



Corporate Supervision Department
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Paramount Spinning Mills Limited

Number and date of SCN: CSD/ARN/191/2015, dated August 3, 2015

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 “respondents”) of **Paramount Spinning Mills Limited** (the “Company”). These proceedings were initiated through show cause notice (the “SCN”) dated August 3, 2015, 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 (“Quarterly Accounts”) for the following periods with the Commission, as per requirements of section 245 of the Ordinance:

Quarter Ended	Due Date	Delay in Filing
31-Mar-14	30-Apr-14	13 days

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. In response to the SCN the respondents vide letter dated August 12, 2015 submitted that the Company placed the soft copy of third quarterly accounts for the period ended on March 31, 2014 on its website on April 30, 2014 and communicated this fact of placement of accounts on its website to all its shareholders through newspapers. Moreover, the Company filed the subject accounts through e-service but insufficiency of funds created minor delay of printing due to which accounts are not filed on timely manner. Subsequently, upon confirmation from the respective companies registration office of the Commission, it transpired that the Company e-filed the aforesaid Quarterly Accounts with the Registrar on May 9, 2014.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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3. In connection with this it is important to note that the applicable legal framework, i.e. section 245 of the Ordinance requires separate filing of Quarterly Accounts with the Commission and the Registrar of Companies. In respect of filing of Quarterly Accounts with the Registrar, e-filing mode has been adopted; however, it does not currently cater for filing of accounts with the Commission. As such, companies are still required to file their quarterly and annual accounts in physical form at the Commission's head office. This fact has been amply clarified by the Commission through a press release dated January 2, 2014.

4. 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, those were placed on Company's website within prescribed time period. Therefore, 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.

Amina Aziz
Director (CSD)

Announced:
September 14, 2015
Islamabad