



Corporate Supervision Department  
Company Law Division

Before Amina Aziz – Director

*In the matter of*

**Abdullah Shah Ghazi Sugar Mills Limited**

Number and date of notice: No. CSD/ARN/304/3692-98 dated May 11, 2017  
Date of hearing: June 1, 2017  
Present: Zainab Syed, RS Corporate Advisory  
(Authorized Representative)

**ORDER**

**UNDER SECTION 171 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984**

This order shall dispose of the proceedings initiated against directors including the Chief Executive (*the "respondents"*) of Abdullah Shah Ghazi Sugar Mills Limited (*the "Company"*) through show cause notice dated May 11, 2017 (*the "SCN"*) issued under the provisions of Section 171 read with Section 476 of the Companies Ordinance 1984 (*the "Ordinance"*) respectively.

2. Brief facts of the case are that the Company and its directors failed to hold Annual General Meetings of the Company for the year ended September 30, 2015 (*the "AGM"*), within time as required by Sub-Section (1) of Section 158 of the Ordinance which requires that every company shall hold an AGM once at least in every calendar year within a period of four months following the close of its financial year and not more than fifteen months after the holding of its last preceding AGM.

3. The Commission, on separate applications from the company, twice issued directions for holding overdue AGMs vide the following letters:

- a. Letter bearing reference no. EMD/233/332/02-609 dated November 22, 2016 to hold overdue AGM on or before January 14, 2017 under section 147 of the repealed Companies Ordinance, 2016 (Section 170 of the Ordinance).



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

Continuation Sheet - 1 -

b. Letter bearing reference no. EMD/233/332/02-993 dated March 2, 2017 to hold overdue AGM on or before March 31, 2017 under Section 170 of the Ordinance

4. The Company and its directors however failed to comply with the above directions of the Commission. Failure of the Company and its directors to comply with the directions of the Commission issued under section 170 of the Ordinance attracts penal provisions of Section 171 of the Ordinance. Consequently, the SCN was served upon the respondents to show cause as to why penalty may not be imposed under Section 171 of the Ordinance.

5. The respondents did not submit reply to SCN and a hearing was fixed on June 1, 2017 before the undersigned which was attended by Ms. Zainab Syed, RS Corporate Advisory (the "Authorized Representative") on behalf of respondents. The Authorized representative in her submission gave reasons for not holding the AGM and stated that NAB had taken away the Chief Executive of the Company for about two and a half months and FBR also raided the Company office due to which the AGM could not be held. She also stated that the Commission has taken a lenient view in the case of Hussein Industries Limited in a similar case and a lenient view may also be taken in this case.

6. Before proceeding further, it is necessary to advert to the relevant provisions of law. Section 171 of the Ordinance provide that if default is made in complying with any directions of the Commission under section 170, the company and every officer of the company who is in default shall be liable to a fine which may extend to ten thousand rupees and in the case of a continuing default to a further fine which may extend to two hundred rupees for every day after the first during which the default continues.

7. In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under Section 171 of the Ordinance have been delegated to Director (Corporate Supervision Department).

8. As regards the matter at hand, I have analyzed the facts of the case, relevant provisions of the Ordinance, arguments put forth by the representative during the hearing. I am of a firm opinion that the provisions of Section 171 of the Ordinance has been violated by the respondents



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

Continuation Sheet - 2 -

by not holding the AGM in accordance with the directions given twice. Therefore, in exercise of the powers conferred by aforesaid provision of the Ordinance, I, hereby impose a fine of Rs.35,000 (Rupees thirty five thousand only) in aggregate on respondents for contravening the provisions of Section 171 of the Ordinance. The respondents are directed to deposit the fine in the following manner:

S.#	Names of Respondents	Amounts in Rs.
1	Mr. Riaz Qadeer Butt	5,000
2	Mr. Muhammad Nawaz	5,000
3	Mr. Muhammad Rashid Rana	5,000
4	Mr. Atif Butt	5,000
5	Mr. Muhammad Talib	5,000
6	Mr. Yasir Iqbal	5,000
7	Mr. Muhammad Dawood	5,000
	Total	35,000

The aforesaid fines must be deposited in the designated bank account maintained with MCB 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 will be initiated. It may also be noted that the said fines are imposed on respondents in their personal capacity; therefore, they are required to pay the said amount from personal resources.

**Amina Aziz**

Director (Corporate Supervision Department)

**Announced:**

August 24, 2017

Islamabad

