



Securities & Exchange Commission of Pakistan  
*Enforcement and Monitoring Division*  
NIC Building, Jinnah Avenue, Blue Area, Islamabad

*Before M. Zafar-ul-Haq Hijazi, Commissioner (E &M)*

*In the matter of*  
**M/S SYED MATCH COMPANY LIMITED**

No. and date of show cause notice  
under Section 246 (for non-filing of quarterly  
accounts for the periods ended 30.06.2002 & 30.09.2002)

EMD/233/610/2002/3960-3966  
December 22, 2002

Date of hearing

July 30, 2003

Present

No one appeared

## Order

This Order shall dispose of the proceedings initiated against M/S Syed Match Company Limited (hereinafter referred to as the “Company”) and its directors for default made in complying with the provisions of Sub-section (1) of Section 246 of the Companies Ordinance, 1984 (the “Ordinance”).

2. The underlying facts of this case briefly stated are that the Company was required to prepare and transmit to the members and simultaneously file with the Commission quarterly accounts for the quarters ended June 30, 2002 and September 30, 2002 on or before July 31, 2002 and October 31, 2002 in which it failed. Consequently, a show cause notice dated December 30, 2002 was issued to the Company, its Chief Executive and directors

calling upon them to show cause in writing as to why penalties as provided under Sub-section (2) of Section 246 of the Ordinance may not be imposed upon them for the aforesaid contraventions.

3. In reply to the aforesaid show cause notice, Mr. Said Karim, Managing Director of the Company submitted that the Company re-opened/re-started its operations in June 2002, after a lapse of more than two years, which resultantly lead to failure of the Company in preparation and transmission of quarterly accounts. He also submitted that annual accounts for the year ended June 30, 2002, after strenuous efforts, have already been prepared and filed with the Commission and as soon as record is completed the quarterly accounts would also be prepared and filed. He requested a sympathetic view in the matter and requested to condone the default as a special case. The reply of the Company was not found satisfactory, therefore, in order to give amply opportunity of hearing to the directors, the case was fixed a number of times, the final date being July 29, 2003. On the date of hearing no one appeared to defend the case.

4. I have given due consideration to the submissions of the managing director, however, none of them in my view are tenable. The Company failed to comply with the requirements of preparation and submission of quarterly accounts. It appears that the directors have no respect to these mandatory provisions of law, which is also strengthened from the fact that the Company's past record is also unsatisfactory and the Company and its management has been penalized for non-holding of AGM and non-preparation of half yearly accounts in the past.

5. Taking into account all the relevant facts and circumstances of this case and the past record of the Company, I feel that the default under Section 246 was intentional and willful. However, keeping in view that the management filed accounts for the quarter ended September 30, 2002 on February 17, 2003 with a delay of three months and seventeen days, I am inclined to take a lenient view and impose a fine of Rs. 5,450/- for default in filing of quarterly accounts for the quarter ended September 30, 2002 @ Rs. 50/- per day for a period of 109 days, instead of imposing maximum fine of Rs. 1,000/- per day, on the following directors and the Chief Executive of the company:

| <i>S #</i> | <i>Name</i>                            | <i>Default u/s 246<br/>30.09.2002<br/>Rupees</i> |
|------------|--|--|
| 1.         | <i>Mr. Said Karim, Chief Executive</i> | 5,450  |
| 2.         | <i>Mr. Niaz Muhammad, Director</i>     | 5,450  |
| 3.         | <i>Mr. Muhammad Rafiq, Director</i>    | 5,450  |
| 4.         | <i>Mrs. Shaheen Abid, Director</i>     | 5,450  |
| 5.         | <i>Mr. Khyber Khan, Director</i>       | 5,450  |
| 6.         | <i>Mr. Muhammad Saleem, Director</i>   | 5,450  |
|            | <b><i>Total</i></b>                    | <b>32,700</b>                                    |

However, taking a lenient view, the default for the fourth quarter ended June 30, 2002 has been condoned since the requirement of fourth quarterly accounts was done away through the Companies (Amendment) Ordinance, 2002. It is hoped that the management will react positively to the lenient view and ensure the compliance of the statutory provisions of the law in future.

6. The Chief Executive and the directors of the company are directed to deposit the fine imposed upon them 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.

**M. Zafar-ul-Haq Hijazi**  
Commissioner (Enf)

August 07, 2003  
**ISLAMABAD**