



**Before Abid Hussain – Executive Director**

*In the matter of*

**Mirza Sugar Mills Limited**

Number and date of Show Cause Notice: CSD/ARN/467/2017-1858-59 dated November 30, 2018

Dates of Hearing: December 17, 2018, February 28, 2019, March 25, 2019

Authorized Representative: None

**ORDER**

**Under Clause (b) of Section 304 read with Clause (c) and (d) of Section 301 of the Companies Act 2017**

This Order shall dispose of proceedings initiated in the matter of Show Cause Notice dated November 30, 2018 (the "SCN") under Section 301 read with Section 304 of the Companies Act 2017 (the "Act") issued to Mirza Sugar Mills Limited (the "Company") and its board of directors.

2. The facts leading to this case, briefly stated are that the Company was incorporated in Pakistan and its shares are listed on Pakistan Stock Exchange. Principal business of the Company is manufacture and sale of white refined sugar. It was observed that the Company failed to hold two consecutive annual general meetings ("AGM") i.e. for the year ended September 30, 2016 and September 30, 2017, whilst failed to file its annual audited financial statements for aforementioned years and interim financial statements for the quarter ended March 31, 2016 and thereafter with the Commission. Hence, Joint Registrar of Companies, Company Registration Office, Karachi approached the Commission for grant of sanction in terms of clause (b) of section 304 read with clause (c) and (d) of section 301 of the Act to present a petition before the Honorable High Court for winding up of the Company on the grounds that the Company failed to hold its

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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AGM for two consecutive years i.e. for the year 2016 and 2017 and failed to file the annual financial statements for the same years.

3. In this regard, SCN was issued to the Company and its board of directors along with the notice of hearing to be held on December 17, 2018. It was observed that no one appeared on the hearing date. Thereafter hearing was fixed on February 28, 2019, however no one appeared. In order to conclude the proceedings, final hearing opportunity was granted on March 25, 2019, but it is noted that none of the respondent appear on the hearing date.

4. Considering the aforesaid that neither any reply to the SCN is submitted by the Respondents nor any one appeared on the date and time fixed for hearing, it was ensured that SCN was appropriately dispatched to the registered office of the Company i.e. Mirza Sugar Mills SITE, Lowari Sharif, Benazirabad Taluka Kadhan, District Badin Sindh and similarly hearing notices were dispatched accordingly. Furthermore, it is observed that none of the hearing notices and SCN are returned as undelivered.

5. Keeping in view the aforementioned circumstances and especially the non-responsive conduct of the Company and the respondents, I am constrained to conclude the proceedings based on the record available with the Commission. Before proceeding further, it is necessary to advert to the following relevant provisions of Section 301 and 304 of the Companies Act 2017 (the "Act"), which state as under:

- Section 301 of the Act states that:

A company may be wound up by the Court-

(c) if default is made in holding any two consecutive annual general meetings;

(d) if the company has made a default in filing with the registrar its financial statements or annual returns for immediately preceding two consecutive financial years; or

- Section 304 of the Act, states that:

*"An application to the Court for the winding up of a company shall be by petition presented, subject to the provisions of this section, either by the company, or by any creditor or creditors (including any contingent or prospective creditor or creditors), or by any contributory or contributories, or by all or any of the aforesaid parties, together or separately or by the registrar, or by the Commission or by a person authorised by the Commission in that behalf."*



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6. In terms of notification S.R.O 889(I)/2019 dated July 29, 2019, the power to adjudicate cases under Section 304 of the Act has been delegated to Executive Director (Corporate Supervision Department).

7. Before proceeding further, I would like to reiterate here that the company failed to hold its two consecutive AGM i.e. for the year ended September 30, 2016 and September 30, 2017 and failed to file its annual audited financial statements for aforementioned years. Beside this, I have also observed that the company fails to convene its AGM for the year ended September 30, 2018 as well as did not file annual financial statements for the same year. I have also noticed that the Company fails to file its quarterly financial statements and half year financial statements for the periods ended March 31, 2016, June 30, 2016, December 31, 2016, March 31, 2017, June 30, 2017, December 31, 2017, March 31, 2018, June 30, 2018, December 31, 2018, and March 31, 2019. This replicates that the Company is not concerned to comply with the statutory provisions of the Act. The Company in this way has deprived shareholders from their legal right to participate in the affairs of the company, by not holding its overdue AGMs and non-preparation of annual financial statements. This noncompliance has serious repercussions, which resulted in commencement of winding proceedings of the Company.

8. In view of the foregoing, I am of the considered view that the provisions stated above have been attracted and the Company is liable to be wound up. I, therefore, in exercise of the powers conferred on me under Section 304 of the Act hereby authorize the Registrar, Company Registration Office, Karachi to present a petition for winding up of the Company.

**ABID HUSSAIN**

Executive Director  
Corporate Supervision Department

**Announced:**

October 29, 2019

Islamabad

