



Corporate Supervision Department
Company Law Division

Say No To Corruption

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Honda Atlas Limited

Number and date of SCN: No. CSD/ARN/299/2016-3694-3702, dated March 17, 2016

ORDER

**UNDER SUB-SECTION (3) OF SECTION 245 READ WITH SECTION 476 OF THE
COMPANIES ORDINANCE, 1984**

This order shall dispose of the proceedings initiated against directors including chief executive (together referred to as “respondents”) of **Honda Atlas Limited** (the “Company”).

These proceedings against the respondents were initiated through show cause notice (the “SCN”) dated March 17, 2016, issued under the provisions of sub-section (3) of section 245 read with section 476 of the Companies Ordinance, 1984 (the “Ordinance”).

2. The brief facts of the case are that the Company did not file the interim financial statements (“Quarterly Accounts”) for the quarter ended September 30, 2015 and December 31, 2015 with the Commission, in a timely manner as per requirements of section 245 of the Ordinance and which were due on November 30, 2015 and January 31, 2016 respectively. These were filed with the Commission on March 21, 2016. Consequently, the SCN was issued to the respondents whereof they were called upon to show cause in writing as to why penal action may not be taken against them under sub-section (3) of section 245 of the Ordinance for late filing of the aforesaid Quarterly Accounts.

3. The company through its letter dated March 25, 2016 accepted the delay and apologized for the delay. The company informed us that they filed the accounts on March 21, 2016 which was confirmed by the respective registry management and also sent the copies to the Commission. The company stated that due to some logistic issues the aforementioned submissions were inadvertently delayed. The company has also assured that due care and diligence will be exercised in future.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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4. I have analyzed the facts of the case, relevant provisions of the Ordinance, and submissions made by the respondents. Before deciding upon on matter I would like to highlight that the requirement to circulate interim accounts was introduced so that the shareholders could have timely access to information about the affairs of companies. Keeping in view the fact that timing of interim financial statements is of essence the disclosure and audit requirements of these accounts have been kept to a bare minimum. Interim financial statements prepared properly and in a timely manner not only provide to its users a reliable source of information regarding a company's financial position and performance but these also show the results of management's stewardship of resources entrusted to it. In order to ensure transparency, all the companies must meticulously follow the legal requirement for preparing and circulation of interim accounts. In addition to their responsibility of overseeing and managing affairs of the Company, directors also have fiduciary duties towards the Company and its shareholders. They are, therefore, liable to a higher level of accountability which requires them to be vigilant and perform their duties with care and prudence. It is directors' responsibility to oversee the functioning of the company, to keep it appropriately staffed and organized to ensure due compliance of law.

5. It is clear that the Quarterly Accounts of the Company were filed with a considerable delay. However, keeping in view satisfactory compliance history of the Company regarding filing of accounts with the Commission and assurance of future compliance, instead of imposing fine, I hereby conclude the proceedings with a warning to the respondents to be careful in future and ensure meticulous compliance with provisions of section 245 of the Ordinance.

Amina Aziz
Director (CSD)

Announced:
April 11, 2016
Islamabad