



Securities & Exchange Commission of Pakistan  
*Enforcement and Monitoring Division*

[Islamabad]

*Before Rashid Sadiq, Executive Director*

## Order

*In the Matter of*

**M/S ADIL POLYPROPYLENE PRODUCTS LIMITED**

(Under Sub-section (3) of Section 245 of the Companies Ordinance, 1984)

Number and date of notice	EMD/233/298/2002-5376-5382 dated June 12, 2002
Date of hearing	December 02, 2002
Present	No one appeared
Date of Order	June 27, 2003

This order shall dispose of the proceedings initiated against M/s Adil Polypropylene Products Limited (the “Company”) for failure to prepare and transmit the half yearly accounts of the Company for the period ended December 31, 2001.

2. The facts leading to this case, briefly stated, are that the Company was required to prepare and transmit to its members, the Registrar and the Commission half yearly accounts for the period ended December 31, 2001 by February 28, 2002 as required under Clause (a) of Sub-Section (1) of Section 245 of the Companies Ordinance, 1984 (the “Ordinance”). However, the Company failed to transmit the half yearly accounts to its members and to file the same with the Commission within the prescribed time period. These accounts were, however, filed on June 20,



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2002 with a delay of 112 days. The failure of the Company to comply with the aforesaid requirement necessitated action in terms of the relevant provisions of law.

3. A notice dated June 12, 2002 was, therefore, issued to the directors including the Chief Executive 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.

4. The reply to the notice was received vide letter dated June 25, 2002. In order to provide an opportunity of personal hearing, the case was fixed on December 02, 2002, on which date no one appeared. In the circumstances, I proceed to decide this case on the basis of facts and information as per record.

5. In the written submission, it was contended that the reason for delay in dispatch of the half yearly accounts was lack of staff as the Company was dormant since last twenty-two months. It was further contended that the Chief Executive of the Company was out of Pakistan. It was also requested that the default be condoned. I have given due consideration to these arguments. However, the same do not justify non-circulation and filing of half yearly accounts. It is responsibility of the directors to prepare and circulate accounts within prescribed time. All the matters / arrangements should be timely resolved so that the shareholders might not be deprived of their right to receive timely information about the affairs of the Company. The arguments of the Company for non-circulation of half yearly accounts are, therefore, not sustainable. It has also been noticed that the Company was also penalized in the past for similar defaults and instead of ensuring compliance to this statutory requirement, the directors have once again contravened the mandatory provisions of the Ordinance which indicates their total disregard of



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the statutory requirements and lack of interest in the affairs of the Company. Besides they have failed to appear before me on the date of hearing, which indicates that they have nothing to argue. I am, therefore, constrained to believe that the default is willful and deliberate.

6. In view of the foregoing, an action is necessary against the Chief Executive and the directors. However, as the Company has submitted the accounts, I am inclined to take a lenient view of the default and impose a token fine of Rs.25,000/- (Rupees twenty thousand only) on the Chief Executive of the Company only instead of imposing fine on all the director, which is prescribed at Rs. 1,000 per day per person for the default period of 112 days.

7. The Chief Executive of the Company is directed to deposit the fine in the bank account of Securities and Exchange Commission of Pakistan with Habib Bank Limited within thirty days from the date of this Order and furnish receipted challan to the Securities and Exchange Commission of Pakistan

***RASHID SADIQ***

Executive Director (Enforcement & Monitoring)

**Announced**  
June 27, 2003  
ISLAMABAD