



Corporate Supervision Department
Company Law Division

Before Mr. Abid Hussain – Executive Director (CSD)

In the matter of

Javed Omer Vohra and Company Limited

Number and date of SCN: CSD/ARN/17/2015-955-59 dated September 20, 2016

Date of Hearing: October 4, 2016 October 25, 2016, November 4, 2016 and December 1, 2016, December 22, 2016 & January 17, 2018.

Present: Mr. Ashfaq Tola , President-FCA Tola Associates Tax and Corporate Advisors
(Authorized Representative)

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 directors including chief executive (together referred to as the "respondents") of Javed Omer Vohra and Company Limited (the "Company"). The proceedings against the respondents were initiated through show cause notice dated September 20, 2016 (the "SCN") issued under the provisions of sub-section (3) 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 (the "Quarterly Accounts") for the following periods in physical form with the Commission, as per requirements of section 245 of the Ordinance:

Quarters	Due On	Filed On
30-Sep-14	31-Oct-14	11-Mar-15
31-Dec-14	28-Feb-14	11-Mar-15
31-Dec-15	29-Feb-16	Not filed
31-Mar-16	30-Apr-16	Not filed

3. Consequently, the SCN was issued to the respondents wherein 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 previously mentioned quarterly accounts.



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4. Hearing in the matter was held on December 1, 2016. Mr. Ashfaq Tola, the Authorized Representative appeared on behalf of the Company before the undersigned and requested for two weeks time for submission of the due accounts owing to the hardships the Company had been facing for the past few years.

5. The matter was re-fixed for hearing on December 22, 2016. The authorized representative appeared and submitted a written reply along with the verbal submissions. He asserted that the accounts had been prepared however the same could not be e-filed due to accessibility issues with e-services of the Commission. The Company also tried to physically file the accounts to the Company Registration Office (*the "CRO"*) through registered post from where they were returned with the directions that the accounts should be filed electronically. The proofs of the correspondence were also provided. The authorized representative was informed that the e-filing in CRO and physical submission of quarterly accounts to the Commission are two separate requirements. They are not inter related. The matter was fixed for hearing on January 17, 2018. The hearing was attended by the authorized representative. The authorized representative submitted the pending accounts and requested for a lenient view with the plea that the non-compliance was not willful but due to the Company's inability to comply with mandatory provisions of law and under the misunderstanding that the accounts shall be e-filed prior to the physical submission of documents to the Commission.

6. 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.



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In terms of the Commission's notification SRO 751(I)/2017 dated August 2, 2017, the powers to adjudicate cases under section 245 have been delegated to the Executive Director (Corporate Supervision Department).

7. I have analyzed the facts of the case, relevant provisions of the Ordinance, and submissions made by the respondents. Before deciding upon on matter 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 quarterly accounts is of essence the disclosure and audit requirements of these accounts have been kept to a bare minimum. Quarterly accounts prepared properly and in a timely 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 quarterly accounts. In addition to their responsibility of overseeing and managing affairs of the Company, directors also have fiduciary duties towards the 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.

8. It is clear that the aforesaid quarterly accounts of the Company were filed with some delay. However, taking into consideration the peculiar circumstances of the Company and submissions of the respondent and that the winding up petition of the Company has already been filed with the Court, I hereby, conclude the proceedings with a warning to the respondents.

ABID HUSSAIN
Executive Director
Corporate Supervision Department

Announced:
April 4, 2018
Islamabad

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