



# Securities and Exchange Commission of Pakistan

Adjudication Division  
Adjudication Department-I

Before

Amir M. Khan Afridi- Director/ Head of Department

In the matter of Show Cause Notice issued to Al-Ghazi Tractors Limited

Dates of Hearing

December 24, 2021; January 24, 2022

## Order-Redacted Version

Order dated February 7, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Al-Ghazi Tractors Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated October 27, 2021
2. Name of Company	Al-Ghazi Tractors Limited
3. Name of Individual*	The proceedings were initiated against the Company and its directors.
4. Nature of Offence	<p>Proceedings were initiated in terms of Sections 106(2) of the Securities Act, 2015 for contravention of Section 107 thereof read with regulation 5 of the Reporting and Disclosure of (Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015</p> <p>Brief facts of the case are that Annual General Meeting (AGM) of the Company for the year ended December 31, 2020 was held on June 15, 2021. The record of the Company available with the Securities and Exchange Commission of Pakistan (<b>the Commission</b>) transpired that the Company had failed to file its annual return under Section 107 of the Act read with regulation 5 of the Regulations, for the year ended December 31, 2020. The said return was required to be filed within forty-five days from the date of holding of the AGM of the Company for the year 2020. The Commission vide letter dated August 13, 2021 inquired regarding non-filing of the said annual return i.e. SMD-BO-107 in compliance of Section 107 of the Act. However, no response was received from the Company. The Company by not filing the aforesaid return i.e.</p>



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	SMD-BO-107, <i>prima facie</i> , has contravened the provisions of Section 107 of the Act read with regulation 5 of the Regulations.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through facts of the case, relevant requirements of law and the written and verbal submissions by the Respondents and observed that filing of annual return i.e. SMD-BO-107 under Section 107 read with regulation 5 of the Regulations is a statutory requirement that is required to be complied with by the listed companies in true letter and spirit. Moreover, the annual return i.e. SMD-BO-107 is essential to determine, amongst others, particulars and summary of shareholding of each director, executive officer and substantial shareholder, their beneficial ownership and associated companies. In this regard, the Respondents' stance for non-filing of annual return SMD-BO-107 within the prescribed time period is not tenable. Taking cognizance of submissions of the Respondents and in terms of powers conferred under Section 106 of the Act, I hereby impose a penalty of <b>Rs. 25,000/- (Rupees Twenty Five Thousand only)</b> on the *** and also warn the directors to be careful in future.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Cost Audit Regulations/Act providing for imposition of penalties in respect of any default, omission or violation of the Cost Audit Regulations/Act.</p>
6. Penalty Imposed	<b>Rs. 25,000/- (Rupees Twenty Five Thousand only)</b>
7. Current Status of Order	Penalty was deposited.