



Corporate Supervision Department  
Company Law Division

Before Amina Aziz –Director

*In the matter of*

**WorldCall Telecom Limited**

Number and date of notice: CSD/ARN/331/2016-3267-73 dated March 31, 2017

Date of Hearing 17 April, 2017

Present for Respondents Written reply dated April 10, 2017 received.

**ORDER**

**UNDER SECTION 158 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984**

This order shall dispose of the proceedings initiated against directors including chief executive (together referred to as "respondents") of WorldCall Telecom Limited (the "Company") through show cause notice (the "SCN") dated March 31, 2017, issued under section 158 read with section 476 of the Companies Ordinance, 1984 (the "Ordinance").

2. The brief facts of the case are that the Company held its annual general meeting ("AGM") for the year ended December 31, 2015, on March 31, 2017. The notice of the said meeting was required to be given 21 days prior to the day on which the meeting is to be held. However, in this case the notice was published in, prima facie, contravention with the provisions of subsection 3 of section 158 of the Companies Ordinance 1984 requiring the 21 day notice.

3. Consequently, the SCN was issued to the respondents whereof they were called upon to show cause in writing as to why penal action may not be taken against them under section 158 of the Ordinance for not publishing notice of AGM as required by law.

4. The respondents, through letter dated April 10, 2017 replied to the Show cause notice, stating that that the act was neither intentional nor willful. The notice of AGM was notified timely to the Stock Exchange and PUCARS (Pakistan Unified Corporate Action Reporting System). Likewise, the notice was given to the publisher on time but it was published with a delay of one day.



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Acknowledgement of PUCARS and notice of AGM sent to PSX was also enclosed for reference. They assured that they would comply with the rules and regulations in future.

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

sub-section (3) of section 158 of the Companies Ordinance, 1984 ("Ordinance") provides that *the notice of an annual general meeting shall be sent to the shareholders at least twenty-one days before the date fixed for the meeting and, in the case of a listed company, such notice, in addition to its being dispatched in the normal course, shall also be published at least in one issue each of a daily newspaper in English language and a daily newspaper in Urdu language having circulation in the Province in which the stock exchange on which the company is listed is situate.*

sub-section 4 of section 158 of the Ordinance provides that *(4) If default is made in complying with any provision of this section, the company and every officer of the company who is knowingly and willfully a party to the default shall be liable,--*

*(a) if the default relates to a listed company, to a fine not less than [fifty] thousand rupees and not exceeding [five hundred] thousand rupees and to a further fine not exceeding two thousand rupees for every day after the first during which the default continues; and*

*(b) if the default relates to any other company, to a fine not exceeding [one hundred] thousand rupees and to a further fine not exceeding [five] hundred rupees for every day after the first during which the default continues.*

6. In terms of the Commission's notification SRO 1003(I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 158 of the Ordinance have been delegated to Director (Corporate Supervision Department).

7. I have analyzed the facts of the case, relevant provisions of the Ordinance, and submissions made by the respondents. The aforesaid provisions of the law are clear and explicit. A company is required to publish notice of AGM in timely. It is for ease of understanding and enhancement thereof for such shareholder in particular and other stakeholders in general who are unfamiliar or less proficient in the English language. It is imperative that notice is communicated to every concerned individual since holding of the AGM is a very important statutory event and provides an opportunity to the shareholders, including those in minority, to participate in discussion and voting on agenda items of the AGM that include consideration and approval of



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companies' financial statements, which not only show the financial position and performance of a company but also show the results of management's stewardship of resources entrusted to it. A notice which is understandable to the average man can ensure the presence of all shareholders. In addition to their responsibilities of overseeing and managing affairs of the Company, directors also have fiduciary duties towards the Company and its shareholders. They are, therefore, liable to a higher level of accountability which requires them to be vigilant and perform their duties with care and prudence. It is directors' responsibility to oversee the functioning of the company and to ensure due compliance of law.

8. Publishing of AGM notice in a prescribed timely manner that is 21 days prior to the date of meeting is a requirement of law but unfortunately, it has been noted that the directors of the Company have not observed the compulsory requirements of law and same has been admitted. However, the respondents in their submissions and through documentary evidence have demonstrated efforts of the respondent to comply with the requirements of the law. Keeping in view of the submissions of the respondents; instead of imposing fine, I hereby, conclude the proceedings with a warning to the respondents to be careful and ensure compliance with mandatory provisions of the Ordinance, in true letter and spirit; in future.



Amina Aziz  
Director

**Announced:**  
May 09, 2017  
Islamabad

