

Securities and Exchange Commission of Pakistan
Enforcement and Monitoring Division
NIC Building, Jinnah Avenue, Islamabad

IN THE MATTER OF

M/S MUSLIM GHEE MILLS LIMITED

(IN RESPECT OF SHOW CAUSE NOTICE UNDER CLAUSE (B) OF SUB SECTION (1) OF SECTION 245 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984.

No. & Date of Show Cause Notice	19(721) CF/ISS/92-2001 Dated May 02, 2001
Date of Hearing	June 18, 2001
Appearance	Mr. Muhammad Amin Hashmi, Advocate

ORDER

The facts of this case are that M/S. Muslim Ghee Mills 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 (the “half yearly accounts”) as at the end of that year under clause (a) of Sub-Section (1) of Section 245 of the Companies Ordinance (the “Ordinance”). The Company was also required to file with the Registrar and the Commission three copies of such half yearly accounts and balance sheet simultaneously with the transmission to the members.

2. The Company failed to transmit the half yearly accounts for the period ended December 31, 2000 to the members and files the same with the Commission within the prescribed time. The half yearly accounts were received in the Commission on March 19, 2001 with a delay of 19 days. A show cause notice dated May 09, 2001 was, therefore, served on the Company, its directors including Chief Executive of the Company calling upon them to “ show cause in writing within 14 days of the receipt of this notice as to why penalty as provided in Sub-section (3) of Section 245 of the Ordinance may not be imposed for the aforesaid contravention.”

3. In response to the afore-said show cause notice, a letter dated May 16, 2001 was received from the Chief Executive of the Company stating that the half yearly accounts were dispatched on March 04, 2001 through registered post. He also requested to condone the default.

4. In order to give an opportunity of being heard, the case was fixed for hearing on *June 18, 2001*. On the date of hearing, Mr. Muhammad Amin Hashmi, Advocate appeared on behalf of the Company and repeated the same arguments. He informed that the Company was lying closed for the last five years. He requested for a lenient view of the default.

5. The management of the Company is responsible for the timely preparation, circulation and filing of half yearly accounts. The reasons stated for the default are unsatisfactory and, therefore, are not sustainable. The directors should have made a serious attempt for preparation, circulation and filing of half yearly accounts within prescribed time.

6. In view of the above discussion and taking into consideration all the relevant facts, the default is considered willful, which attracts the provisions of Sub-section (3) of Section 245 of the Ordinance. However, on the assurance that the Company would comply with its statutory obligations in future within prescribed time, I hereby impose a token fine of **Rs. 2,500/-** (Rupees two thousand five hundred) only on the Chief Executive of the Company under Sub-section (3) of Section 245 of the Ordinance read with Section 476 of the Ordinance.

7. The Chief Executive of the Company is directed to deposit the fine amounting to Rs. 2,500/- (rupees two thousand five hundred) in the designated bank account of Securities and Exchange Commission of Pakistan, maintained with Habib Bank Limited within 30 days of the date of this Order and furnish a receipted challan to the Securities and Exchange Commission of Pakistan.

Announced
October 8, 2001
ISLAMABAD

RASHID SADIQ
Executive Director (Enforcement & Monitoring)