



Securities & Exchange Commission of Pakistan  
Company Law Division  
(Enforcement Department)

[Islamabad]

*Before Rashid Sadiq, Executive Director*

**ORDER**

*In the matter of*

**M/S. Wali Oil Mills Limited**

(Under Sub-section (3) of Section 245 Of the Companies Ordinance, 1984.)

Number and date of notice	EMD/Enf -II/550/2003 dated February 23, 2004
Date of hearing	March 25, 2004
Present	Mr. Muhammad Amin Hashmi, Advocate
Date of Order	April 01, 2004

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This is a case of violation of the provisions of Section 245 of the Companies Ordinance, 1984 (the “Ordinance”) by M/S Wali Oil Mills Limited (the “Company”).

2. The facts leading to this case, briefly stated, are that in terms of the provisions of Section 245 of the Ordinance, the Company was required to prepare and transmit to the members and simultaneously file with the Commission and the Registrar its quarterly accounts for the period ended March 31, 2003 and September 30, 2003 by April 30, 2003 and October 31, 2003 respectively, whereas the Company failed to file these quarterly accounts with the Commission and the Registrar within the prescribed time.

3. Consequently, a notice dated February 23, 2004 was issued to all the directors of the Company including its Chief Executive calling upon them to show



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cause as to why penalty as provided under Sub-section (3) of Section 245 read with Section 476 of the Ordinance may not be imposed on them. In response to the aforesaid show cause notice, the Chief Executive of the Company, requested for an opportunity of hearing. The case was, therefore, fixed on March 25, 2004 on which date Mr. Muhammad Amin Hashmi, Advocate, appeared before me on behalf of all the directors and also submitted a written reply.

4. In the written submissions, Mr. H. Muhammad Bashir, the Chief Executive of the Company, on behalf of all the respondents contended that the quarterly accounts for the quarter ended March 31, 2003 were prepared in time but due to an omission the same could not be filed with the Commission. He further averred that the delay in submission of quarterly accounts for the quarter ended September 30, 2003, occurred because the Commission allowed extension in holding of Annual General Meeting (AGM) and for presentation of annual accounts therein for the year ended on June 30, 2003 up to December 15, 2003. Hence, the delay in finalization of annual accounts for the financial year 2003 resulted in delay in preparation of accounts for the quarter ended September 30, 2003. He submitted that the delay was neither intentional nor willful. He requested for a lenient view in the matter and assured that no such lapse/delay shall occur in future.

5. Considering the circumstances of the case and the submissions of the respondents, I am of the view that the contentions of the respondent do not carry any merit. The track record of the Company with regard to submission of quarterly accounts is also not satisfactory. Therefore, default/delay in submission of quarterly accounts is deliberate and intentional which attracts the provisions of Sub-section (3) of Section 245 of the Ordinance. However, in view of



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management's assurance to comply with the provisions of the law in future, I am, inclined to take a lenient view in the matter and impose a penalty of Rs. 15,000/- for each default on the Chief Executive of the Company only. The other directors are reprimanded to be careful in future. The Chief Executive and Directors are warned that in case of any non-compliance of statutory requirements in future, no lenient view would be taken and maximum penalties would be imposed on the responsible directors including the Chief Executive of the Company.

6. The Chief Executive of the Company is hereby directed to deposit the fine amounting to Rs. 30,000/-(Rupees thirty thousands only) in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with Habib Bank Limited within thirty days from the receipt of this order and furnish receipted challan to the Commission.

**Rashid Sadiq**  
Executive Director (Enforcement)

***Announced:***  
*April 01, 2004*  
**ISLAMABAD**