



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Before the Director/HOD (MSCID)

In the matter of Show Cause Notice issued under Section 246 of the Companies Ordinance, 1984 to Grays of Cambridge (Pakistan) Limited

**Date of Hearing:**

February 22, 2012

**Present at Hearing:**

*Representing the Respondent:*

Mr. M. Javed Panni,  
Chief Executive,  
MJ Panni & Associates,

*Assisting the Director/HOD (MSCID):*

Mr. Muhammad Farooq,  
Joint Director (SMD)

## Order

This order will dispose of the proceedings initiated under Section 246(2) of the Companies Ordinance, 1984 ("**Ordinance**") by the Securities and Exchange Commission of Pakistan ("**Commission**") through Show Cause Notice No. S.M(B.O)C.O. 156(167)93 dated 09/01/2012 ("**Notice**") issued to Grays of Cambridge (Pakistan) Limited ("**Respondent**").

2. The facts of the matter leading up to aforesaid Notice are that it was observed from the record of this office that the Respondent is a public listed company. Thus, pursuant to this office Notifications No. S.R.O 763(1)/85 dated 7/8/1985 & S.R.O 1014(1)/86 dated 12/11/1986 issued in exercise of the powers conferred by sub-section (1) of Section 246 of the Ordinance, Circular No. 4 of 1992 and Circular No. 6 of 2001, the Respondent was required to file annual return in Form-A of the Third Schedule specified in Section 156 of the Ordinance and the prescribed additional information regarding pattern of shareholding and soft copy of list of members (**Annual Return**) with Head Office of the Commission within the stipulated time limit. However, the Respondent failed to file the said Annual Return for the Annual General Meeting held in the year 2010.

3. The aforesaid Notification No. S.R.O 763(1)85 stipulates the time period within which the said Annual Return is required to be submitted as under:-

*"within forty-five days from the date of the annual general meeting held in the year or, when no such meeting is held or if held is not concluded, from the last day of the calendar year to which it relates"*

4. It is worth mentioning that the Commission through Notices dated 07/09/2009 and 21/09/2010 provided an opportunity to all listed companies to file their over due Annual Returns



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with Head Office of the Commission by 31/10/2009 and 31/10/2010 respectively and to ensure timely compliance in future. The said notices were sent to all listed companies and were also disseminated through Stock Exchanges and print media.

5. On scrutiny of record it was noticed that the Respondent failed to file the Annual Return, for the Annual General Meeting held in the year 2010. The Company Secretary of the Respondent was, therefore, asked vide letter dated 06/09/2011 to file the said Annual Return alongwith reasons for non-filing of the same within the stipulated time limit.

6. In response to aforementioned letter, the Respondent filed the under reference Annual Returns on 13/09/2011. The documents revealed that Annual General Meeting of the Respondent was held on 30/10/2010. Thus the said Annual Returns have been filed with a delay of 273 days, in contravention of aforementioned Notifications/directive issued by the Commission. The said default attracts penal provisions of Section 246(2) of the Ordinance.

7. The Commission accordingly took cognizance of the aforesaid default and issued Notice, calling upon the Respondent to explain through written reply alongwith documentary evidence, if any as to why action may not be taken against it pursuant to Section 246(2) of the Ordinance, for aforesaid contraventions of the abovementioned Notification. Mr. M. Javed Panni ("Authorized Representative") filed written reply to the Notice on 06/02/2012 on behalf of the Respondent.

8. In order to provide an opportunity of being heard in person, hearing in the matter was fixed for 24/01/2012 at the Commission's Head Office, Islamabad, which on the request of the Authorized Representative was adjourned and re-fixed for 22/02/2012. On the given date the Authorized Representative of the Respondent appeared before me. The submissions made on behalf of the Respondent by the Authorized Representative in writing as well as verbally during the course of hearing be summarized as under:-

- a) *The Annual Return for the under reference period was timely filed with the Company Registration Office, Lahore under Section 156 of the Ordinance. However, due to oversight the said return could not filed with the Commission, with the stipulated time limit.*
- b) *The aforesaid omission came to light on receipt of Commission's letter and return was filed within 5 days of the receipt of said letter.*
- c) *The default was not intentionally but due to oversight and requested to take a lenient view of the matter.*
- d) *The Authorized Representative ensured that the Respondent will comply with the requirement of aforesaid Notifications, within the prescribed time period in future.*

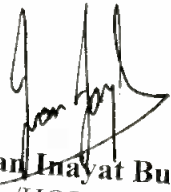


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9. I have considered the submissions made by the Authorized Representative on behalf of the Respondent. The Respondent has admitted the default of late filing of the Annual Return with the contention that said default was not committed willfully and knowingly. The Respondent has assured for timely filing of the Annual Returns in future and requested to condone the default in question. In order to arrive at conclusion, I have also reviewed the available record which reveals that the Respondent has timely filed the said Annual Return for the preceding Annual General Meeting held in the year 2009. Considering the arguments advanced on behalf of the Respondent, I intend to agree with the contention of the Respondent and of the view that the late filing of the under reference Annual Returns may not be willful. Therefore, a lenient view of the matter has been taken and the Respondent is hereby strictly warned to ensure timely compliance of aforesaid Notifications/directives issued by the Commission in future.

10. This order is issued without prejudice to any other action that the Commission/Registrar may initiate against the Respondent in accordance with the law on matter subsequently investigated or brought to the Notice of the Commission.

Islamabad.  
Announced on March 19, 2012

  
(Imran Inayat Butt)  
Director/HOD (MSCID)

