



Before Ms. Amina Aziz – Director (CSD)

*In the matter of*

**Fatima Enterprises Limited**

Number and date of SCN: No. CSD/ARN/139/2015-2652-58, dated February 07, 2017  
Date of hearing: February 22, 2017, March 21, 2017, March 30, 2017 and April 18, 2107  
Authorized Representative: Mr. Faisal Latif----C.A of the Company  
Mr. M. Shahbaz

**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 **Fatima Enterprises Limited** (the "Company"):

- |   |                            |   |                           |
|---|----------------------------|---|---------------------------|
| 1 | Sh. Nishat Ahmed           | 5 | Mr. Kashif Tafazzul Warsi |
| 2 | Sh. Zafar Iqbal            | 6 | Mr. Muhammad Asif Balouch |
| 3 | Mr. Muhammad Islam         | 7 | Mr. Sarfraz Hasan         |
| 4 | Mr. Mubashir Hasan Hamdani |   |                           |

The proceedings against the respondents were initiated through show cause notice (the "SCN") dated February 07, 2017 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 September 2016 due on October 2016 had not been filed with the Commission.

SECURITIES AND EXCHANGE  
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NIC Building, 63 Jinnah Avenue,  
Islamabad, Pakistan

Consequently, the SCN was issued to the respondents whereof 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.

3. The hearing was fixed for February 22, 2017 but the Company via letter dated February 18, 2017 informed that the Company's AGM for the year ended June 30, 2016 could not be held on time because of which the filing of subsequent accounts was also delayed. The Company had been engaged in litigation with the banks due to which Balance Confirmation Certificates were not issued (which were required for audit) hence, the audit could not be completed on time. The hearings were repeatedly adjourned on the Company's requests and was finally held on April 18, 2017. Mr. Faisal Latif and Mr. M. Shahbaz, the authorized representatives of the Company appeared before the undersigned. They stated that the AGM was held on March 06, 2017 and accordingly the accounts were approved and filed on March 11, 2017. They admitted default and reiterated the submissions made in the written reply but requested to condone the delay and ensured compliance in future.

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:

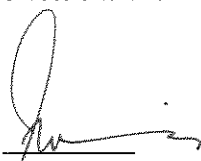
*(3) If a company fails to comply with any of the requirements of this section, every director, including chief executive and chief accountant of the company who has knowingly by his act or omission been the cause of such default shall be liable to a fine of not exceeding one hundred thousand rupees 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 prudence. 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. Therefore, instead of imposing fine, I hereby conclude the proceedings with a stern warning and direct the respondents to be careful in future and ensure meticulous compliance with applicable laws and directions of the Commission.



**Amina Aziz**  
Director (CSD)

**Announced:**  
**May 09, 2017**  
Islamabad

