



## Corporate Supervision Department Company Law Division

Before Abid Hussain – Executive Director

*In the Matter of*

**Abdullah Shah Ghazi Sugar Mills Limited**

Number and date of SCN: CSD/ARN/304/2016-2450-56 dated January 24, 2019  
Date of Hearings: February 7, 2019  
Present: Mr. Saleem Abbas, Company Secretary, Abdullah Shah Ghazi Sugar Mills Limited (Authorized Representative)

### ORDER

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

This Order shall dispose of the proceedings initiated through Show Cause Notice (*the "SCN"*) dated January 24, 2019 under the provisions of section 237 of the Companies Act, 2017 (*the "Act"*) against the following directors including the chief executive officer (*the "Respondents"*) of Abdullah Shah Ghazi Sugar Mills Limited (*the "Company"*):

S.No.	Names of Directors
1	Mr. Muhammad Irshad Butt, Chief Executive
2	Mr. Muhammad Nawaz
3	Mr. Muhammad Rashid Rana
4	Mr. Atif Butt
5	Mr. Muhammad Talib
6	Mr. Yasir Iqbal
7	Mr. Muhammad Dawood

2. Brief facts of the case are that as per record of this office, the Chief Executive and the directors of the Company have, *prima facie*, failed to file the quarterly accounts of the Company for the quarters ended March 31, 2018 and June 30, 2018 with the Commission within the time stipulated in section 237 of the Act.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN  
Corporate Supervision Department  
Company Law Division

Continuation Sheet - 1 -

3. Consequently, the SCN was issued to Respondents to show cause as to why penalty may not be imposed for failing to conform to Section 237 of the Act. Hearing in the matter was scheduled before the undersigned for February 7, 2019. Mr. Saleem Abbas, Company Secretary (the "Authorized Representative") appeared on behalf of the respondents and stated that the interim accounts were filed in December, 2018 with some delay. The delay in submission of quarterly accounts was due to imprisonment and later on due to the death of managing Director of the company. The authorized representative accepted the default and requested for a lenient view in the matter.

4. Before proceeding further, it is necessary to advert to the relevant provisions of the law:

Sub-section (1) and (2) of section 237 of the Act requires;

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) Every listed company shall:—

- a) within one month of the close of first, second and third quarter of its year of account, prepare and transmit to the members and the stock exchange in which the shares of the company are listed a profit and loss account for, and balance-sheet as at the end of that quarter, whether audited or otherwise; and

Sub-section (4) of Section 237 of the Ordinance 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.*

5. In terms of the Commission's Notification S.R.O. 751(I)/2017 dated August 2, 2017, the powers to adjudicate cases under Section 237 of the Act have been delegated to the Executive Director (Corporate Supervision Department).

6. As regards the matter at hand, I have analyzed the facts of the case, relevant provisions of



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN  
Corporate Supervision Department  
Company Law Division

Continuation Sheet - 2 -

the Act, available record and facts presented during the course of the hearing. The Respondents have accepted the non-compliance and have provided assurance to remove it in future. I have come to the conclusion that the pertinent provisions of the law have been violated and deem it appropriate to render Respondents liable to penal action in terms of Section 237 of the Act as a result of failing to submit the quarterly accounts with in the stipulated time. Therefore, in exercise of powers conferred under sub-section (4) of section 237 of the Act, I, while taking a lenient view of the matter, hereby impose a token fine of Rs. 5,000 per quarter on each of the Respondents as per detail below:

S.No.	Board of Directors	Amount in Rupees
1	Mr. Muhammad Irshad Butt, Chief Executive	10,000
2	Mr. Muhammad Nawaz	10,000
3	Mr. Muhammad Rashid Rana	10,000
4	Mr. Atif Butt	10,000
5	Mr. Muhammad Talib	10,000
6	Mr. Yasir Iqbal	10,000
7	Mr. Muhammad Dawood	10,000
	<b>TOTAL</b>	<b>70,000</b>

7. The aforementioned fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the Securities and Exchange Commission of Pakistan within thirty (30) days from the receipt of this Order and receipted bank vouchers must be furnished to the Commission. In case of non-deposit of the fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the fines have been imposed on the Respondent in his personal capacity, therefore; he is required to pay the said amount from personal resources.

**ABID HUSSAIN**  
Executive Director  
Corporate Supervision Department

**Announced:**  
February 13, 2019  
Islamabad

