



# 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. 1119/2022

**BEFORE THE ADJUDICATING OFFICER**

**ORDER UNDER SECTION 235 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017**

**IN THE MATTER OF M/S. ALAMGIR RAYON MILLS (PRIVATE) LIMITED**

Present: **MR. MUHAMMAD HUSSAIN (Authorized Representative)**

Date of Final Hearing: 05-12-2022

1. This Order shall dispose of the proceedings initiated under Section 235 of the Companies Act, 2017 ("The Act"), vide Show Cause Notice dated: 31-10-2022 ["the Notice"].
2. The facts of the case are that the company was required to make available copy of any financial statement and auditors report to any of its member. Mr. Nadir Imam Patel holding 20.78% shares in the company lodged a complaint dated 08th September, 2022, stating that the company did not accede to his request for providing copies of financial statements and auditors reports for the last five years (i.e. 2017 to 2022). The complaint was forward to the company by the dealing registrar, company registration office Karachi; vide letter dated 12-September-2022, and subsequent reminder dated 23-September-2022 calling for explanation / reason for denying the availability of information. However, no response was received from the company. Accordingly, the concerned registrar referred the case for adjudication against the violation of section 235(1) of the Act.
3. Sub-Section (1) of Section 235 of the Act provides that any member of the company is entitled, on request and on payment of such fee as may be fixed by the company to be provided with a copy of any financial statements. The copy must be provided within seven days after the request is received by the company. The violation of sub-section (1), is an offense liable to a penalty of level - 1 on the standard scale as provided under section 235 (2) read with section 479(2) of the Act.
4. Accordingly, taking cognizance of the matter, a Show Cause Notice dated 31-10-2022 was served to the company calling upon to Show Cause in my office on 10-11-2022, which was subsequently re-fixed on 24-11-2022 and 05-12-2022 as to why the penalty laid down under the above mentioned section should not be imposed.
5. On the date of first hearing i.e. 10-11-2022, Mr. Muhammad Hussain (authorized representative) of the Company appeared before me in person. He stated that the company's Chief Executive, Mr. Moinuddin Undre, was out of country. Now, the company undertakes to make good of the default and provide all the Financial

Statements i.e. 2017 to 2022 to Mr. Nadir Imam Patel (the complainant) within fortnight's time. The Authorized Representative then requested to adjourned the case proceedings which was granted. On 05-12-2022, the authorized representative appeared for final hearing and submitted, in the light of company's reply dated 05.12.2022, that the company has sent the financial statements for financial years 2017 to 2021 and also furnished TCS acknowledgment slip as an evidence. He also committed that the financial statements for financial year 2022 will also be provided to the complainant soon.

6. The contention of the authorized representative of the company that the default in providing financial statements to a member, in violation of section 235(1), was occurred due to the reason, that the Chief Executive Officer was out of country, is not a justifiable excuse. It shows negligence on the part of management of the company who is responsible to manage, pursue and make sure that all the statutory requirements of law are fulfilled in accordance with the applicable Laws/Rules in true letter and spirit.
7. However, keeping in view that the company has now made good of the default and the assurance given by the authorized representative that the management of the company will ensure timely compliances of statutory requirements in future, I am convinced to take a lenient view. Hence, a penalty of Rs: 20,000/= is hereby imposed on the company only.
8. The management of the company is advised to deposit the penalty amount within 30 days 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 and also directed to provide financial statements for financial year ended on 30.06.2022 to Mr. Nadir Imam Patel immediately but not later than 15 days from the date of receipt of this order positively under intimation to the concerned/dealing registrar.
9. 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: 09-12-2022

*Rib*  
*Hussain*  
*0300-2251477*