

Before Ali Azeem Ikram – Head of Department (Adjudication-I)

In the matter of Show Cause Notice issued to Agro Allianz Limited

Dates of Hearing:

February 18, 2020 & February 26, 2020

Order - Redacted Version

Order dated April 22, 2020 was passed by Head of Department (Adjudication-I) in the matter of Agro Allianz Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated January 10, 2020
2. Name of Company	Agro Allianz Limited
3. Name of Individual*	The proceedings were initiated against the Board of Directors of the Company.
4. Nature of Offence	The Company failed to hold its annual general meeting for the financial year ended June 30, 2019 (the AGM) within a period of one hundred and twenty (120) days following close of its financial year pursuant to sub-section (1) of Section 132 of the Companies Act, 2017(the Act).
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>Holding of the 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. In order to ensure transparency and protect the shareholders' rights, all companies must meticulously adhere to the law by following the procedure prescribed under the Act for holding of AGMs. The Company cannot absolve itself from its statutory duties pertaining to holding of AGMs, preparation and filing of annual and quarterly financial statements in a timely manner as specified under the law.</p> <p>In view of the preceding facts, taking cognizance of the submissions by virtue of the Company's written correspondence and arguments set forth during the hearing, I have come to the conclusion that the pertinent provisions of the statute have been violated, which renders the Company's Board liable to penal action under Section 132(5) of the Act as a result of failing to hold its AGM for FY2019 within the statutory timeframe.</p> <p>Therefore, in exercise of powers conferred under sub-section (5) of Section 132 of the Act, I hereby impose a fine of Rs. 50,000/- (Rupees fifty thousand only) on the Chief Executive of the Company.</p>
6. Penalty Imposed	Penalty of Rs. 50,000/- imposed on CEO the Company.
7. Current Status of Order	No Appeal has been filed by the Company.

Redacted version issued for placement on website of the Commission.