



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
Registration Department

Before  
Nazir Ahmed Shaheen, Registrar of Companies

*In the matter of*  
**Shanghai Industries (Private) Limited**

Present: Mr. Khalid Zaidi  
Date of hearing: December 27, 2005

**Order under Section 477 (1)  
of the Companies Ordinance, 1984**

This order shall dispose of revision application filed by Shanghai Industries (Pvt) Limited (hereinafter referred to as the “Company”) under Section 477 (1) of the Companies Ordinance, 1984 (hereinafter referred to as the “Ordinance”) against the impugned order dated 19.08.2005 (the second order) passed by the Joint Registrar of Companies, Karachi imposing a penalty of Rs. 3,000/ for failure to file annual returns of the Company in violation of the mandatory provisions of Sections 156 and 205 of the Ordinance.

2. Brief facts of the matter are that the Company and its directors in terms of Section 156 of the Ordinance were required to prepare and file with the registrar concerned within forty five days in case of a listed company and within thirty days in case of any other company from the date of the annual general meeting held in the year, a return containing the particulars specified in Form-A of the third schedule attached to the Ordinance.



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3. Similarly, in terms of Section 205 of the Ordinance, every company is required to keep at its registered office, a register of its directors and other officers and notify the same to the registrar concerned within fourteen days from the date of incorporation or on the happening of any change thereof.

4. As the Company failed to file with the registrar concerned its Form -A and Form -29 with a considerable delay ranging from one year to two months, the Joint Registrar, Companies Registration Office, Karachi passed an *ex-parte* order dated October 14, 2004 (the first order) and imposed a fine of Rs. 3,000/on the Company.

5. Having not satisfied with the aforesaid order, the Company preferred a revision application with the registrar of companies, which was decided on January 25, 2005 and the matter was remanded back to the Joint Registrar, Karachi to adjudicate afresh after affording proper opportunity of hearing to the Company and to meet the ends of justice.

6. The Joint Registrar in order to comply with the aforesaid order, provided another opportunity of hearing to the Company on May 05, 2005, where Syed Zulfiqar Hyder, appeared and submitted the following arguments:

- i. Since the returns have been filed and late filing fee has also been deposited, no penalty can be imposed.
- ii. Delay caused due to typographical error and was not a willful default.

7. Having not satisfied with the aforesaid submissions of the Company, the Joint Registrar, Karachi do not interfere in his earlier order (first order) and



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maintained a penalty of Rs. 3000/ vide order dated August 19, 2005 hence, the instant revision application.

8. I have gone through the relevant provisions of law and the documents submitted before me for perusal. The following three points have been raised by the Company in its revision application:

- i. The default was not willful and was due to oversight of concern staff.
- ii. Section 469 of the Ordinance has been misapplied in the instant case, as the Company has not committed any default and simply delayed in filing of returns.
- iii. Defaults committed under Sections 156 & 205 are not included/delegated under SRO 230 (1)/2001.

9. From the perusal of the provisions of Section 156 of the Ordinance, it has been noticed that the same are mandatory in nature and the burden of proof is strictly on the Company to prove the contrary. The considerable delay in filing of annual returns of the Company do not indicate any inadvertent mistake as it is duty of the officers of the Company to comply with the statutory requirements of law in letter and spirit. I have also gone through the provisions of Section 469 (3) of the Ordinance, which clearly provides that the acceptance of late filing of documents do not absolve the defaulting company of any liability arising from the default. Further SRO 975 (1)/2003 dated October 09, 2003 gives powers to all Joint Registrars to adjudicate matters falling in their jurisdictions.

10. For the foregoing reasons, as the Joint Registrar concerned has already taken a lenient view and imposed a very nominal amount of penalty, I do not found it a fit case for further interference. The Company, is therefore, directed to deposit, within 30 days of the date of receipt of this order fine Rs. 3,000 (Rupees three thousand only) in the Commission`s designated bank accounts maintained with Habib Bank Ltd or pay by a demand draft / pay order issued in the name of



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the Commission and send a copy of the receipt to the Commission for information and record, failing which proceedings under the Land Revenue Act, 1967 will be initiated which may result in the attachment and sale of moveable and immovable property.

11. The Company and its directors are also advised to be careful in future and ensure strict compliance to the requirements of the Ordinance in this regard.

**(Nazir Ahmed Shaheen)**  
Registrar of Companies

**Announced at Islamabad**  
January 23, 2006



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