



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s. Agro Allianz Limited
Show Cause Notice No. & Date:	CSD/ARN/228/2015-601 dated November 14, 2024
Respondents:	(i) Sheikh Ali Baakza, CEO/Director; (ii) Mr. Mohammad Zain Sardar, Director; (iii) Mr. Abdul Hafeez, Director; (iv) Mr. Muhammad Saleem Patel, Director; (v) Mr. Shah Amin ul Haq, Director; (vi) Mrs. Sara Bashir, Director; (vii) Mr. Safdar Sajjad, Director; and (viii) M/s. Agro Allianz Limited.
Date(s) of Hearing(s) Opportunities:	(i) December 09, 2024; (ii) January 14, 2025; and (iii) February 04, 2025.
Case Represented by:	No One Appeared.
Provision of Law Involved:	Section 132 of the Companies Act, 2017 read with Section 479 thereof
Order dated:	March 17, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through the Show Cause Notice No. CSD/ARN/228/2015-601 dated November 14, 2024 (the "SCN") issued under Section 132 of the Companies Act, 2017 (the "Act") read with Section 479 thereof against M/s. Agro Allianz Limited (the "Company") and its Board of Directors (the "BoD") including the Chief Executive Officer; hereinafter collectively referred to as the "Respondents".

2. The brief facts of the case are that the Company was, in terms of Section 132(1) of the Act, required to hold its Annual General Meeting for the year ended June 30, 2024 (the "AGM") within a period of one hundred and twenty (120) days following the close of its aforesaid financial year, i.e., by October 28, 2024. However, perusal of the relevant record of the Commission revealed that the Respondents have *prima-facie* failed to hold its AGM within the prescribed time. The relevant provisions of law relating to the instant matter are reproduced hereunder:

"132. Annual general meeting.—(1) 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 ...

(5) 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 ..."

3. Taking cognizance of the non-compliance, the SCN was served upon the Respondents subject to show the cause in writing as to why a penal action may not be taken against them for non-compliance with the aforesaid provisions. However, no response was furnished by the Respondents.

4. In order to meet the ends of justice and to provide the Respondents with an opportunity of being heard, hearing in the matter were fixed for December 09, 2025 and January 14, 2025 respectively. However, the Respondents neither appeared in person nor appointed any authorized representatives in

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the instant matter. Subsequently, hearing in the matter was re-fixed for February 04, 2025 with a clear instruction that in case of non-appearance the matter would be decided ex-parte based on its merits and the record available with the Commission. However, the Respondents again failed to appear and join the proceedings. It is pertinent to observe that the hearing notices for three of the scheduled hearings were duly received at the registered office address of the Company i.e. Unity Tower, Plot# 8-C, Block-6, P.E.C.H.S, Karachi.

5. I have gone through the relevant provisions of Section 132(1) of the Act, and considered the facts of the case, and available record of the Company. I have also perused Section 132(5) of the Act, which stipulates penal provisions for contravention of the afore-referred provisions of law. It is observed that 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 (120) days following the close of its financial year.

6. Accordingly, the Company was required to hold its AGM for the financial year 2023-24 by October 28, 2024. However, it has failed to do so. Holding the AGM on time is a critical legal obligation that ensures transparency, accountability and shareholder engagement especially for a listed company which must fulfill its statutory duty to hold AGMs on time, facilitating open communication and feedback from shareholders.

7. In a judgment passed by the Appellate Bench of the Commission in the matter of 2017 CLD 839 [Appeal No. 28 of 2013], it was held that "...the facts of the case are clear and evident that the Appellants failed to conduct the AGM within stipulated time...therefore, they have acted against the fiduciary responsibilities towards the Company in capacity of directors...it was the collective responsibility of the directors of the Company to hold the meeting in accordance with law but they have failed to comply with the requirements of law, therefore no distinction could be assumed regarding guilt or innocence of the directors..."

8. It is also observed that the Company has not held the said AGM till the date of this order. Moreover, it is pertinent to mention here that as per the available record of the Commission, the Respondents had also failed to hold the AGMs for the year 2023 and such default was penalized in the past as well. Needless to say, it is a matter of concern that the Respondents have failed to rectify the recurring non-compliance even after lapse of a considerable time.

9. In view of the above-stated facts, I am of the considered view that by failing to hold AGM for the year ended June 30, 2024 within the stipulated time, the Respondents have contravened the requirements of Section 132(1) of the Act. It is also noted that despite provision of multiple hearing opportunities, the Respondents failed to participate in the instant proceedings; thereby reflecting their non-cooperative behavior in the matter. Therefore, I am left with no other option except to pass an *ex-parte* order against the aforesaid Respondents on the merits of the case and basis of record available with this office.

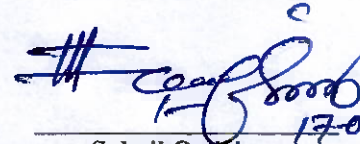
10. I, therefore, in exercise of the powers conferred upon me under clause (a) of sub-section (5) of Section 132 of the Act read with section 479 thereof vide S.R.O. 1545(I)/2019 dated December 06, 2019, hereby, impose an aggregate penalty of **Rs.190,000/- (Rupees One Hundred and Ninety Thousand only)** in the following manner:

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S.No.	Name of Respondents	Amount of the Penalty Rs.
1.	Sheikh Ali Baakza	20,000
2.	Mr. Mohammad Zain Sardar	20,000
3.	Mr. Abdul Hafeez, Director;	20,000
4.	Mr. Muhammad Saleem Patel	20,000
5.	Mr. Shah Amin ul Haq	20,000
6.	Mrs. Sara Bashir	20,000
7.	Mr. Safdar Sajjad	20,000
8.	M/s. Agro Allianz Limited	50,000
	Total Amount	190,000/-

Furthermore, the Respondents are advised to ensure achieving all pending compliances in terms of holding of the annual general meetings and other ancillary statutory compliances in an urgent manner and report the same to the Supervision Department of the Commission. The Respondents are also advised to remain careful in the future and ensure meticulous compliance with the provisions of law effectively and efficiently.

11. 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.


 17-03-2025
 Sohail Qadri
 Director/ HOD
 Adjudication Department-I

Announced:
 March 17, 2025
 Islamabad.

