



Securities and Exchange Commission of Pakistan
(Enforcement & Monitoring Division)

[Islamabad]

Before Rashid Sadiq, Executive Director

Order

In the matter of

M/s. Pakistan PVC Limited

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

Number and date of notice	No.EMD/233/501/2002-4421-28 January 09, 2003
Date of hearing	May 05, 2003
Present	No one appeared
Date of Order	June 27, 2003

This Order shall dispose of the proceedings initiated against M/s. Pakistan PVC Limited (hereinafter referred to as the “Company”) and its directors including the Chief Executive for failure to comply with the provisions of Section 246 of the Companies Ordinance, 1984 (the “Ordinance”).

2. The facts relevant for the disposal of this case, briefly stated, are that the Company under the SRO No.764 (I) 2001 dated November 05, 2001, was required to prepare and transmit its quarterly accounts for the period ended June 30, 2002 (4th quarter) and September 30, 2002 (1st quarter) by July 31, 2002 and October 31, 2002 respectively to its shareholders, stock exchanges, registrar and the Commission. The failure of the Company to comply with the aforesaid mandatory requirement necessitated action in terms of the relevant provisions of law. Accordingly, a notice dated January 09, 2003 was issued to the Company, its Chief Executive and directors 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.



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3. The response to the aforesaid Show Cause Notice was received on February 10, 2003 through letter dated February 07, 2003. Mr. Reyaz Shaffi, Chief Executive of the Company submitted that due to delay in finalization of the annual accounts for the year ended June 30, 2002 by September 30, 2002 i.e. within three months, the quarterly accounts could not be prepared in time. The quarterly accounts (1st quarter) for the period ended September 30, 2002 have now been prepared and circulated to the shareholders and the same were filed with the Commission on February 10, 2003. It was also requested to condone the delay.

4. In order to give an opportunity to the Company and its directors for personal hearing, the case was fixed on May 05, 2003. However, no one appeared on behalf of the Company or its directors in these proceedings. In the circumstances, I proceed to decide this case on the basis of the submissions contained in reply to the show cause notice and the material available on record. The plea taken by the company for not preparing and filing quarterly accounts is not acceptable as the company had neither transmitted annual accounts for the year ended June 30, 2002 by September 30, 2002 i.e. within three months, to avail exemption from filing/circulation of accounts for the 4th quarter nor it had filed/circulated accounts for the 4th quarter. The annual accounts were, however, transmitted on December 10, 2002 with a delay of 2 months and 10 days. The Company also failed to file/circulate the accounts for the 1st quarter ended September 30, 2002 within the prescribed time and the same were received in the Commission on February 10, 2003 involving an extraordinary delay of 3 months and 10 days and that also after issuance of show cause notice by the Commission on January 09, 2003. The defaults, therefore, stand established. Moreover, the



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past record of the company with regard to the compliance of this statutory requirement is unsatisfactory. The default, therefore, is deliberate and willful.

5. 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 five 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.

6. 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