



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company/Respondent:	M/s. Cordoba Logistics and Ventures Limited
Show Cause Notice No. & Date:	2(370)SMD/Adj-I/2022- 266 dated January 09, 2025
Date(s) of Hearing(s) Opportunities:	May 13, 2025
Case Represented by:	(i) Mr. Misbah Khalil Khan (Director); (ii) Mr. Masood (Manager Accounts); and (iii) Syed Sheheryar Raza Zaidi (Corporate Consultant) (as Authorized Representatives)
Provision of Law Involved:	Section 102(3) read with Section 106 of the Securities Act, 2015 and Regulation 3(3) of the Reporting and Disclosure (of Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015
Order dated:	May 16, 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/2022-266 dated January 09, 2025 (the “SCN”) against M/s. Cordoba Logistics & Ventures Limited, hereinafter referred to as the “Company” or the “Respondent”, under Section 102(3) read with Section 106 of the Securities Act, 2015 (the “Act”) and Regulation 3(3) of the Reporting and Disclosure (of Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015 (the “Regulations”).

2. In terms of Section 102(3) of the Act read with Regulation 3(3) of the Regulations, a listed company is required to notify to the Commission on Form 4, of any matter in consequence of requirement imposed by sub-section (1) of Section 101, within seven (7) days of the receipt of such information on Form 1 from director, executive officer, or substantial shareholder of the listed company showing therein name of director, executive officer or substantial shareholder, date of appointment or acquisition of beneficial ownership and number of shares held by him/her. Any contravention of Section 102(3) of the Act read with Regulation 3(3) of the Regulations attracts penal provisions contained in Section 106 of the Act. The relevant provisions of law are reproduced hereunder:

Section 102(3) of the Act:

“102. Register of directors’ interests notified under section 101.— (3) *Whenever a listed company is notified of any matter in consequence of requirement imposed by sub-section (1) of section 101, the company shall notify it to the Commission, within seven days of the receipt of the information, showing therein name of director, executive officer or shareholder, date of appointment or acquisition of beneficial ownership and number of shares held by him.*

Regulation 3(3) of the Regulations:

“3. Reporting of Beneficial ownership in listed equity securities under section 101 to section 103 of the Act: ...

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(3) The listed company shall notify the Commission in Form 4 whenever such company receives Form 1 from director, executive officer, or substantial shareholder pursuant to the requirement of section 101(1) of the Act."

Section 106 of the Act:

106. Directive by the Commission.— (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,—

(b) in the case of a company, the company and its every director or officer who is knowingly and willfully in default, to pay by way of penalty to the Commission such amount which may extend to five hundred thousand rupees and to a further amount 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 below mentioned individuals were appointed on the board of the Company pursuant to EOGM held on March 31, 2024, and the Company was required to file Form 4 with the Commission within seven (7) days of receipt of information on Form 1 from the respective directors. However, the Company failed to comply with the afore-mentioned provisions of the Act and the Regulations. Detail of the directors and their respective filing along with the delay is provided as under:

S.NO	Name of Director(s)/CEO	Date of Appointment	Form 1	Form 4 due date	Form 4 submission date	Form 4 delay
1	Mr. Danish Elahi	31/03/2024	01/04/2024	08/04/2024	28/11/2024	234
2	Mr. Sohail Elahi	31/03/2024	01/04/2024	08/04/2024	28/11/2024	234
3	Ms. Anum Raza	31/03/2024	01/04/2024	08/04/2024	28/11/2024	234
4	Mr. Zeeshan Afzal	31/03/2024	01/04/2024	08/04/2024	28/11/2024	234
5	Ms. Maleeha Humayun Bangash	31/03/2024	01/04/2024	08/04/2024	28/11/2024	234
6	Mr. Misbah Khalil Khan	31/03/2024	01/04/2024	08/04/2024	28/11/2024	234

4. In order to probe the matter, the Commission vide letter dated November 22, 2024 sought clarification/explanation from the Respondent on the aforesaid non-compliance with the requirements of the Act and the Regulations. The Respondent vide letter dated November 28, 2024 in response to Commission letter submitted Form 4, albeit with delay of 234 days.

5. In view of the above, the Respondent, *prima facie*, violated the provisions of Section 102(3) of the Act read with Regulation 3(3) of the Regulations, which attract the applicability of penal action in terms of Section 106(2)(b) of the Act.

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

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- i. *The Company may not be penalized for failing to submit Form 4 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 102(3) of the Act read with Regulation 3(3) of the Regulations.*
- ii. *We are cognizant of the fact that subsequently, the Commission through Circular dated April 20, 2022 required declarations under Form 4 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 4 soon after the receipt of a letter from the Commission dated November 22, 2024 identifying the non-filing of Form 4 and proceeded forthwith to file the requisite form within 6 days.*
- iv. *The delay was neither willful nor deliberate.*
- v. *It is requested to take a lenient view in the matter.*

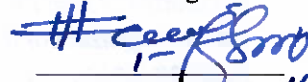
7. In order to meet the ends of justice and to provide opportunity of being heard to the Respondent, hearing in the matter was fixed for May 13, 2025 on which date Mr. Misbah Khalil (Director), Mr. Masood (Manager Accounts) and Syed Sheheryar Raza Zaidi (Corporate Consultant) appeared as Authorized Representatives (**the Authorized Representatives**) on behalf of the Respondent. 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 Respondent and the Authorized Representatives, both written and verbal, in light of the applicable provisions of the law and observed that the Respondent was required to file return of beneficial ownership on Form 4 with the Commission, within seven (7) days of receiving information from the directors on Form 1, as required under Section 102(3) of the Act read with Regulation 3(3) of the Regulations i.e. by April 08, 2024, without any exception available in the law; which the Respondent failed to do. The argument put forth by the Authorized Representatives that such filing is not required under Section 102(3) of the Act read with Regulation 3(3) 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 listed companies are required to file Form 4 in case of every director (fresh/re-appointed/nominee). The legal framework has not made any distinction for filing of returns between various categories of directors whether appointed afresh or re-appointed. The Respondent also duly admitted to the delay in filing of Form 4 pursuant to the clarification dated April 20, 2022 which is available on record.

9. In view of the foregoing, the contravention of Section 102(3) of the Act read with Regulation 3(3) of the Regulations has been established beyond doubt which attracts a penal action in terms of Section 106(2)(b) 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)(b) of the Act read with S.R.O.1545(I)/2019 dated December 06, 2019, hereby, impose a penalty of **Rs.30,000/- (Rupees Thirty Thousand only)** on the Respondent on account of established violation.

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10. The Respondent is, 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.



(Sohail Qadri)

16-05-2025

Director / Head of Department
Adjudication Department-

Announced:

May 16, 2025