



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I Adjudication Division

### Order

#### *In the Matter of*

#### **Apna Microfinance Bank Limited**

Number and Date of SCN: CSD/ARN/182/2015-538 dated October 28, 2024

Date(s) of Hearing(s): December 18, 2024

Present: Mr. Mansoor Ahmed – CFO;  
Mr. Noshad Ahmad – Company Secretary  
(*Authorised Representatives*)

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

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (**the Commission**) against M/s. Apna Microfinance Bank Limited (**the Company**), its Board of Directors (BoDs) and the Company Secretary (herein collectively referred to as **the Respondents**) through Show Cause Notice CSD/ARN/182/2015-538 dated October 28, 2024 (**the SCN**) issued under Section 132 of the Companies Act, 2017 (**the Act**) read with Section 479 thereof.

2. The brief facts of the case are that from perusal of the relevant record of the Commission, it was noted that the Respondents failed to hold the Annual General Meeting (**the AGM**) of the Company for the Financial Year ended December 31, 2023 (**FY 2023**) within a period of one hundred and twenty (120) days following the close of its afore-stated Financial Year, as required under sub-section (1) of Section 132 of the Act. The Company through its application dated April 16, 2024 has requested the Commission for an extension of 30 days, which was acceded to and an extension of 30 days was granted.

3. However, review of the relevant record transpired that the Company failed to hold its AGM for FY 2023 within the extended date of May 29, 2024, which, prima facie, constitutes contravention of Section 132 of the Act. Taking cognizance in the matter, a SCN dated October 28, 2024 was issued to the Respondents to show cause in writing as to why penal action may not be taken against them for non-compliance with the afore-mentioned provisions of the Act. In response to the SCN, the Respondents vide their letter dated November 08, 2024 has submitted the response as under:

- (i) The Chief Financial Officer (CFO) of the Company resigned on February 01, 2024 when the financial statements of the Company for FY 2023 were yet to be finalized and audited. Considering the sensitivity of the matter, the Company took immediate corrective measures and new CFO was hired, who joined the Company on March 27, 2024. Auditors were engaged on April 2, 2024, who completed the audit assignment within 50 days. This disruption resulted in a delay in the approval of the financial statements by the Board of Directors, thereby causing a delay in holding of the AGM as well.
- (ii) AGM was held on June 21, 2024, wherein the shareholders adopted the audited financial statements for FY 2023.

*[Handwritten signature and date]*  
07-01-2025



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- (iii) All backlog has now been cleared. The bank has submitted the quarterly accounts for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of the year 2024 to the Commission in accordance with the statutory timelines.

4. In order to provide an opportunity for personal representation, hearing in the matter was fixed for December 18, 2024, which was attended by Mr. Mansoor Ahmed (CFO) and Mr. Noshad Ahmad (Company Secretary) as the Authorized Representatives (**the Representatives**) on behalf of all the Respondents. During the course of hearing, the Representatives reiterated the stance taken in response to the SCN vide letter dated November 08, 2024 and stated that the resignation of CFO delayed the timely finalization and audit of financial statements for FY 2023, resulting in delay in holding of AGM for FY 2023 as well.

5. Subsequent to the hearing, the Company vide email dated December 23, 2024 provided copies of intimation made to PSX through PUCARS in respect of the following:

- i) Resolution passed by shareholders in AGM dated June 21, 2024;
- ii) Notices of Board Meetings to consider and approve the accounts for the quarter ended March 31, 2024, June 30, 2024 and September 30, 2024.; and
- iii) Financial results for the quarter ended March 31, 2024, June 30, 2024 and September 30, 2024.

As per the aforesaid documents, the Company conducted its AGM for FY 2023 on June 21, 2024, which took place with a delay of 23 days after the extended date i.e. May 29, 2024.

6. I have considered the facts of the case based on the relevant provisions of the Act and the record available with this office on the case at hand. At this juncture, it is imperative to discuss the following legal and factual elements:

- (i) In terms of Section 132(1) of the Act, every company is required to hold its AGM once in every calendar year within a period of one hundred and twenty days (120) following the close of its financial year. Accordingly, it was obligatory on part of the Company to hold its AGM for FY 2023 by April 30, 2024. Although, the Company was granted an extension of 30 days for holding its AGM latest by May 29, 2024; however, the Company again failed to hold AGM for FY 2023 within extended date.
- (ii) The holding of an AGM is a fundamental statutory requirement as it provides members with an opportunity to participate in discussions and vote on agenda items, including the consideration and approval of the company's financial statements. In order to ensure transparency and to protect shareholders' rights, the Company is required to meticulously adhere to the provisions of law as prescribed under the Act for holding of AGMs and the Respondents, in any manner whatsoever, cannot absolve themselves from their statutory duties pertaining to holding of AGMs, in a timely manner.
- (iii) A publicly listed company has a greater responsibility to provide a true and fair representation of its affairs to all the stakeholders. The resignation of an employee should not result in a delay in meeting the company's statutory obligations. The Company was obligated to implement effective mechanism to address any such

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17/09/2025



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circumstances in order to ensure that the AGM could be held within the prescribed timeframe.

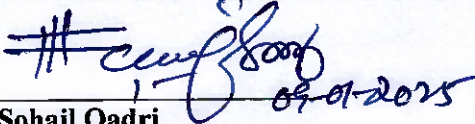
- (iv) Subsequent compliance of the given requirements of sub-section (1) of Section 132 of the Act does not exonerate the Respondents from the violations as stated above.

7. In view of the preceding facts, I am of the considered view that by failing to hold AGM for FY 2023 within the prescribed/extended timeframe, the Respondents have contravened the requirements of sub-section (1) of Section 132 of the Act, which attracts a penal action under sub-section (5) of Section 132 of the Act. I, therefore, in exercise of powers conferred under sub-section (5) of Section 132 of the Act vide S.R.O. 1545(I)/2019 dated December 6, 2019, hereby impose an aggregate penalty of **Rs. 100,000/- (Rupees One Hundred Thousand Only)** on the Respondents in the following manner:

S.No.	Name of Respondents	Penalty Amount (Rs.)
1.	Mr. Muhammad Akram Shahid, Chairman	10,000
2.	Mr. Wajahat Malik, Chief Executive	10,000
3.	Mr. Imad Mohammad Tahir, Director	10,000
4.	Mr. Muhammad Asghar, Director	10,000
5.	Mr. Muhammad Saleem Shaikh, Director	10,000
6.	Mr. Abdul Aziz Khan, Director	10,000
7.	Mr. Shahid Hassan, Director	10,000
8.	Mr. Noshad Ahmed, Company Secretary	10,000
9.	Apna Microfinance Bank Limited	20,000
	<b>Total Amount</b>	<b>100,000</b>

8. The Respondents are, hereby, directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue pursuant to provision of Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997.

9. This Order is issued without prejudice to any other action that the Commission may initiate against the Respondents in accordance with the applicable law(s) on matters subsequently investigated or brought to the attention of the Commission.

  
Sohail Qadri  
Director/ HOD  
Adjudication Department-I

**Announced:**  
January 9, 2025  
Islamabad.