



Corporate Supervision Department
Company Law Division

Before Amina Aziz –Director

In the matter of

Johnsons and Philips (Pakistan) Limited

Number and date of notice: CSD/ARN/33/2015 dated May 09, 2017

Date of Hearing May 30, 2017

Present for Respondents Mr. Minam Karim, authorized representative

ORDER

UNDER SECTION 193 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984

This order shall dispose of the proceedings initiated against following directors including chief executive (together referred to as “respondents”) of **Johnsons and Philips (Pakistan) Limited** (the “Company”) through show cause notice (the “SCN”) dated May 09, 2017, issued under section 193 read with section 476 of the Companies Ordinance, 1984 (the “Ordinance”):

S.#	Names of Directors
1	Mr. Bilal Ahmed Qureshi
2	Mr. Shehryar Saeed
3	Ms. Marium Shafi
4	Mr. Muhammad Tariq Anjum
5	Mr. Muhammad Azhar-ul-Haq
6	Mr. Abid Saeed Khan
7	Mr. Syed Jamshed Zaidi

2. The brief facts of the case are that the review of the directors’ report attached to the annual financial statements (“the account”) of the Company for the year ended June 30, 2016 revealed that only three board meetings were held during the year July 01, 2015 to June 30, 2016. It appeared that the Company prima facie, contravened the provisions of section 193 of the Ordinance, which requires the directors of a public company to meet at least once in a quarter of a year.

3. 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 section 193 of



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the Ordinance for not holding the required number of board meetings as per the requirements of law.

4. The hearing was fixed for May 30, 2017, Mr. Minam Karim appeared on behalf of the Company as its authorized representative and stated that the directors of the Company had fully complied with the requirements of the Ordinance however, due some typographical error the wrong number of meetings held had been quoted. Furthermore, he mentioned that Note 8 of the Statement of Compliance with the Code of Corporate Governance clearly mentions that the directors met at least once in each quarter and no such discrepancy has been reported. The details of the board meetings provided are as follows:

- Quarter from July 01, 2015 to Quarter ended September 30, 2015-board meeting held on August 22, 2015.
- Quarter from October 01, 2015 to ended December 31, 2015-board meeting held of October 10, 2015 and October 31, 2015.
- Quarter from January 01, 2016 to March 31, 2016-board meeting held on February 25, 2016.
- Quarter from April 01, 2016 to June 30, 2016-meeting of board of directors was held on April 23, 2016 and June 06, 2016.

The intimations sent to PSX were also sent as ready reference along with the written reply.

5. Before proceeding further, it is necessary to advert to the following relevant provisions of Ordinance.

Sub-section (2) of section 193 of the Companies Ordinance, 1984 ("Ordinance") provides that *the directors of the Company shall meet at least once in each quarter of the year.*"

Sub-section 3 of section 193 of the Ordinance provides that (3) *If a meeting of directors is conducted in the absence of a quorum specified in sub-section (1), or a meeting of directors is not held as required by sub-section (2), the chairman of the directors or the directors shall be liable-*

- To a fine of not exceeding ten thousand rupees and in case of continuing default to a further fine not exceeding one hundred rupees for every day after the first during which the default continues, if the contravention relates to a listed company; or*
- To a fine not exceeding two thousand rupees and in case of a continuing default to further fine not exceeding fifty rupees for every day after the first during which the default continues, if the contravention relates to a non-listing company."*



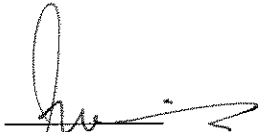
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6. In terms of the Commission's notification SRO 1003(I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 193 of the Ordinance have been delegated to Director (Corporate Supervision Department).

7. I have analyzed the facts of the case, relevant provisions of the Ordinance, and submissions made by the respondents. Therefore, based on evidence produced I hereby, conclude the proceedings without any adverse order.



Anjina Aziz
Director

Announced:
June 30, 2017
Islamabad

