



Corporate Supervision Department
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Punjab Oil Mills Limited

Number and date of SCN: EMD/233/544/02-1268 dated January 26, 2015
Hearing held on: August 27, 2015
Present: Mr. Izaz Ilahi Malik, Chief Executive of the Company

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 **Punjab Oil Mills Limited** (the "Company"). The proceedings were initiated through show cause notice (the "SCN") dated January 26, 2015, 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 second quarter ended December 31, 2013 with the Commission in a timely manner, as per requirements of section 245 of the Ordinance. The Quarterly Accounts were filed on March 25, 2015 i.e. with a delay of 25 days, instead of the prescribed time period of February 28, 2015. 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.

3. In response to the SCN the respondents vide letter dated February 3, 2015 submitted that they wish to be heard in person to explain their position with regard to delay in filing of the Quarterly Accounts. The hearing in the matter was held on August 27, 2015 before the undersigned. Mr. Izaz Ilahi Malik, the chief executive of the Company appeared on behalf of the respondents and made verbal as well as written submission through a letter dated August 26, 2015. He stated that delay in filing of the Quarterly Accounts had occurred due to transactional phase of implementation of ERP system and it was not willful or intentional. The Company vide



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 1 -

letter dated February 26, 2015 had brought it to the attention of the Commission. He further submitted that despite being a small company, efforts were made to run it in a modern way by implementing the ERP system. He reiterated that it was a one off default and gave assurance for meticulous compliance of law in future while requesting for a lenient view.

4. It is clear from the record that the Company did not file the aforesaid Quarterly Accounts in a timely manner with the Commission and the same were filed with a delay of 25 days. It, however, appears that the Company and its directors are cognizant of their statutory obligation and make concerted efforts to meet the prescribed timelines. This is evident from the filing history of the Company and the fact that the expected delay in filing was communicated to the Commission with positive intent. Therefore, keeping in view the submissions of the respondents and 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 1, 2015
Islamabad