

Before Amir M. Khan Afridi - Head of Department

In the Matter of Show Cause Notice issued to WorldCall Telecom Limited

Dates of Hearing:

August 31, 2021 & October 18, 2021

Order-Redacted Version

Order dated March 18, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of WorldCall Telecom Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated June 28, 2021
2. Name of Company	WorldCall Telecom Limited
3. Name of Individual*	The proceedings were initiated against the Company.
4. Nature of Offence	Proceedings were initiated in terms of Section 132 of the Companies Act, 2017 (the Act) read with Section 479 thereof.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have considered the facts of the case in light of the relevant provisions of the Act, and arguments submitted during the hearing as well as the Company's written responses and state that:</p> <p>Holding of AGM is a vital statutory requirement as it provides opportunity to the members to participate in the discussion and voting on agenda items of the general meeting which includes consideration and approval of the company's financial statements. AGMs are important for the transparency they provide, the ability to include shareholders, as well as bringing the management to accountability. 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. 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 Respondent 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>The Respondent failed to convene its AGM for FY ended December 31, 2020 within the specified one hundred and twenty (120) days from the close of its FY. The Company vide application dated April 16, 2021 sought extension in time period, under sub-section (1) of Section 132 of the Act for holding the said AGM; The requisite extension was granted by the Commission subject to the condition that the Company shall hold the said AGM by May 30, 2021;</p>

	<p>The Respondent through application dated May 26, 2021 sought direction of the Commission under Section 147 of the Act to convene the said AGM. The Commission through directive dated June 7, 2021 directed the Company to hold the said AGM on or before July 31, 2021; and the Company held the said AGM on July 31, 2021 i.e. by the deadline set out in the Commission's directive dated June 7, 2021.</p> <p>In view of the preceding facts, it has been observed that the Company has convened and held the overdue AGM for FY 2020 before the deadline set by the Commission through the aforesaid directive on July 31, 2021, therefore, I hereby conclude the proceedings without imposing penalty on the Respondent. I, however, remind the Respondent of its fiduciary duties and responsibilities towards all stakeholders, advising it ensure that such mechanisms are in place and appropriate actions be taken whereby holding of AGM and financial and operational reporting of the Company is timely achieved, whilst ensuring due compliance of the law.</p>
6. Penalty Imposed	Proceedings were concluded with a cautionary advice to the Company to ensure meticulous compliance of the law in the future in letter and spirit.
7. Current Status of Order	No Appeal has been filed by the Respondent.

Redacted version issued for placement on website of the Commission.