



Corporate Supervision Department  
Company Law Division

Before Amina Aziz – Director

*In the matter of*

**Huffaz Seamless Pipe Industries Limited**

Number and date of SCN: CSD/ARN/203/2015-1493-1503 dated November 20, 2015  
Present Mr. Usama Ahmed – Company Secretary

**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 vide show cause notices dated November 20, 2015 issued to chief executive and directors (“respondents”) of Huffaz Seamless Pipe Industries Limited (“Company”) for default made in complying with the provisions of Sub-section (1) of Section 245 read with Section 476 of the Companies Ordinance, 1984 (“Ordinance”).

2. The brief facts of the case are that as per record, the Company failed to file following interim financial statements (“Quarterly Accounts”) for the following periods with the Commission within stipulated time, as per requirements of section 245 of the Ordinance:

Period Ended	Due to be filed on	Filed on
30-Sep-13	31-Oct-13	04-Feb-14
31-Mar-14	30-Apr-14	12-May-14

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 in a timely manner as stipulated by the law.

3. The reply of SCN was submitted by Mr. Usama Ahmed, Company Secretary vide letter dated December 10, 2015 on behalf of all the Respondents. The seriatim reply given by him is given below:

- With respect to delay in filing of quarterly accounts for the period ended September 30, 2013, it is submitted that annual accounts for the year 2013 were approved by the board of directors on December 31, 2013 and annual general meeting for the year was held on January 25, 2014. Thus not later than five days from holding of AGM, board of directors approved quarterly accounts in their meeting held on January 31, 2014 and on same day filed with the Commission.



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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- With respect to quarterly accounts for the period ended March 31, 2014, it is submitted that second quarterly accounts due to some internal technicalities and complexities of company were reached to Commission with delay of 11 days.
- There was no ill motive or mala fide on the part of directors of the Company behind the delay in filing the annual accounts to Commission.
- The respondent undertakes to avoid any such delay in future.

4. In order to provide opportunity of personal hearing; the case was fixed before the undersigned for February 8, 2016. Mr. Usama Ahmed, Company Secretary on behalf of Respondents appeared and maintained the same plea as per written submissions.

5. In terms of the Commission's notification SRO 1003(I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 245 of the Ordinance have been delegated to Director (Corporate Supervision Department).

6. Before proceeding to decide this case, I consider it necessary to highlight the importance of the strict observance of the mandatory requirements of law. The protection of the investors/shareholders is one of the primary objectives of the Ordinance. These are shareholders who provide seed for the capital formation of the Company. It is their lawful right to receive timely, adequate and meaningful information. It is the annual and interim accounts, which provide information to the investors about the affairs of the company. It has unfortunately been noted that the directors of the Company have failed to comply the requirements of law and have not circulated the quarterly accounts to the shareholders nor filed with the Commission within the prescribed time.

7. It is clear from the record that the Company did not file the aforesaid Quarterly Accounts in physical form with the Commission in a timely manner; however, considering the otherwise satisfactory compliance history of filing of accounts with the Commission, instead of imposing fine, I hereby conclude the proceedings with a warning to the respondents to be careful in future and ensure meticulous compliance with provisions of section 245 of the Ordinance.

  
Amyna Aziz  
Director (CSD)

**Announced:**  
February 12, 2016  
Islamabad