

Securities and Exchange Commission of Pakistan
Enforcement and Monitoring Division
7th Floor, NIC Building, Jinnah Avenue, Blue Area, Islamabad

IN THE MATTER OF

M/S SUNSHINE COTTON MILLS LIMITED

Name of applicant	Hafiz Ghulam Muhyuddin, Manager Accounts
Date of application	February 1, 2002
Date of order	March 11, 2002

Application for extension in period for holding AGM and laying annual accounts for the year ended September 30, 2001

ORDER

This is an application by M/S Sunshine Cotton Mills Limited (the “Company”) under Sections 158 and 233 of the Companies Ordinance, 1984 (the “Ordinance”) seeking extension of time for three months i.e. up to June 30, 2002 for holding of Annual General Meeting (AGM) and to lay therein balance sheet and profit and loss account of the Company for the year ended September 30, 2001.

2. It has been stated in the application that the AGM cannot be held within the prescribed period due to the following reason:

Quote

“The Securities & Exchange Commission appointed the inspector on Sunshine Cotton Mill for the investigation of affairs under Section 265 of the Companies Ordinance, 1984. All Company’s officers were engaged with the Inspector to complete the investigation. After completing the Inspector’s investigation, we have to prepare annual accounts and also conduct audit for the said year.”

Unquote

3. The aforesaid application was examined in the light of the relevant provisions of the Ordinance and it has been noted that the reasons given by the Company do not appear tenable as there was no bar on the Company to prepare the accounts and hold its AGM within the prescribed period. The directors of the Company should have been more vigilant and careful about the timely preparation of accounts and holding of its AGM. The aforesaid reasons cannot be regarded as “special reasons” and do not justify grant of extension for holding of the AGM. Apart from the above, listed companies are being directed through Stock Exchanges Regulations to hold their AGM within four months of the close of their financial period. Further, in the age of computerization, the listed companies should not have much problem in finalization of their accounts within prescribed time.

4. For the reasons stated above, the aforesaid application of the Company is rejected.

(ABDUL REHMAN QURESHI)
Commissioner

Islamabad

March 11, 2002