



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

ORDER	
Name of Company:	Mandviwalla Mauser Plastic Industries Limited
Show Cause Notice No. & Date:	CSD/ARN/535/2018-394 dated September 04, 2024
Date(s) of Hearing(s):	November 29, 2024
Case represented by:	Mr. Abdul Hanan (Authorized Representative)
Provision of law involved:	Section 237 read with Section 479 of the Companies Act, 2017

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through Show Cause Notice No. CSD/ARN/535/2018-394 dated September 04, 2024 (the "SCN") issued under Section 237 of the Companies Act, 2017 (the "Act") read with Section 479 thereof and Circular No.11 dated August 11, 2023 (the "Circular"), against the Board of Directors, Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), hereinafter collectively referred to as (the "Respondents"), of Mandviwalla Mauser Plastic Industries Limited (the "Company").

2. The brief facts of the case are that from the perusal of relevant records of the Commission, it transpired that the Company has filed/transmitted with the Registrar/Commission its Quarterly Financial Statements (QFS) with delays as per the details provided hereunder:

Period Ended	Due Date	Date of Transmission of QFS	Delay (days)
September 30, 2023	October 30, 2023 (Extension Granted till November 29, 2023)	May 03, 2024	156
December 31, 2023	February 29, 2024	May 03, 2024	64
March 31, 2024	April 30, 2024	Sep 03, 2024	126

3. The aforesaid QFS were also not posted on the Company's website within stipulated timeline as required by law, therefore, the Respondents, *prima facie*, contravened the provisions of Section 237 of the Act read with the Circular by filing/electronically transmitting QFS to the Registrar/Commission with the aforementioned delays.

4. The relevant provisions of the Act stipulate as under:

"237. Quarterly financial statements of listed companies. — 1) Every listed company shall prepare quarterly financial statements within a period of :-

- thirty days from the close of first and third quarters of its year of accounts; and
- sixty days from the close of its second quarter of its year of accounts.

2) *The quarterly financial statements shall be posted on the company's website for the information of its members and also be transmitted electronically to the Commission, securities exchange and with the registrar within the period specified under sub-section (1).*

.....
4) *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."*

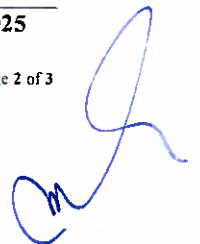
5. Taking cognizance of the matter, a SCN was issued to the Respondents and in response, the Respondents vide letter dated September 11, 2024 filed written response to the SCN, inter alia, stating as under:

- (i) The company remained in huge losses and could not meet the salary demands of the qualified staff, therefore most of the senior employees left the company during the years 2022-2023.
- (ii) The QFS have been prepared and submitted with the Registrar concerned through eServices/eZfile and the PSX.
- (iii) The record has been updated and the QFS have been uploaded on the Company's website.
- (iv) We request the competent authority to kindly condone the delay without any adverse action. We assure the Commission that we are fully committed to adhering to the regulatory compliance and shall remain complaint in future.

6. In order to provide the Respondents an opportunity of personal representation, hearing in the matter was fixed for November 29, 2024, when Mr. Abdul Hanan, appeared as the Authorized Representative of the Respondents (**the "Authorised Representative"**). The Authorised Representative reiterated the submissions made earlier in written response dated September 11, 2024.

7. I have considered the facts of the case based on the relevant provisions of the Act, available record of Company as well as the written and verbal submissions of the Representative. It is imperative to discuss the following elements:

- (i) In terms of Section 237 of the Act, every listed company is required to file/transmit QFS within thirty days from the close of first and third quarters and within sixty days from the close of its second quarter of its year of accounts. QFS are crucial source of information for stakeholders/members. It provides timely insights into a company's financial performance and such information is essential for assessing the company's overall financial health.
- (ii) The provisions of Section 237 of the Act are unambiguous and explicit. In order to ensure transparency, the Company is required to meticulously adhere to the provisions of Section 237 of the Act for timely filing/transmission of QFS. Reliance is placed on the SECP Appellate Bench Order dated March 1, 2023 (Appeal No. 73 of 2022- Gulistan Textile Mills Limited, vs. SECP) it was held that a public listed company has higher responsibility to disseminate true and accurate state of affairs to all the stakeholders in a timely manner



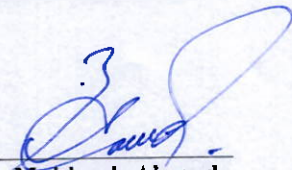
so that they may take appropriate decisions. In view of the aforesaid, it has been observed that the Respondents have contravened the provisions of Section 237 of the Act.

(iii) The reason for filing/transmitting the aforesaid QFS with delays is not cogent/justified and Respondents cannot be absolved from their obligations in the matter.

8. In view of above, I have concluded that the provisions of the Act have been violated and it renders the Respondents liable to penal action in terms of Section 237 (4) of the Act as a result of filing/transmitting the Company's QFS for the above-mentioned periods with a delay in contravention to provisions of Section 237 of the Act. Therefore, in exercise of powers conferred under sub-section (4) of Section 237 of the Act, I hereby impose an aggregate penalty of **Rs. 140,000/- (Rupees One Hundred and Forty Thousand Only)** on the Respondents as follows:

S. No.	Names of the Respondents	Amount of Penalty (Rs.)
1.	Mr. Azeem H Mandviwalla, Chief Executive	20,000
2.	Syed Asghar Ali, Director	20,000
3.	Mr. Abdul Qadir Shiwani, Director	20,000
4.	Mr. Shamim Ahmed Khan, Director	20,000
5.	Mr. Tariq Mehmood, Director	20,000
6.	Mr. Naseer Ahmed, Director	20,000
7.	Mr. Saquib Ali, CFO	20,000
Aggregate Penalty		140,000

9. The Respondents are hereby directed to deposit the aforesaid penalty in the designated Bank Account maintained in the name of the Securities and Exchange Commission of Pakistan with MCB Bank Limited or United Bank Limited within thirty (30) days of the date of this Order and furnish receipted voucher evidencing payment of the same. In case of non-deposit of the penalty, the proceedings for recovery under Section 485 of the Act as arrears of land revenue will be initiated. It may also be noted that the penalty has been imposed on the Respondents in their personal capacity; therefore, they are required to pay the said amount of penalty from their personal resources.



Mahboob Ahmad
Additional Director/ Head of Wing
Listed Companies Wing
Adjudication Department-I

Announced:
January 29, 2025
Islamabad

