



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- II

Adjudication Division

IN THE MATTER OF

M/S. TAG CONSULTING (PRIVATE) LIMITED

Show Cause Notice	AOK-1724/2025 dated February 10, 2025	
Date on which hearing opportunity provided	Date	Attended by
	February 25, 2025	Mr. Abdul Basit Ghouri (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 TAG CONSULTING (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, 2023 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 08, 2025 which reflected that the AGM was held after a considerable delay of 1 Month and 26 days and was held on December 24, 2024, as against the required timelines in terms of Section 132 of the Companies Act, 2017 (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—

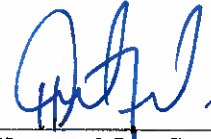
- (a) in case of a listed company, to a penalty of level 2 on the standard scale; and
(b) in case of any other company, to a penalty of level 1 on the standard scale

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.

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. Abdul Basit Ghouri (Authorized Representative), attended the hearing via zoom link. He reiterated the submissions made vide the Company's reply dated February 21, 2025, wherein it was stated that the external auditor appointed in the Annual General Meeting (AGM) held in the FY 2023 to carry out the audit of accounts for the financial year ended June 30, 2024, resigned on July 1, 2024. Consequently, the Board appointed Farrukh Mateen & Co., Chartered Accountants, as the new external auditor on July 2, 2024. Due to this transition, the new external auditor required additional time to complete the audit, resulting in a delay in finalizing the audit of the Company's accounts. Consequently, the AGM could not be held within the prescribed timeline. The external auditor issued the audit report on November 30, 2024, which further delayed the Board meeting for approval of the accounts and, subsequently, the AGM. The Authorized Representative further mentioned that the Company has consistent track record of holding the AGMs within due date and that it was the first instance of such a delay. He also assured of ensuring compliance in future and requested for lenient view in the matter.

6. In view of the foregoing, considering that the Company has already complied by holding its AGM, though with a delay, on December 24, 2024 as stated above, no monetary penalty is being imposed on the Company at this time. However, the Company is hereby warned to ensure timely and meticulous compliance with respect to all the applicable provisions of the Act, Rules and Regulations made thereunder, henceforth.

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



(Hammad Javed)

Additional Director / Head of Department
Adjudication Department-II

Announced: March 07 2025