



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division

Before Shahzad Afzal Khan – Director/Head of Department

*In the Matter of*

**Agro Allianz Limited**

Number and Date of SCN: CSD/ARN/228/2015-363 dated December 8, 2023  
Dates of Hearing: January 25, 2024, February 14, 2024 & February 21, 2024  
Present: NONE

### ORDER

#### UNDER SECTION 132 OF THE COMPANIES ACT, 2017 READ WITH SECTION 479 THEREOF

This Order shall dispose of the proceedings initiated against Agro Allianz Limited (**the Company**) and its Board of Directors and the Company Secretary (collectively referred to as the **Respondents**) through Show Cause Notice dated December 8, 2023 (**the SCN**) issued under Section 132 of the Companies Act, 2017 (**the Act**) read with Section 479 thereof.

2. Brief facts of the case are that the Company has failed to hold its Annual General Meeting (**the AGM**) for the Financial Year (**FY**) ended June 30, 2023 within a period of one hundred and twenty (120) days following the closure of its FY. The said failure on part of the Respondent is violation of sub-section (1) of Section 132 of the Act.

3. While taking cognizance of the said contravention, the SCN was issued to the Company requiring it to show cause in writing as to why penal action may not be taken against it for the aforesaid violation. The Company, however, failed to submit a written response to the SCN.

4. To provide opportunity of personal representation, hearing in the matter was fixed for January 25, 2024, however, no one appeared for the hearing on behalf of the Respondents. Later, another hearing opportunity was provided for February 14, 2024, however, the Respondents didn't appear on the hearing date.

Nonetheless, in order to provide a final opportunity of personal representation, hearing in the matter was re-fixed for February 21, 2024 wherein it was explicitly stated that in case the Respondents fail to appear in the hearing, the Commission will proceed in the matter and issue an *ex-parte* Order on the basis of the material available on record. Yet again, no one appeared for the hearing on behalf of the Respondents.

The detailed status of the hearings fixed is tabularized as follows:

S.No.	Date of Hearing	Status
1	January 25, 2024	No one appeared on behalf of the Company and Respondents
2	February 14, 2024	No one appeared on behalf of the Company and Respondents
3	February 21, 2024	No one appeared on behalf of the Company and Respondents

In view of the above, I am constrained to conclude the proceedings based on the information available on record.



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5. Relevant provisions of the law are reproduced hereinunder:

**Sub-section (1) of Section 132 of the Act:**

*"Every company, shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year. –*

*Provided that, in the case of a listed company, the Commission, and, in any other case, the registrar, may for any special reason extend the time within which any annual general meeting, shall be held by a period not exceeding thirty days."*

**Sub-section (5) of Section 132 of the Act:**

*"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."*

6. I have considered the facts of the case in light of the relevant provisions of the Act, the information available on record and state that:

- (i) holding of AGM is a vital statutory requirement as it provides opportunity to the members to participate in the discussion and vote on agenda items of the general meeting which includes consideration and approval of the company's financial statements;
- (ii) non-holding of AGM deprives the members of their fundamental and statutory right to know about the affairs of the company and participate in decision making;
- (iii) AGMs provide transparency and accountability to shareholders and ensure that the company is operating in the best interests of its shareholders, thus all companies must adhere to the law by following the procedure prescribed under the Act for holding of AGMs;
- (iv) the Company cannot absolve itself from its statutory duties pertaining to holding of AGMs within the statutory timeframes;
- (v) the Company failed to convene its AGM for FY ended June 30, 2023 within the stipulated time of one hundred and twenty (120) days from the closure of its FY;
- (vi) the Company has not held its AGM for FY 2023 till the date of this Order; and
- (vii) despite providing three (03) hearing opportunities of personal representation, no one appeared on behalf of the Respondents, which constrains me to conclude the proceedings on ex-parte basis.

7. Keeping in view the aforesaid facts, I am of the considered view that by not holding its AGM for the year ended June 30, 2023 within the specified time period as mentioned in sub-section (1) of Section 132 of the Act, the Company has contravened the said sub-section (1) which renders it liable to penal action under sub-section (5) of Section 132 thereof. Therefore, in exercise of the powers



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conferred under sub-section (5) of Section 132 of the Act, I hereby impose a penalty of Rs. 200,000 (Rupees Two Hundred Thousand only) on the Company and warn the rest of the Respondents to ensure meticulous compliance of the law in the future in letter and spirit.

8. The aforementioned penalty must be deposited in the designated bank account maintained with United Bank Limited or MCB Bank Limited in the name of the Securities and Exchange Commission of Pakistan within thirty (30) days from the receipt of this Order and receipted bank vouchers must be furnished to the Commission. In case of non-deposit of the penalty, proceedings under Section 485 of the Act will be initiated for recovery of the same as arrears of land revenue.

9. Nothing in this Order may be deemed to prejudice the operation of any provisions of the Act providing for imposition of penalties on the Company in respect of any default, omission or violation thereof.

**SHAHZAD AFZAL KHAN**  
Director/Head of Department  
Adjudication Department - I

**Announced:**  
February 23, 2024  
Islamabad