



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

(Adjudication Department-II, Adjudication Division)
4th Floor State Life Building No.2, Wallace Road, Karachi.
Website: www.secp.gov.pk

CASE No. CSD/ARN/213/2015-1088-1094

15529/2020

BEFORE THE ADJUDICATING OFFICER

ORDER UNDER SECTION 112 OF THE COMPANIES ACT, 2017 R/W SECTION 135 OF THE COMPANIES ORDINANCE, 1984 & R/W SECTION 479 OF THE COMPANIES ACT, 2017

OLYMPIA

IN THE MATTER OF M/S. OLYMPIA MILLS LIMITED

Present: Asim Jaffery, CFO (Authorized Representative/Officer)

Date of final hearing: 05-01-2021

1. This Order shall dispose of the proceedings initiated under section-135 of the companies Ordinance, 1984 (the repealed ordinance) r/w corresponding Section-112 of the Companies Act, 2017 (The Act), vide Show Cause Notice dated 22-11-2019 [“the Notice”].
2. The facts of the case are that inspection of books of accounts of M/S. OLYMPIA MILLS LIMITED was conducted by SECP under section 231 of the repealed ordinance, vide order dated 17-02-2017. The inspectors of the SECP conducted inspection and it was revealed that the company failed to maintain the register of mortgage and charges in violation of the provisions of section-135 ibid, vide inspection report dated 03 July, 2019.
3. Section-135 of the repealed ordinance provides that every company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company and floating charges on the undertaking or on any property of the company, giving in each case a short description of the property mortgaged or charged the amount of mortgage or charge and except in the case of securities to bearer the name of mortgagees or persons entitled thereto”.
4. Therefore, the violation of the aforesaid provisions of law, renders any person liable to the penalty provided under section 135(2) of the repealed Ordinance r/w corresponding Section-112(3) of the Act.
5. Accordingly, taking cognizance of the matter, a Show Cause Notice dated 22-11-2019 was served to the company and its officers, calling upon them to Show Cause within 15 days from the date of show cause notice, as to why the penalty laid down under the above mentioned section(s) should not be imposed.

6. In response, a reply from the CEO of the company dated 06-12-2019 was received which was examined but not found satisfactory. However, in order to provide adequate opportunity of being heard, several notices/reminders were issued and the final reminder was issued on 18-09-2020. In response, Mr. Asim Jaffery, (A/R) appeared for personal hearing and submitted that the company did maintained the requisite information, however, the same could not be maintained as per the prescribed format provided under the law/regulations. He further stated that the company has now maintained the register of mortgages & charges as per the prescribed format and also furnished the copies as an evidence. On the contrary, the report from the inspectors indicated that the company failed to maintain the requisite register in violation of the law. The A/R has however, failed to provide any concrete evidence in support of his statement that the company did maintained the required information at the time of inspection. Notwithstanding, the company has now made good of the default.
7. The contention of the A/R is not a justifiable excuse, as it shows negligence on the part of management of the company who is responsible to manage, pursue and make sure that all the requirements of law are fulfilled in true letter and spirit. However, keeping in view that the company has now made good of the default and the assurance given by the A/R that the management of the company will ensure proper and timely compliances of statutory requirements in future, I am convinced to take a lenient view. Hence, a lumpsum of **Rs:25,000/=** is hereby imposed.
8. The management of the company is advised to deposit the penalty amount within 30 days from the date of receipt of this order in any designated branches of MCB Bank Limited or UBL Bank and furnish original receipted challan to this office within the above said period positively.
9. A copy of this order be placed on the record/file of the company for future reference and further appropriate action to be taken by the concerned registrar, if any.



(ZIA UL RASHEED ABBASI)
ADJUDICATING OFFICER /
ADDITIONAL REGISTRAR

Dated: 15-01-2021