



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

Before

Shahzad Afzal Khan, Director/ Head of Department

In the matter of

Symmetry Group Limited

Show Cause Notice No. & Date CSD/ARN/49/2024-45 dated January 19, 2024
Date of Hearing: February 12, 2024
Present: Mr. Umair R. Vadria, Legal Counsel and Mr. Ayaz
Ahmed, Company Secretary

ORDER

**Under Section 132 of the Companies Act, 2017 and Circular 10 of 2019 dated July 03, 2019
read with Sections 479 and 510 of the Companies Act, 2017**

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the Commission) through Show Cause Notice dated January 19, 2024 (the SCN) issued, under Circular 10 of 2019 dated July 03, 2019 (the Circular) and Section 132 of the Companies Act, 2017 (the Act) read with section 479 and 512 thereof, to the Symmetry Group Limited (the Company), its board of directors and Company Secretary (CS) hereinafter referred to as the Respondent.

2: Brief facts of the case are that:

- (i) Review of the records revealed that the Company neither submitted the notice of Annual General Meeting held on November 23, 2023 (the AGM) to the Commission nor the clipping of newspapers wherein notice of AGM was published contrary to the requirement in terms of sub-section (3) of section 132 of the Act and under the Circular.
- (ii) The matter of aforesaid non-compliances was taken up with the Company vide email dated November 28, 2023 and letter dated December 08, 2023. The Company in its response dated December 26, 2023 provided the copies of newspapers wherein notice of AGM was published and *inter-alia*, stated that:

"Our company was recently listed on PSX on 1st September 2023, since then we are facing strict deadlines for audit of Annual Accounts for the year ended June 30, 2023 and closure of quarterly accounts for the period along with the holding of AGM. Due to these strict guidelines and work load and missed some of the guidelines of AGM."

- (iii) It was transpired from the clipping of newspaper(s) shared by the Company that the notice of AGM was published on November 15, 2023 i.e. only 9 days before the



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department - I
Adjudication Division

Continuation Sheet - 1 -

date of AGM as against the requirements of publishing the same in English and Urdu newspaper, at least 21 days before the date of AGM, in terms of section 132(3) of the Act and clause (i) of the Circular; and

- (iv) In view of the above, the Company, *prima facie*, violated the requirements of section 132(3) of the Act and clauses (i) & (ii) of the Circular for not submitting notice of AGM along with newspaper clippings with the Commission and by publishing the notice of AGM in newspaper only 9 days before the date of AGM.

3. In order to take cognizance of the aforesaid contravention, the SCN was served upon the Respondent seeking justification for not complying with the requirements of clauses (i) & (ii) of the Circular and section 132(3) of the Act. In response to the SCN, the Respondents through letter dated January 23, 2024 made written submission, relevant extracts of which are, *inter-alia*, produced below:

- The Company was listed on the Pakistan Stock Exchange (the "PSX") on September 1, 2023 and encountered stringent deadlines for completing the audit of annual accounts for the period ending on June 30, 2023, closing quarterly accounts for the respective periods, organizing the AGM and various other regulatory requirements pertaining to listed companies. As a result omitted to submit notice of AGM to the Commission which was as a result of an inadvertent oversight on the part of the Company;
- The Company is taking remedial steps to improve internal systems for ensuring regulatory compliance by developing internal guidelines for all applicable regulatory compliances and for the purpose is also searching a new Company Secretary holding sufficient experience of carrying-out regulatory compliance for listed companies; and
- Proviso to Section 132(3) simply prescribes that AGM notice is to be published in English and Urdu language at least in one issue each of a daily newspaper of respective languages having nationwide circulation without prescribing any time line. Compliance of the said requirement was made in full by virtue of the publication dated November 15, 2023. Further AGM notice was published on the PSX website on November 2, 2023 which was twenty-one days prior to the AGM held on November 23, 2023. Accordingly, all the stakeholders of the Company and the public was well-informed of the AGM scheduled for November 2, 2023 and no shareholder of the Company has been prejudiced.

4. In order to provide opportunity of personal representation, hearing in the matter was fixed for February 12, 2024 wherein Mr. Umair R. Vadria, Legal Counsel and Mr. Ayaz Ahmed, Company Secretary (CS) appeared on behalf of the Respondents as their Authorized Representatives (ARs) and, submitted that:



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department - I Adjudication Division

Continuation Sheet - 2 -

- Reply to SCN vide letter dated January 23, 2024 is reiterated;
- Non-submission of copy of AGM Notice and clipping of newspapers where AGM notice was published was due to an inadvertent mistake on part of the Company and is admitted;
- As per the understanding of the Company, the law requires issuance of AGM Notice to the members 21 days before the AGM but does not provide any timeline for publication of the same in newspapers; and
- Internal guidelines have been prepared to ensure regulatory compliance in future. Further an adequately qualified and experienced CS is being appointed to handle the compliance matters of a listed company.

5 Relevant provision of the Act and Circular provides that:

"The Act:

132. Annual General Meeting.-- (3) The notice of an annual general meeting shall be sent to the members and every person who is entitled to receive a notice of general meetings at least twenty-one days before the date fixed for the meeting:

Provided that, in the case of a listed company, such notice shall be sent to the Commission, in addition to its being dispatched in the normal course to members and the notice shall also be published in English and Urdu languages at least in one issue each of a daily newspaper of respective language having nationwide circulation.

(5) Any contravention or default in complying with requirement 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.

510. - Power to issue directives, circulars, guidelines. (2) Any person who obstructs or contravenes or does not comply with any directive, prudential requirements, codes, circulars, notifications, given under this section shall be liable to a penalty of level 3 on the standard scale

The Circular:

(i) All notices of general meetings shall be sent to the members and every person who is entitled to receive notice of general meetings at least twenty-one days before the date fixed for the meeting and shall be published in English and Urdu morning newspapers, having nationwide circulation, which are generally known and read, in English and Urdu languages respectively.

(ii) A copy of newspaper in each language, in which notice of general meeting was published, along with statement under section 134 of the Act, where applicable, shall be filed with the SECP within three days of publication."



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department - I
Adjudication Division

Continuation Sheet - 3 -

7. I have gone through the facts of the case, considered both the written and verbal submissions of the AR and record available with the Commission. Analysis of the same is hereunder:

a. Was the AGM notice along with clipping of the newspapers wherein it was published submitted to the Commission?

No, the Respondents failed to submit the copy of AGM Notice and the clipping of newspapers wherein the AGM Notice was published to the Commission contrary to the requirement under proviso to sub-section (3) of section 132 of the Act and clause (i) & (ii) of the Circular. The said non-compliance has been admitted by the Respondent in written reply submitted vide letter dated January 29, 2024 and also by the ARs during hearing, stating that it was an inadvertent mistake on part of the Company. However no dissent or complaint relating to aforesaid violation by the members attending the EOGM or any other person is on record.

b. Was the AGM notice published in newspapers, 21 days prior to the date of AGM?

No, the notice of AGM was published in newspapers on November 15, 2023 i.e. only 9 days before the date of AGM as against the requirements prescribed under sub-section (3) of section 132 of the Act and clause (i) of the Circular.

The stance of the Respondents and the ARs that timeline for publication of AGM notices in the newspapers is neither prescribe in section 132(3) of the Act nor in the Circular is not based on the facts and is mere misinterpretation of law on part of the Respondents. The Act and the Circular specifically outlines the requirements for giving AGM notice, which includes notifying shareholders not less than twenty-one days before the date of the meeting. The law without explicitly prescribing timeline for publishing AGM notice in newspapers, does prescribe a timeline for notifying shareholders, requiring that such notices be disseminated in a timely manner which include publication in newspaper to reach a broader audience. Accordingly, adhering to the prescribed timeline effectively necessitates timely publication of AGM notice in newspapers as a common practice.

It is noted that the intent of the legislator behind the aforesaid requirement is to ensure accessibility, understanding and communication of the information relating to the conduct of AGM and business to be discussed therein. Further it helps to promote transparency, inclusivity and assurance that the information reaches a broader audience.

The responsibility to ensure compliance with the legal and regulatory requirements as regards to publication of AGM notice rests with the Respondents and they cannot absolve themselves from the entrusted responsibility by misconstruing the requirements of the law.

8. In view of the aforesaid facts, it is evident that the Respondents have contravened the provisions of sub-section (3) of section 132 of the Act and clauses (i) & (ii) of the Circular by not submitting the AGM Notice and clipping of the newspapers wherein AGM Notice was published with the Commission and by publishing the AGM Notice in the newspapers on



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department - I
Adjudication Division

Continuation Sheet - 4 -

November 15, 2023 i.e. only 9 days before the AGM. It is however also noted that the Respondents are taking remedial steps relating to improvement in internal systems, developing guidelines for applicable regulatory compliances and engaging a Company Secretary with relevant knowledge and experience.

9. In view of the aforesaid and considering the assurance of compliance in future by the Respondents, I, in exercise of the powers conferred under Section 132(5) and 510 of the Act, hereby impose a penalty of Rupees fifty thousand (Rs. 50,000/-) on the Company and Warn all the remaining Respondents and advise them to ensure meticulous compliance of the applicable legal and regulatory framework in future.

10. The aforesaid penalty must be deposited in the designated bank account maintained with MCB Bank Limited or United Bank Limited in the name of the Securities and Exchange Commission of Pakistan within thirty days from the receipt of this order and furnish receipted bank vouchers to the Commission. In case of non-deposit of the penalties, proceedings for recovery of the fines as arrears of land revenue in terms of Section 485 of the Act will be initiated.

11. Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission, violation of the Act.

(Shahzad Afzal Khan)
Director/ HOD
Adjudication Department-I

Announced:
Dated: February 26, 2024
Islamabad

