



Corporate Supervision Department
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Azmat Textile Mills Limited

Number and date of SCN: CSD/ARN/164/2015-322-23 dated March 31, 2017

Date of Hearing: April 18, 2017, May 03, 2017, September 14, 2017 & October 24, 2017

Authorized representatives: Mr. Asghar Imam Khalid, Khalid Imam and Company, Chartered Accountants
Mr. Riaz Haider, Khalid Imam and Company, Chartered Accountants

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 the following directors including the chief executive officer (together referred to as "respondents") of Azmat Textile Mills Limited (the "Company"):

- 1 Mr. Azmat Hafeez Sheikh
- 2 Mr. Khalid Azmat Sheikh
- 3 Mr. Hamid Azmat Sheikh

The proceedings against the respondents were initiated through show cause notice (the "SCN") dated March 31, 2017 under the provisions of section 245 read with section 476 of the Companies Ordinance, 1984 (the "Ordinance").

2. The brief facts of the case are that as per record, the Company did not file the interim financial statements ("Quarterly Accounts") in physical form with the Commission, as per requirements of section 245 of the Ordinance for the period ended;

Quarter Ended	Due On	Online Filed
31-Dec-15	31-Jan-16	17-Feb-16
31-Mar-16	30-May-16	29-Apr-16
30-Jun-16	31-Jul-16	-
31-Dec-16	31-Jan-17	-



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Consequently, the SCN was issued to the respondents wherein 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 not filing the aforesaid Quarterly Accounts.

3. Mr. Asghar Imam Khalid and Mr. Riaz Haider appeared on behalf of the Company on the hearing held on October 24, 2017. They stated that the Company is dormant since 1993. They submitted that it is bankrupt with no work force hence it is not capable of fulfilling the mandatory requirements of law. Furthermore, the Company has applied for de-listing but due to its issues with PSX including non-payment of fees etc. no development could be made in this regard also.

4. Before proceeding further, it is necessary to advert to the following relevant provisions of the Ordinance. In terms of sub-section (1) of section 245 of the Ordinance read with Commission's circular no. 9 dated March 19, 2003, all listed companies are, inter alia, required to file their quarterly accounts with the Commission within stipulated time i.e. one month from the close of first and third quarters and two months from the close of second quarter.

Sub-section (3) of section 245, inter alia, provides as under:

(3) If a company fails to comply with any of the requirements of this section, every director, including chief executive and chief accountant of the company who has knowingly by his act or omission been the cause of such default shall be liable to a fine of not exceeding one hundred thousand rupees and to a further fine of one thousand rupees for every day during which the default continues.

5. In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 245 have been delegated to the Director (Corporate Supervision Department).

6. It is clear that the aforesaid Quarterly Accounts of the Company have not been timely filed by the Company. The respondents have not given a valid justification for the non-compliance of law. However taking a lenient view and keeping in view the facts above I, hereby impose an aggregate fine of Rs. 60,000 on the respondents for non-filing of accounts for the quarters June-16



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and December-16 contravening the provision of section 245 of the Ordinance. The respondents are directed to deposit the fine in the following manner:

S.#	Names of Directors	Jun-16	Dec-16	Amount in Rs.
1	Mr. Hafeez Azmat Sheikh	10,000	10,000	20,000
2	Mr. Khalid Azmat Sheikh	10,000	10,000	20,000
3	Mr. Hamid Azmat Sheikh	10,000	10,000	20,000
	TOTAL			60,000

The aforesaid fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the "Securities and Exchange Commission of Pakistan" within thirty days from the receipt of this order and receipted bank vouchers must be furnished to the Commission. In case of non-deposit of the fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the aforesaid fines are imposed on the respondents in their personal capacity; therefore, they are required to pay the said amount from personal resources.

Amina Aziz
Director (CSD)

Announced:
December 26, 2017
Islamabad

