



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

ORDER	
Name of Company:	M/s. Siddiqsons Tin Plate Limited
Show Cause Notice No. & Date:	CSD/ARN/132/2015-752 dated December 24, 2024
Respondents:	(i) Mr. Ibrahim Shamsi, Director; (ii) Ms. Alia Sajjad, Director; (iii) Mr. Abdul Wahab, Director (iv) Mr. Muhammad Naeem-ul-Hasnain Mirza, CEO; (v) Mr. Munir Qureshi, Director; (vi) Mr. Muhammad Tariq Rafi, Director; (vii) Mr. Muhammad Yousuf Adil, Director; (viii) Ms. Maham Khalid, Company Secretary; and (ix) M/s. Siddiqsons Tin Plate Limited.
Date(s) of Hearing(s):	(i) January 15, 2025; and (ii) January 22, 2025.
Case Represented by:	(i) Mr. Javed Panni, M/s. MJ Panni & Associates; and (ii) Mr. Amir Khan Afridi, M/s. MJ Panni & Associates. (As the Authorized Representatives)
Provision of Law Involved:	Section 132 of the Companies Act, 2017 read Section 479 thereof
Order dated:	March 20, 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/132/2015-752 dated December 24, 2024 (the "SCN") issued under Section 132 of the Companies Act, 2017 (the "Act") against M/s Siddiqsons Tin Plate Limited (the "Company"), its Board of Directors (BoD) including Chief Executive Officer and the Company Secretary, 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. The Company's request for grant of a thirty (30) day extension was duly acceded to by the Commission; thereby allowing it to hold the AGM in the extended time i.e. latest by November 27, 2024. Moreover, the Company's subsequent request for further extension was denied. The perusal of the relevant record of the Commission revealed that the Respondents, *prima-facie*, in contravention of the provisions of Section 132 of the Act, failed to hold the AGM within the prescribed/extended 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 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 to the SCN was submitted by the Respondents.

4. In order to meet the ends of justice and to provide opportunity of being heard to the Respondents, hearing in the matter was first fixed for January 15, 2025. However, Mr. M. Javed Panni of M/s. MJ Panni

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& Associates, on behalf of the Respondents, vide email dated January 7, 2025, requested for an adjournment which was duly granted. Subsequently, hearing in the matter was fixed to provide a final opportunity to the Respondents for personal representation on January 22, 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. The same was then attended by Mr. M. Javed Panni and Mr. Amir Khan Afridi of M/s. MJ Panni & Associates as the Authorized Representatives (the "Authorized Representatives"). During the course of the hearing, the Authorized Representatives stated that the Company failed to conclude the audit of financial statements for the relevant year due to an ongoing dispute/arbitration with a foreign vendor. It was also submitted that compliance with respect to the instant matter remains pending as the magnitude of the dispute is significant enough to have a substantial impact on the company's financials. The Authorized Representatives assured that the Respondents would implement necessary measures to ensure compliance with legal requirements in the future and requested for a lenient view in the matter.

5. Subsequently, the Authorized Representatives, vide a letter of even date, i.e., January 22, 2025, made additional written submissions that the Company was unable to hold the AGM within the extended timeframe due to the incomplete audit of its annual accounts. This delay in completion of audit and finalization of financial statement has resulted from factors such as an outstanding dispute/litigation related to [a Singapore based vendor] issue, the turnover of key personnel, and the rollback of the CRM Project. The circumstances constituted force majeure, as they were beyond the management's control and directly impacted the preparation of the Company's financial statements. Consequently, the audit process was prolonged, preventing the Company from finalizing its financial statements and holding the AGM within the prescribed time.

6. I have gone through the relevant provisions of Section 132(1) of the Act, and considered the facts of the case, the available records, as well as written and verbal submissions of the Authorized Representatives. 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. Accordingly, the Company was required to hold its AGM for the financial year 2023-24 by October 28, 2024 and despite being granted extension till November 27, 2024, it 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. The Appellate Bench of the Commission in the matter of **2017 CLD 839 [Appeal No. 28 of 2013]**, 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..."*

9. Moreover, it is observed that the argument of turnover of key personnel and other limitations doesn't stand any solid ground as the same should have never resulted in a delay in meeting the company's statutory obligations. The Company was obligated to have strong processes, contingency planning and effective mechanism in place to address any such circumstances in order to ensure that the AGM was held within the prescribed timeframe. Understanding in the case can be borrowed from the judicial rationale as developed in the matter of *Pakistan Telecommunication Company Limited v. Wateen Telecom Limited (CLD 2019*

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17
20-03-2025

Lahore 1213): The Lahore High Court held that the failure to maintain a backup system for critical infrastructure was not a force majeure event, but rather a result of the company's own negligence.

10. Another contention put forward by the Authorized Representatives that preparation and audit of the Company's financial statements was not completed/delayed, which resultantly caused a hindrance in holding of its AGM is also not palpable. In the instant matter, guidance can be borrowed from the Ramaiya Guide to the Indian Companies Act, 2013 [18th Edition] while discussing Section 96 of the Indian Companies Act (pari materia to Section 132 of the Act) rightfully observes that "the annual general meeting must be called, whether or not the annual accounts are ready for consideration at the meeting. There is a clear statutory duty on the directors to call the meeting whether or not the accounts the consideration of which is only one of the matters to be dealt with at an annual general meeting are ready or not. Re, El Sombrero Ltd. 1958; 3 All ER 1 at 6 (1958) 28 Comm Cases 619 (Ch D)...".

11. It is also observed that the Company has not held the said AGM till the date of this order. Needless to say, it is a matter of concern that the Respondents have failed to rectify the non-compliance even after lapse of a considerable time.

12. 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 timeline and the extended period, the Respondents have contravened the requirements of Section 132(1) of the Act. However, in light of the fact that it is the first instance of such a violation by the Company and in view of the assurance provided by the Authorized Representatives on behalf of the Respondents regarding their commitment to exercising greater vigilance in adhering to legal requirements in the future, a lenient view is being deemed appropriate. 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 vide S.R.O. 1545(1)/2019 dated December 06, 2019, hereby, impose an aggregate penalty of **Rs.85,000/- (Rupees Eighty Five Thousand only)** in the following manner:

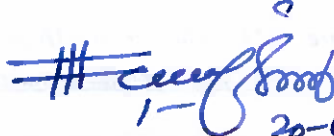
S.No.	Name of Respondents	Amount of the Penalty Rs.
1.	Mr. Ibrahim Shamsi	7,500
2.	Ms. Alia Sajjad	7,500
3.	Mr. Abdul Wahab	7,500
4.	Mr. Muhammad Naeem-ul-Hasnain Mirza	7,500
5.	Mr. Munir Qureshi	7,500
6.	Mr. Muhammad Tariq Rafi	7,500
7.	Mr. Muhammad Yousuf Adil	7,500
8.	Ms. Maham Khalid	7,500
9.	M/s. Siddiqsons Tin Plate Limited	25,000
	Total Amount	85,000/-

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.

13. 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

Handwritten signature and date: 20-03-2025

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.


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Sohail Qadri
Director/ HOD
Adjudication Department

Announced:
March 20, 2025
Islamabad.