



Before Ms. Amina Aziz – Director (CSD)

In the matter of

Byco Petroleum Pakistan Limited

Number and date of SCN:

No. CSD/ARN/92/2015-427-39 dated August 11, 2016

ORDER

UNDER SECTION 245 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984

This order shall dispose of the proceedings initiated against the following directors including the chief executive officer (together referred to as “respondents”) of **Byco Petroleum Pakistan Limited** (the “Company”):

1	Mr. Amir Abbasciy	8	Mr. Muhammad Mujtaba Jaffery
2	Mr. Muhammad Mehmood Hussain	9	Mr. Ovais Mansoor Naqvi
3	Mr. Akhtar Hussain Malik	10	Mr. Philip Harris
4	Mr. Syed Arshad Rana	11	Ms. Diana Brush
5	Mr. Muhammad Raza Hasnani	12	Mr. Richard Legrand
6	Mr. Omar Khan Lodhi	13	Mr. Ch. Khaqan Saadullah Khan
7	Mr. Hamid Imtiaz Hanfi		

The proceedings against the respondents were initiated through show cause notice (the “SCN”) dated August 11, 2016 under the provisions of section 245 read with section 476 of the Companies Ordinance, 1984 (the “Ordinance”).

2. The brief facts of the case are that the Company did not file the interim financial statements (“Quarterly Accounts”) for the quarter ended March 31, 2016 with the Commission, before or on April 30, 2016 as per requirements of section 245 of the Ordinance:

Consequently, the SCN was issued to the respondents wherein they were called upon to show cause in writing within fourteen days as to why penal action may not be taken against them under sub-section (3) of section 245 of the Ordinance for not filing the aforesaid Quarterly Accounts with the Commission in a timely manner, as per requirements of the law.

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3. Letter dated 22nd August, 2016 was received in reply to the SCN which stated that the quarterly accounts were timely filed with the Pakistan Stock Exchange however, same could not be filed with the Commission merely due to oversight. The Company also provided copy of the evidence of submission of accounts with the PSX.

4. Before proceeding further, it is necessary to advert to the following relevant provisions of the Ordinance. In terms of sub-section (1) of section 245 of the Ordinance read with Commission's circular no. 9 dated March 19, 2003, all listed companies are, inter alia, required to file their quarterly accounts with the Commission within stipulated time i.e. one month from the close of first and third quarters and two months from the close of second quarter.

Sub-section (3) of section 245, inter alia, provides as under:

(3) If a company fails to comply with any of the requirements of this section, every director, including chief executive and chief accountant of the company who has knowingly by his act or omission been the cause of such default shall be liable to a fine of not exceeding one hundred thousand rupees and to a further fine of one thousand rupees for every day during which the default continues.

In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 245 have been delegated to the Director (Corporate Supervision Department).

5. I have analyzed the facts of the case, relevant provisions of the Ordinance, and submissions made by the respondents. Before deciding upon on matter, manner not only provide to its users a reliable source of information regarding a company's financial position and performance but these also show the results of management's stewardship of resources entrusted to it. In order to ensure transparency, all the companies must meticulously follow the legal requirement for preparing and circulation of interim accounts. In addition to their responsibility of overseeing and managing affairs of the Company, directors also have fiduciary duties towards the I would like to highlight that the requirement to circulate interim accounts was introduced so that the shareholders could have timely access to information about the affairs of companies. Keeping in view the fact that timing of interim financial statements is of essence the disclosure and audit requirements of these accounts have been kept to a bare minimum. Interim financial statements prepared properly and in a timely Company and its shareholders. They are, therefore, liable to a higher level of accountability, which requires them to be vigilant and perform their duties with care and





It is directors' responsibility to oversee the functioning of the company, to keep it appropriately staffed and organized to ensure due compliance of law.

6. It is clear that the Company did not file the previously mentioned Quarterly Accounts in physical form with the Commission; however, those were disseminated to shareholders within the time committed. Therefore, instead of imposing fine, I hereby conclude the proceedings with a warning to the respondents to be careful in future and ensure meticulous compliance with provisions of Section 245 of the Ordinance. I hereby conclude the proceedings without any adverse order and advise the respondent to be careful and ensure meticulous compliance with applicable laws and directions of the Commission.

Amina Aziz
Director (CSD)

Announced:
January 13, 2017
Islamabad

