



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

NICL Building, 63 Jinnah Avenue, Islamabad

Before

Mahboob Ahmad - Additional Director/Head of Wing

In the Matter of

Mandviwalla Mauser Plastic Industries Limited

Number and Date of SCN: CSD/ARN/130/2015-88 dated August 07, 2023

Hearing Date: September 22, 2023

Present: Mr. Abdul Hanan (Authorized Representative)

ORDER

UNDER SECTION 237 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through Show Cause Notice dated August 07, 2023 (the "SCN") issued, under Section 237 of the Companies Act, 2017 (the "Act") read with Section 479 thereof, to the Chief Executive Officer ("CEO"), the directors and the Chief Financial Officer ("CFO") (collectively referred to as the Respondents) of Mandviwalla Mauser Plastic Industries Limited (the "Company").

2. Brief facts of the case are that the Company failed to electronically transmit its quarterly financial statements for the following periods with the Commission within the stipulated time pursuant to Section 237 of the Act read with Circular No. 24 of 2017 (the "Circular"):

Sr. #	Period ended	Filing due on
1	December 31, 2022	March 1, 2023
2	March 31, 2023	April 30, 2023

3. The Respondents, *prima facie*, contravened the provisions of Section 237 of the Act read with the Circular by failing to electronically transmit the aforementioned quarterly financial statements with the Commission within the stipulated time.

4. Consequently, the SCN was issued to the Respondents to show cause in writing as to why penal action may not be taken against them for non-compliance of Section 237 of the Act.



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5. The Respondents vide letter dated August 15, 2023 submitted written response, extracts of which are given below:

- Difficult business and economic situation and shifting of Company record caused delay in transmission of quarterly financial statements for the quarters ended December 31, 2022 and March 31, 2023; and
- Company is now compliant as it has filed the aforesaid quarterly financial statements in July 2023, before issuance of SCN, with the concerned registrar and have also been uploaded on Company website which can be verified online.

6. In order to provide an opportunity of personal representation, a hearing in the matter was fixed for September 22, 2023, wherein Mr. Abdul Hanan appeared on behalf of the Respondents as their authorized representatives (AR). The AR during the hearing reiterated the written submissions made through letter dated August 15, 2023 and *inter alia*, submitted that:

- delay was caused due to shifting of record and the compliance has already been made before initiation of instant proceedings i.e. before issuance of the SCN ;
- timely future compliance will be ensured and requested to condone the delay by taking lenient view.

7. The relevant provisions of the Act stipulate as under:

Sub-section (1) of Section 237 of the Act read with the Commission's Circular No. 24 dated October 19, 2017 entails:

1) Every listed company shall prepare quarterly financial statements within a period of :-

- a) thirty days from the close of first and third quarters of its year of accounts; and
- b) sixty days from the close of its second quarter of its year of accounts.

2) The quarterly financial statements shall be posted on the company's website for the information of its members and also be transmitted electronically to the Commission, securities exchange and with the registrar within the period specified under sub-section (1).

Sub-section (4) of Section 237 read with Section 479 of the Act stipulates that:

If a company fails to comply with any of the requirements of this section, every director, including chief executive and chief financial officer of the company who has by his act or omission been the cause of such default shall be liable to a penalty of level 2 on the standard scale.

8. As regards the matter at hand, I have analyzed the facts of the case, relevant provisions of the Act, records available with the Commission, written reply and verbal submissions by the AR; the aforementioned provisions of the law are unambiguous and explicit. The timing of quarterly financial statements is of essence and the disclosure requirements of these quarterly financial statements have been kept to a bare minimum. Quarterly financial statements prepared and transmitted in a timely manner not only



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provide to its users a reliable source of information regarding a company's financial position and performance but also shows the results of the management's stewardship of resources entrusted to it. It is the responsibility of the Respondents to oversee the functioning of the Company and to ensure due compliance of the law. In this context, Respondents cannot absolve themselves from their statutory duties pertaining to preparation and transmission of quarterly accounts in a timely manner as stipulated under the Act.

9. The preparation and circulation of quarterly financial statements within the statutory timeframes rest with the Respondents. In this context, perusal of Company records reveals that the Respondents failed to electronically transmit the Company's quarterly financial statements for the periods ended December 31, 2022 and March 31, 2023 pursuant to Section 237 of the Act and Circular within the prescribed time and later transmitted the aforesaid quarterly financial statements with a delay of 131 days and 71 days, respectively. Further, the said non-compliance has also been admitted by the AR in its response dated August 15, 2023 and also during the hearing. It is pertinent to note that the Respondents have deprived the shareholders of their statutory right to receive quarterly financial statement of the Company within the prescribed time.

10. In view of the preceding facts, I have come to the conclusion that the afore-said provisions of the Act have been violated at relevant point in time and it render Respondents liable to penal action in terms of Section 237 of the Act as a result of failing to electronically transmit the Company's quarterly financial statements for the periods ended December 31, 2022 and March 31, 2023 with the Commission within the timeframe as stipulated in Section 237 of the Act. However, considering subsequent compliance by the respondents, I, taking a lenient view, in exercise of powers conferred under sub-section (4) of Section 237 of the Act, hereby impose an aggregate penalty of **Rupees one hundred and twenty thousand (PKR 120,000/-)** i.e. Rs. 15,000 apiece on the Respondents, for both of the aforementioned default periods, as tabulated below:

Sr. #	Name of Respondent	Penalty (Rs.)
1	Mr. Abdul Qadir Shiwani - Chairman/ Director	15,000
2	Mr. Azeem H. Mandviwalla - CEO/ Director	15,000
3	Ms. Farha Qureshi - Director	15,000
4	Mr. Shamim Ahmed Khan - Director	15,000
5	Mr. Tariq Mehmood - Director	15,000
6	Mr. Naseer Ahmed - Director	15,000
7	Syed Asghar Ali - Director	15,000
8	Mr. Saquib Ali - CFO	15,000
TOTAL		120,000

11. The aforementioned penalties must be deposited in the designated bank account maintained with MCB Bank Limited or United Bank Limited in the name of the *Securities and Exchange Commission of Pakistan* within thirty (30) days from the receipt of this Order, and duly deposited bank challan shall be furnished to the Commission. In case of non-deposit of the penalties, proceedings for recovery under Section 485 of the Act as arrears of

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land revenue will be initiated. It may also be noted that the penalty has been imposed on the Respondents in their personal capacity; therefore, they are required to pay the said amount from personal resources.

12. Nothing in this Order may be deemed to prejudice the operation of any provisions of the Act providing for imposition of penalties on Respondents in respect of any default, omission or violation thereof.

Mahboob Ahmad

Additional Director/ Head of Wing

Listed Companies, Adjudication Department - I

Announced:

October 26, 2023

Islamabad

27.10.23