

No.19 (896) CF/ISS/96-2001
Securities and Exchange Commission of Pakistan
Enforcement & Monitoring Division
NIC Building, Jinnah Avenue, Blue Area

Order

IN THE MATTER OF M/S. DIAMOND INDUSTRIES LIMITED
(IN RESPECT OF SHOW CAUSE NOTICE UNDER CLAUSE (B) OF SUB-SECTION (1) OF SECTION 245 OF THE COMPANIES ORDINANCE, 1984)

No. & date of show cause notice	No. 19(896)CF/ISS/96-2001 dated April 20, 2001
Date of hearing	May 10, 2001
Appearance of hearing	Mr. Nazir Ahmad, General Manager and Malik Aamir Anwar, Manager
Date of Order	May 16, 2001

M/s. Diamond Industries 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, the profit and loss account and the balance sheet as at the end of that year under clause (b) of Sub-section (1) of Section 245 of the Companies Ordinance, 1984 (the "Ordinance"). 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.

2. The Company failed to file with the Commission, the half yearly profit and loss account and balance sheet (the "half yearly accounts") for the period ended December 31, 2001 within the prescribed time limit and the half yearly accounts were filed with the Commission on March 12, 2001 i.e. with a delay of twelve days. A show cause notice dated April 20, 2001, was served on the Chief Executive and all 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 of the Ordinance may not be imposed on them for the aforesaid contravention."

3. In response to the aforesaid show cause notice, Mr. Waqar A. Shaffi, Chief Executive of the company vide his letter No. DIL/CS/076/14 dated April 25, 2001 explained that half yearly accounts were approved by the Board of Directors of the company in their meeting held on February 27, 2001 and thereafter the same were printed and sent to the Company's Rawalpindi Office for filing with the Commission. However, due to the serious illness of the mother of the concerned official, the half

yearly accounts could not be filed in time. The filing fee was deposited on March 10, 2001 and the half yearly accounts were filed with the Commission on March 12, 2001. In view of the fact that half yearly accounts were approved by the Board of Directors of the company only a day before the last date of filing i.e. February 28, 2001 and there was little time left for printing and transmission to the members, the reasons given by the Chief Executive for delay in submission of half yearly accounts were found unsatisfactory. In order to provide an opportunity of being heard, a hearing in this case was fixed on May 10, 2001. Mr. Nazir Ahmad, General Manager and Malik Aamir Anwar, Manager of the company appeared on behalf of the Chief Executive and directors of the company and, submitted a written reply containing the same reasons for delay in filing of half yearly accounts as were submitted by the Chief Executive in his reply to the show cause notice. They admitted the default and also requested for taking a lenient view of the default. They also assured that the Company will strictly comply with the provisions of Section 245 in future.

4. Keeping in view the above stated facts, the default is established which attracts the provisions of Sub-section (3) of Section 245 of the Ordinance. However, instead of imposing a fine of Rs. 100,000 on every director including Chief Executive of the company, I take a lenient view and impose a penalty of Rs.10,000/- (Rupees ten thousand only) on the Chief Executive of the company under Sub-section (3) of Section 245 read with Section 476 of the Ordinance

5. Mr. Waqar A. Shaffi, Chief Executive of the company is directed to deposit the fine amounting to Rs 10,000/- (Rupees ten 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.

RASHIDSADIQ
(Executive Director)

Announced
May 16, 2001
ISLAMABAD