



Securities & Exchange Commission of Pakistan
Enforcement and Monitoring Division

[Islamabad]

Before Rashid Sadiq, Executive Director

Order

In the Matter of

M/S APOLLO TEXTILE MILLS LIMITED

(Under Sub-section (2) of Section 246 of the Companies Ordinance, 1984)

Number and date of notice	EMD/233/86/2002-1289-95 August 29, 2002
Date of hearing	May 20, 2003
Present	Mr. S. Hammad Raza
Date of Order	June 27, 2003

This is a case of violation of the provisions of Section 246 of the Companies Ordinance, 1984 (the “Ordinance”), by M/s Apollo Textile Mills Limited (the “Company”).

2. The facts leading to this case, briefly stated, are that all listed companies, through SRO No.764 (I) 2001 dated November 05, 2001, were required to prepare and transmit to its members, stock exchanges, Registrar and the Commission their quarterly accounts within one month of the close of relevant quarter of their year of accounts. Accordingly, the Company was required to prepare and transmit its quarterly accounts for the third quarter for the period ended June 30, 2002 by July 31, 2002 to its members, stock exchanges, Registrar and the Commission. The Company failed to submit the said accounts within the stipulated time. The



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quarterly accounts were submitted with a delay of 113 days on November 21, 2002. The failure of the Company to comply with the aforesaid requirement necessitated action in terms of the relevant provisions of law.

3. Consequently, a notice dated August 29, 2002 was issued to the Company, its directors and Chief Executive to show cause in writing as to why fine as provided in Sub-section (2) of Section 246 of the Ordinance may not be imposed. The Company did not respond to the aforesaid show cause notice. In order to provide an opportunity of hearing, the case was fixed on November 07, 2002, which was adjourned and re-fixed on April 30, 2003. The Company requested to adjourn this date by 15 days, which was accepted and the case was fixed for hearing on May 20, 2003 on which date, Mr. S. Hammad Raza appeared on behalf of the Company and its Chief Executive and argued the case.

4. In the submissions made at the time of the hearing, the delay in submission of quarterly accounts was attributed to the fact the company was in the process of commissioning its new accounting software. The Company has now submitted its quarterly accounts for the period ended June 30, 2002 on November 21, 2003 i.e. with a delay of 113 days. Mr. S. Hammad Raza was reminded that the company has been fined previously under Section 245 for default in filing half yearly accounts. He pleaded that lenient view be taken and default may be condoned on the assurance of future compliance.

5. I have given careful consideration to the submissions advanced for failure to prepare and transmit the quarterly accounts within the mandatory time period, however, the same does not justify the delay in preparation and transmission of accounts. The history of the Company with regard to compliance of the statutory requirements is not satisfactory either and the Chief Executive of the Company has



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been penalized for default under Section 245 for non-filing of Half Yearly accounts in the past. It is apparent that the Company its Chief Executive and directors of the company have willfully and deliberately committed the default in preparation, circulation and filing of quarterly accounts, which is established from the record.

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 for the default period of 113 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