

April 18, 2000 SECP holds, in the case of M/s. National Fibres Limited, that a person appointed as Chief Executive of the company by Court on the petition under section 290 ibid; is responsible to run the affairs of the company strictly in accordance with the provisions of the Companies Ordinance.

In the case of M/s. National Fibres Limited, it has been held by the Securities and Exchange Commission of Pakistan that a person appointed as Chief Executive of the company by Court on the petition under section 290 ibid; is responsible to run the affairs of the company strictly in accordance with the provisions of the Companies Ordinance and non-holding of AGM and not laying accounts before the members on the pretext that there is no board of directors, does not absolve the Chief Executive so appointed, of his legal obligations.

In this case, AGMs of the company for the periods ended 30th June 1997, and 30th June 1998 respectively, were not held and the Chief Executive failed to do so even after pointing out the same to him. The plea taken by him that meetings could not be held due to non-existence of board of directors, has not been accepted by the Commission and he has been held responsible for the default. A penalty of Rs. 88,000 has been imposed on the Chief Executive for this default.