



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**  
*Enforcement Department*

*Before Ashfaq Ahmed Khan, Director (Enf)*

Order

*In the matter of*  
**M/S. Pakistan PVC Limited**

((Under Sub-section (4) of Section 158 of the Companies Ordinance, 1984.))

Number and date of notice	EMD/Enf -II/506/2003-5056-5063 dated January 20, 2004
Date of hearing	April 15, 2004
Present	No one appeared
Date of Order	April 21, 2004

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This order shall dispose of the proceedings initiated against M/S Pakistan PVC Limited (the “Company”) and its directors for default made in complying with the provisions of Sub-section (1) of Section 158 of the Companies Ordinance, 1984 (“the Ordinance”).

2. The underlying facts of this case briefly stated are that in terms of the provisions of Sub-section (1) of Section 158 of the Ordinance, the Company was required to hold its Annual General Meeting (AGM) for the year ended June 30, 2003 on or before October 31, 2003, whereas the said AGM was held on November 20, 2003 i.e. with a delay of 19 days. As the Company failed to comply with the aforesaid requirement of the Ordinance, therefore, action was necessitated against the Company and its directors in terms of Sub-section (4) of Section 158 of the Ordinance. Accordingly, a show cause notice dated



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January 20, 2004 was served on the Company and its directors including the Chief Executive calling upon them to show cause as to why penalties as provided under Sub-section (4) of Section 158 read with Section 476 of the Ordinance may not be imposed upon them for the aforesaid Contravention. The Company and its directors failed to respond to the aforesaid notice. In the meantime, the Commission vide its notification No.SRO.162 (1)/2004, dated March 17, 2004 delegated the powers to adjudicate the defaults falling under Section 158(4) (a) of the Ordinance to the undersigned. The case was, therefore, fixed for hearing on April 15, 2004. However, no one appeared on the date of hearing to plead the case. In the circumstances, I proceed to decide this case on its merits.

3. It is the responsibility of the directors of the Company to timely hold the AGM as this is the only forum which provides opportunity to the shareholders to discuss significant matters relating to the performance of the Company with the management. They were given an opportunity to explain the reasons of delay which they did not avail as no one appeared on the date of hearing. For the foregoing, the delay in holding of AGM is considered willful and intentional.

4. Though the default is considered deliberate, yet, in view of the fact that the Company has been regular in holding of AGMs in the past, I am inclined to take a lenient view in the matter and instead of imposing the maximum fine of Rs. 50,000 on every director and a further fine of Rs. 2,000 per day for continuous default, I impose a minimum fine of Rs. 20,000 (Rupees twenty thousand only) under Sub-section (4) of Section 158 read with Section 476 of the Ordinance on the Chief Executive of the Company only. The other directors are, however, reprimanded to be vigilant in future.

5. The Chief Executive of M/S Pakistan PVC Limited is hereby directed to deposit the aforesaid fine of Rs.20,000/- (Rupees twenty thousand only) in the designated bank



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account maintained in the name of Securities and Exchange Commission of Pakistan with Habib Bank Limited within thirty days from the receipt of this order and furnish receipted challan to the Commission.

*Ashfaq Ahmed Khan*  
Director (Enforcement)

*Announced:*  
*April 21, 2004*  
**ISLAMABAD**