



Corporate Supervision Department
Company Law Division

Before Abid Hussain – Executive Director

In the matter of

Metropolitan Steel Corporation Limited

Number and date of notice: CSD/ARN/62/2015-3129-35 dated March 21, 2017
Date of hearing: April 24, 2017
Present: Mr. Muhammad Omar Mehkri (Chief Executive)

ORDER

Under Section 180 & Section 186 read with Section 476 of the Companies Ordinance, 1984

This order shall dispose of the proceedings initiated against the Directors including the Chief Executive (*the "respondents"*) of Metropolitan Steel Corporation Limited (*the "Company"*) through show cause notice ("*SCN*") dated March 21, 2017 issued under the provisions of Section 180 read with Section 476 of the Companies Ordinance 1984 (*the "Ordinance"*).

2. Brief facts of the case are that the Company held its election of directors in 2013 in Annual General Meeting (*the "AGM"*) held on March 15, 2013. Subsequently, the next election of directors was held in AGM held on May 31, 2016. The Company did not hold the election of directors in time as envisaged in law and delayed the election of directors by 2 months and 15 days. SCN was issued to the respondents. The respondents however did not respond to the SCN within the given time. In order to grant an opportunity to the respondents to explain their position in the matter, hearing was fixed on April 24, 2017. Mr. Muhammad Omar Mehkri ("*Authorized Representative*") attended the hearing and admitted that there has been an oversight, the management wanted that the election of directors and the AGM shall coincide to save cost and hassle to the shareholders due to which the timeline of holding of election was overlooked.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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3. Before proceeding further, it is necessary to advert to the following relevant provisions of Ordinance:

Section 180 (1) of the Companies Ordinance, 1984 (the "Ordinance") requires that, "A director elected under section 178 holding office for a period of three years unless he earlier resigns, becomes disqualified from being a director or otherwise ceases to hold office."

Section 186 of the Ordinance provides that, "Whoever knowingly and willfully contravenes or fails to comply with any of the provisions of sections 174 to 185 or is a party to the contravention of the said provisions shall be liable to a fine which may extend to ten thousand rupees and may also be debarred by the authority which imposes the fine from becoming or continuing a director of the company for a period not exceeding three years."

4. In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 260 have been delegated to the Executive Director (Corporate Supervision Department).

5. I have analyzed the facts of the case, relevant provisions of the Ordinance, arguments put forth by the representative during the hearing and observed that the respondent could have demonstrated more cautious approach to hold the election of directors within the timeline provided by law. However in view of the stance of the respondents that they intended that the election of directors and the AGM shall coincide in future to save cost and hassle to the shareholders and the fact that there is no complaint on the record, I am inclined to take a lenient view of the matter and in exercise of the powers conferred by aforesaid provision of the Ordinance, hereby, warn the respondents to ensure meticulous compliance of law in future.

Abid Hussain
Executive Director

Announced:
May 31, 2017
Islamabad