

No.19 (835) CF/ISS/2001  
**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**  
(Enforcement & Monitoring Division)  
NIC Building, Jinnah Avenue, Blue Area  
PABX: 9207091-4, Fax No. 9218592,  
Email:secphq@isb.paknet.com.pk

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**ORDER**

**IN THE MATTER OF M/S. FAROOQ HABIB TEXTILE MILLS LIMITED**  
**(IN RESPECT OF SHOW CAUSE NOTICE UNDER SECTION**  
**245 (1) (a) (b) OF THE COMPANIES ORDINANCE, 1984).**

No. & Date of Show Cause Notice	No.19(835)CF/ISS/2001 Dated October 18, 2001
Date of Hearing	December 13, 2001
Appearance of Hearing	None
Date of Order	January 31, 2002

M/s. Farooq Habib Textile Mills Limited (the "Company") was required to prepare and transmit to the members within two months of the close of the first half of its year of account, a profit and loss account and a balance sheet as at the end of that half year under clause (a) of sub-section (1) of section 245 of the Companies Ordinance, 1984. The company was also required to file with the Registrar and the Commission three copies of such profit and loss account and balance sheet simultaneously with the transmission to the members in terms of clause (b) of sub section (1) of Section 245 ibid.

2. The company, however, failed to submit the half yearly profit and loss account and balance sheet for the period ended March 31, 2001 to the Commission within the prescribed time and received in the Commission with a delay of 2 months and 24 days. Accordingly, a show cause notice of even number dated October 18, 2001 was served on the Chairman & Chief Executive and all the Directors of the company calling upon them to show cause in writing as to why penalty as provided in sub section (3) of Section 245 ibid may not be imposed on them for the aforesaid contravention.

3. In response to the said show cause notice Mr. Muhammad Sharif Awan, FCA of M/s. Sarwar Awan & Co., Chartered Accountants vide his letter dated October 26, 2001 for and on behalf of directors of Farooq Habib Textile Mills Limited explained reasons for late submission of said accounts, which were not found cogent and hearing in this case was fixed on November 12, 2001, which was adjourned on the request of the company

as their Advisor Mr. Muhammad Sharif Awan of M/s. Sarwar Awan & Co., Chartered Accountants was out of country and was re-fixed on November 28, 2001, which was again adjourned on the request of the company and was finally fixed on December 13, 2001, but nobody appeared on the date of hearing. The default is, therefore, considered to be willful on the part of the Chairman & Chief Executive and directors of the company. Even the past record of the company relating to submission of half yearly accounts is not satisfactory.

5. In view of the above and taking into consideration all the relevant facts, the default is established. However, taking a lenient view, instead of imposing penalty on each director of the company, I impose a penalty of Rs.25,000/- (Rupees twenty five thousand only) on the Chairman & Chief Executive of the company, namely Mr.Habibullah Khan.

6. Mr.Habibullah Khan, Chairman & Chief Executive of the company is directed to deposit the fine of Rs.25,000/- (Rupees twenty five thousand only) in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with Habib Bank Limited within thirty days from the receipt of this order and furnish the receipted challan to the Commission.

**Abdul Rehman Qureshi**  
**Commissioner (E & M)**

January 31, 2002  
ISLAMABAD

