 06-02-2023 (vide reminder notice dated 27-01-2023), as to why the penalty laid down under the above mentioned section should not be imposed.
5. On the date of hearing, Mr. Muhammad Ashraf (Company Secretary) appeared before me in person. While admitting the default, he stated that due to covid-19 pandemic condition, there was an acute shortage of staff and officer of the company as well as in the office of the auditor. Therefore, due to non-availability and hinderance in communication of information and requisite data/documents, the financial statements could not be finalized within prescribed time which caused delay in holding of AGM.

6. The contention of the Company Secretary for the non-compliance of law is a justifiable excuse to some extent. Yet it also 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. However, keeping in view the aforesaid facts of the case and 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. Besides, there is no evidence available on the record which could jeopardized the interest of any stakeholder. Hence, a token penalty of **Rs.10,000/-** 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: 20-February-2023