



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. 1219/2022

BEFORE THE ADJUDICATING OFFICER

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

IN THE MATTER OF M/S. SAYA SECURITIES (PRIVATE) LIMITED


Present: **Mr. Arif H. Yousuf Saya** (Chief Executive)

Date of hearing: 28-December-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 20-Dec-2022 [“the Notice”].
2. The facts of the case are that the financial year of the M/S. SAYA SECURITIES (PVT.) LTD. (“the Company”) closed on 30 June, 2022, and under the provisions of the law, the company was required to hold its AGM within 120 days from the close of its financial year i.e. on or before 28 October, 2022. However, on examination of annual return for the year 2022, it has been noted by the dealing registrar of company registration office Karachi that the date of AGM as per Form-A is 31st October, 2022. There is no documentary evidence available on record reflecting that the company had sought extension in time-period for holding its AGM with the delay. Further, examination of the financial statements for the year 2022 also reflects that the external auditors, M/s. UHY Hassan Naeem & Co. signed/submitted the auditor’s report for the year ended on 30 June, 2022 on 17 October, 2022, whereas the AGM was held on 31 October, 2022; which apparently depicts that the members were served the notice for a shorter period i.e. 14 days prior to holding of the AGM; in contradiction with the requirement of 21 days prior notice.
3. Prima facie, the company violated the provisions of section 132(1) and 132(3) 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 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 20-Dec-2022 was served to the company through its Chief Executive calling upon them to Show Cause in my office on 28-Dec-2022 as to why the penalty laid down under the above mentioned section should not be imposed.

5. On the date of hearing, Mr. Arif H. Yousuf Saya (Chief Executive) of the Company appeared before me in person. While admitting the default he submitted in the light of his written reply dated 28-12-2023 that it is a family owned concern and the company is currently having losses. The delay of only 03 days was occurred due to lake of knowledge and it was unintentional. He further submitted that notice of AGM was given shorter than 21 days just in order to avoid further delay in holding of AGM and being a family owned company, neither any share holder had any objection nor interest of any other person was jeopardized. Accordingly, he requested to take a lenient view.
6. The contention of the Chief Executive for the non-compliance of law is a justifiable excuse to some extent. However, 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. However, keeping in view the aforesaid facts of the case and assurance given by the Chief Executive 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.

6



(ZIA UL RASHEED ABBASI)
ADJUDICATING OFFICER /
ADDITIONAL REGISTRAR

Dated: 29-December-2022

Arif H. Yousuf Saya
29/12/2022
Original Order Received.