

Before Amir Saleem - Additional Director/Head of Wing (Adjudication-I)

In the matter of Show Cause Notice issued to Clover Pakistan Limited

Date of Hearing:

February 9, 2022

Order - Redacted Version

Order dated April 6, 2022 was passed by Additional Director/Head of Wing (Adjudication-I) in the matter of Clover Pakistan Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated January 24, 2022
2. Name of Company	Clover Pakistan Limited
3. Name of Individual*	The proceedings were initiated against the Board of Directors including the CEO and CFOs (Respondents) of the Company.
4. Nature of Offence	The Company is in contravention of Section 237 read with Section 479 of the Companies Act, 2017 (the Act) read with Circular No. 24 of 2017, vis-à-vis failing to electronically transmit its periodic financials for the periods ended December 31, 2020, March 31, 2021 and September 30, 2021 with the Commission within the statutory timeframes.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have analyzed the facts of the case and the relevant provisions of the Act. In order to ensure transparency, all companies must meticulously adhere to the law for preparation and circulation of interim financial statements. Moreover, the Respondents have fiduciary duties towards the Company and its shareholders while providing information to various stakeholders concerning their performance as to how diligently and ethically they are discharging their fiduciary duties and responsibilities. The preparation and circulation of quarterly accounts rests with the Respondents who are required to take appropriate action within the time stipulated under the law.</p> <p>In this context, I have reviewed Company records which reveal that interim financial statements for periods ended December 31, 2020, March 31, 2021 have been filed with the Commission with an inordinate delay on February 9, 2022, whilst no evidence has been furnished with regard to filing of interim accounts for the period ended September 30, 2021.</p> <p>In view of the preceding facts, I have concluded that the pertinent provisions of the statute have been violated, and Respondents are liable to penal action under Section 237 of the Act as a result of failing to electronically transmit the Company's interim financial statements for the periods ended December 31, 2020, March 31, 2021 and September 30, 2021 with the Commission within the statutory timeframes.</p>
6. Penalty Imposed	Penalty aggregating Rs. 155,000/- imposed on the Respondents for the relevant default periods.
7. Current Status of Order	No Appeal has been filed by the Respondents.

Redacted version issued for placement on website of the Commission.