



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- II

Adjudication Division

IN THE MATTER OF

M/S. SARA PRECISION ENGINEERING (PRIVATE) LIMITED

Show Cause Notice	AOK-1723/2025 dated February 10, 2025	
Date on which hearing opportunity provided	Date	Attended by
	February 25, 2025	Mr. Muhammad Zeeshan (Authorized Representative)

ORDER

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

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the '*Commission*') vide the Show Cause Notice (the '*SCN*') dated February 10, 2025 issued to M/s SARA PRECISION ENGINEERING (PRIVATE) LIMITED (the '*Company*') under section 132 of the Companies Act, 2017 (the '*Act*').

2. The facts leading to the issuance of the SCN were that the financial year of the Company closed on June 30, 2024 and the Company was required to hold its AGM(s) within 120 days from the close of its financial year(s) i.e. on or before October 28, 2024. However, on examination of the statutory records maintained with Company Registration Office (CRO) Karachi, it has been observed that the Company filed its Annual Return for the year ended June 30, 2024 on January 01, 2025 which reflected that the AGM was held after a considerable delay of 21 days and was held on November 19, 2024, as against the required timelines in terms of Section 132 of the Act. Section 132(1) of the Act is reproduced below for reference:

132. Annual General Meeting. — (1) 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:

Provided that, in the case of a listed company, the Commission, and, in any other case, the registrar, may for any special reason extend the time within which any annual general meeting, shall be held by a period not exceeding thirty days.

3. Any default in complying with the above requirements of section 132 of the Act attracts penal provisions contained in section 132(5)(b) of the Act which provides that in case of any company other than a listed company, any contravention or default in complying with the requirements of section 132, shall be an offence liable to a penalty of level 1 on the standard scale. Section 132(5)(b) of the Act is reproduced below for reference:

132 (5) - Any contravention or default in complying with requirements of this section shall be an offence liable—

- (a) in case of a listed company, to a penalty of level 2 on the standard scale; and
(b) in case of any other company, to a penalty of level 1 on the standard scale

4. Accordingly, taking cognizance of the matter, the SCN dated February 10, 2025 was issued at the registered address of the Company, calling upon to show cause in writing within fourteen (14) days of the date of the SCN as to why the penalty as provided under section 132 (5) (b) of the Act may not be imposed on the Company.

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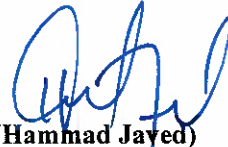
5. Furthermore, in order to meet the ends of justice, a hearing opportunity was provided to the Company by fixing the hearing on February 25, 2025. Mr. Muhammad Zeeshan (Authorized Representative), attended the hearing via zoom link. He submitted that the delay in holding the AGM for the FY 2024 occurred due to delay in completion of audit of the financial statements of the Company for the year ended 30.06.2024. During the hearing, the Authorized Officer pointed out that the Company had also delayed the AGMs for the financial years 2022 and 2023 as well to which the Authorized Representative agreed and assured of ensuring strict compliance in future in this regard.

6. In view of the foregoing, it is established that the Company not only failed to hold its AGM for the year ended June 30, 2024 within the prescribed statutory time period, but has also been delaying its AGMs for the years ended June 30, 2022 and June 30, 2023 against the requirements of Section 132 of the Act. I, therefore, in exercise of the powers under section under Section 132 read with Section 479 of the Act, delegated to the undersigned vide S.R.O. 129 (I)/2020 dated 6th December, 2019 hereby impose a penalty of **Rs. 5,000/- (Rupees Five Thousand Only)** on the Company to conclude the proceedings.

7. The Company is hereby directed to deposit the aforesaid penalty in the accounts of the Commission being maintained in the designated branches of MCB Bank Limited or United Bank Limited within 30 days of the receipt of this Order and furnish Original Deposit Challan to this office through courier and/or email at adjudication.headoffice@secp.gov.pk.

8. Further, the Company is hereby also advised to ensure timely and meticulous compliance with respect to all the applicable provisions of the Act, Rules and Regulations made thereunder, henceforth.

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



(Hammad Jayed)

Additional Director / Head of Department
Adjudication Department-II

Announced: March 07, 2025