



Corporate Supervision Department
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Apna Micro Finance Bank Limited

Number and date of SCN: CSD/ARN/182/2015 dated May 26, 2017
Date of Hearing: June 06, 2017
Authorized representatives: Mr. Saleem Sheikh
Mr. Zafar Abbas

ORDER

**UNDER SUB-SECTION (3) OF 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 **Apna Micro Finance Bank Limited** (the "Company"):

- | | | | |
|---|-------------------------------|---|-------------------------|
| 1 | Mr. Muhammad Akram Shahid | 7 | Mr. Shehryr Ahmed |
| 2 | Mr. Qamar-uz-Zaman | 8 | Mr. Syed Rahat Ali Shah |
| | | 9 | Mr. Muhammad Asghar |
| 3 | Mr. Muhammad Azam Cheema | | |
| 4 | Mr. Muhammad Farooq Abid Tung | | |
| 5 | Mr. Imad Muhammad Tahir | | |
| 6 | Mr. Muhammad Saleem Sheikh | | |

The proceedings against the respondents were initiated through show cause notice (the "SCN") dated May 26, 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 as per record, the Company did not file the interim financial statements ("Quarterly Accounts") for the period ended June 30, 2016 in physical form with the Commission, as per requirements of section 245 of the Ordinance

Consequently, the SCN was issued to the respondents whereof they were called upon to show cause in writing 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.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - I -

3. The hearing in the matter was fixed for June 06, 2017 wherein Mr. Saleem Sheikh and Mr. Zafar Abbas appeared on behalf of the Company before the undersigned. They stated that the company has been obediently fulfilling the requirements of law however the accounts of the aforesaid quarter could not be filed due to over sight. Furthermore, that the accounts were filed to PSX on time (the fact has been confirmed from the PSX website). Lastly, they requested for a lenient view and assured timely compliance in future. Written submission in this regard was also review reiterating the same facts.

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).

6. 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



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 2 -

Company and its shareholders. 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.

7. It is clear from the record that the aforesaid Quarterly Accounts were not timely filed to the Commission. However, on the satisfactory compliance history and timely circulation of accounts to stock exchange along with the assurance for strict abidance instead of imposing fine, I hereby conclude the proceedings with a warning and direct the respondents to be careful in future and ensure meticulous compliance with applicable laws and directions of the Commission.

Amjina Aziz
Director (CSD)

Announced:
August 28, 2017
Islamabad

