



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s. Cordoba Logistics and Ventures Limited
Show Cause Notice No. & Date:	2(370)SMD/Adj-I/2022- 267 dated January 09, 2025
Respondents:	(i) Mr. Danish Elahi, Director; (ii) Mr. Sohail Elahi, Director; (iii) Ms. Anum Raza, Director; (iv) Mr. Zeeshan Afzal, Director; (v) Ms. Maleeha Hamayun Bangash, Director; and (vi) Mr. Misbah Khalil Khan, Director
Date(s) of Hearing(s) Opportunities:	(i) May 13, 2025
Case Represented by:	(i) Mr. Misbah Khalil Khan (Director) (ii) Mr. Masood (Manager Accounts) (iii) Syed Sheheryar Raza Zaidi (Corporate Consultant) (as Authorized Representatives)
Provision of Law Involved:	Section 103 read with Section 106 of the Securities Act, 2015 and Regulation 3(4) of the Reporting and Disclosure (of Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015
Order dated:	May 16 th , 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the “**Commission**”) through the Show Cause Notice No. 2(370)SMD/Adj-I/2022-267 dated January 09, 2025 (“**SCN**”) against the Board of Directors of M/s. Cordoba Logistics and Ventures Limited (the “**Company**”), hereinafter collectively referred to as the “**Respondents**”, under Section 103 read with Section 106 of the Securities Act, 2015 (the “**Act**”) and Regulation 3(4) of the Reporting and Disclosure (of Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015 (the “**Regulations**”).

2. In terms of Section 103 of the Act read with Regulation 3(4) of the Regulations, every director, executive officer and substantial shareholder of a listed company are required to submit to the Commission a statement of their beneficial ownership in the listed equity securities of the company or any other nature of securities on the prescribed Form-5 within seven (7) days of becoming the beneficial owner of a listed company. Any contravention of Section 103 of the Act read with Regulation 3(4) of the Regulations attracts penal provisions contained in Section 106 of the Act. The relevant provisions of the law are reproduced as under:

Section 103 of the Act:

“103 - Notification to the Commission of directors and others’ interest

(1) Every director, executive officer or substantial shareholder of a listed company shall submit to the Commission in the prescribed form -

- (a) a statement of beneficial ownership in the listed equity securities of the company or any other nature of securities as may be prescribed by the Commission;
- (b) the particulars of any change in the interest aforesaid; and

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(c) any change in his position.

(2) The reporting requirement imposed by sub-sections (1) shall be fulfilled before the expiration of a period of seven days beginning with the day on which the requirement first arises."

Regulation 3(4) of the Regulations:

"3 – Reporting of Beneficial ownership in listed equity securities under Section 101 to Section 103 of the Act ...

(4) The directors, executive officers and substantial shareholders of the equity securities in a listed company shall in accordance with section 103 of the Act submit statement of Beneficial ownership in Form 5 and report any subsequent change therein or position to the Commission on Form 6."

Section 106 of the Act:

106. Directive by the Commission. —(1) ...

(2) where any person who contravenes or fails to comply with any provision of sections 101, 102, 103, 104, 105 and 107, the Commission may by order in writing direct,—

(a) in the case of an individual, to pay by way of penalty to the Commission such sum which may extend to five hundred thousand rupees and to a further sum which may extend to one thousand rupees per day for every day during which the default continues;"

3. The brief facts of the case are that the Respondents were appointed on the board of the Company pursuant to EOGM held on March 31, 2024. Therefore, as per the requirement of law mentioned in Section 103 of the Act read with Regulation 3(4) of the Regulations, the Respondents were required to submit form 5 within seven (7) days from the date of their appointment on Board. However, the Respondents submitted Form 5 with delay of 235 days, the details of which are provided as under:

S. No	Name of Directors(s)/CEO	Date of Appointment	Form 5 due date	Form 5 Submission Date	Form 5 Delay
1.	Mr. Danish Elahi	31/03/2024	07/04/2024	28/11/2024	235
2.	Mr. Sohail Elahi	31/03/2024	07/04/2024	28/11/2024	235
3.	Ms. Anum Raza	31/03/2024	07/04/2024	28/11/2024	235
4.	Mr. Zeeshan Afzal	31/03/2024	07/04/2024	28/11/2024	235
5.	Ms. Maleeha Hamayun Bangash	31/03/2024	07/04/2024	28/11/2024	235
6.	Mr. Misbah Khalil Khan	31/03/2024	07/04/2024	28/11/2024	235

4. In order to probe the matter, the Commission vide letter dated November 22, 2024 sought explanation from the Respondents on the aforesaid non-compliance i.e. Forms 5 submission to the Commission, within seven (7) days of becoming the directors of the Company. The Company Secretary vide letter dated November 28, 2024 in response to the Commission's letter submitted Forms 5 albeit with a delay of 235 days. However, the Respondents failed to make timely compliance keeping in view

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the explicit requirement of law under Section 103 of the Act read with Regulation 3(4) of the Regulations.

5. In view of the above, the Respondents, *prima facie*, violated the provisions of Section 103 of the Act read with Regulation and 3(4) of the Regulations, which attract the applicability of penal action in terms of Section 106(2)(a) of the Act.

6. Accordingly, the Commission while taking cognizance of the alleged non-compliance of the law served the SCN upon the Respondents to show the cause in writing as to why a penal action may not be taken against them for non-compliance of the above-mentioned requirements of the law. The Respondents vide letter dated January 21, 2025, *inter alia*, submitted as under:

- i. *The Directors of the Company may not be penalized for failing to submit Form 5 in respect of directors, who have already been elected previously and have merely been re-elected, since the same is not required pursuant to the provisions of Section 103 of the Act read with Regulation 3(4) of the Regulations.*
- ii. *We are cognizant of the fact that subsequently, the Commission through Circular dated April 20, 2022 required declarations under Form 5 to be made even at the time of re-appointment. However, such clarification cannot supersede or add meaning contrary to what the existing provisions of the Act and the Regulations provide.*
- iii. *Without prejudice to the above, we submitted Form 5 soon after the receipt of a letter from the Commission dated November 22, 2024 identifying the non-filing of Forms 5 and proceeded forthwith to file the requisite forms within 6 days.*
- iv. *The delay was neither willful nor deliberate.*
- v. *It is requested to take a lenient view in the matter.*

7. In order to meet the ends of justice and to provide opportunity of being heard to the Respondents, hearing in the matter was fixed for May 13, 2025 on which date Mr. Misbah Khalil (Director), Mr. Masood (Manager Accounts) and Syed Sheheryar Raza Zaidi (Corporate Consultant) appeared as Authorized Representatives (**the Authorized Representatives**) on behalf of the Respondents. During the hearing proceedings, the Authorized Representatives reiterated the arguments as presented in their response to SCN and further submitted that the non-filing was merely due to a lack of clarity on account of re-election of the same directors in this respect and that the Company/ Directors remain compliant with all other statutory filings of the Commission. Lastly, the Authorized Representatives requested to take a lenient view as the delay was inadvertent and not willful.

8. I have gone through the facts of the case and considered the submissions of the Respondents and the Authorized Representatives, both written and verbal, in light of the applicable provisions of the law and observed that the Respondents were required to file their returns of beneficial ownership on Forms 5 with the Commission, within seven (7) days of becoming director of the Company as required under Section 103 of the Act read with regulation 3(4) of the Regulations i.e. by April 07, 2024, without any exception available in the law; which the Respondents failed to do. The argument *cum* understanding put forth by the Authorized Representatives that such filing is not required under Section 103 of the Act read with Regulation 3(4) of the Regulations for re-elected directors is not cogent. The Commission issued clarification on April 20, 2022, which was widely circulated on the internet and also available on the websites of the Commission and PSX. The clarification explicitly states that the

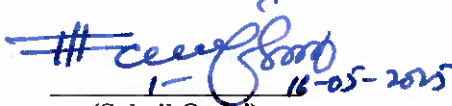
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filing of Form 5 is applicable on every director who is appointed afresh, re-appointed and a nominee director. The duty to file requisite form regarding beneficial ownership is necessary every time when a person becomes a director. The legal framework has not made any distinction for filing of returns between various categories of directors whether appointed afresh or re-appointed. The Respondents have also duly admitted to the delay in filing of Form 5 pursuant to the clarification dated April 20, 2022 which is available on record.

9. In view of the foregoing, the contravention of Section 103 of the Act read with Regulation 3(4) of the Regulations has been established beyond doubt which attracts a penal action in terms of Section 106(2)(a) of the Act. I have also given due attention to the grounds presented by the Authorized Representatives, however, none of the ground justifies the non-adherence with the provisions of law. I, therefore, in terms of powers conferred under Section 106(2)(a) of the Act read with S.R.O.1545(I)/2019 dated December 06, 2019, hereby, impose an aggregate penalty of **Rs.60,000/- (Rupees Sixty Thousand only)** on the Respondents on account of established violation in the following manner:

S. No.	Name of Director(s)	Amount of Penalty Imposed (Rs.)
1.	Mr. Danish Elahi, Director	10,000
2.	Mr. Sohail Elahi, Director	10,000
3.	Ms. Anum Raza, Director	10,000
4.	Mr. Zeeshan Afzal, Director	10,000
5.	Ms. Maleeha Hamayun Bangash, Director	10,000
6.	Mr. Misbah Khalil Khan, Director	10,000
Total		60,000

10. The Respondents are, hereby directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 162 of the Act will be initiated for recovery of the penalty/fines as arrears of land revenue pursuant to provision of Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997.


 16-05-2025
 (Sohail Qadri)
 Director / Head of Department
 Adjudication Department-I

Announced:
 May 16, 2025
Islamabad

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