

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

IN THE MATTER OF
M/S PAKISTAN HOUSE INTERNATIONAL 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. and date of show cause notice	No.19 (996) CF/ISS/96/2001 dated April 11, 2001
Date of final hearing	June 12, 2001
Present	Mr. Raisul Hassan, Company legal advisor and Mr. Qaisar Alam, Company Secretary

ORDER

The facts leading to this case are that M/S. Pakistan House International 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 its members.

2. The Company failed to transmit the half yearly accounts for the period ended December 31, 2000 to the members and file the same with the Commission within the prescribed time. A show cause notice dated May 08, 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, the Company Secretary vide his letter dated May 19, 2001 stated that:

- The half yearly accounts were prepared and published within the period prescribed under Section 245 of the Ordinance.
- The half yearly accounts were transmitted to the shareholders and Karachi Stock Exchange within time.
- That the person responsible for dispatch of accounts left the office on receipt of information of some tragedy in his family and could not see that the copies of accounts were not dispatched to the Commission.
- That the Chief Executive, directors and the Secretary were not aware of the default till the receipt of the show-cause notice and action is being taken against the person responsible for the default.
- That the Company in the past had regularly dispatched the accounts to the Commission.

4. In order to give an opportunity of being heard, the case was fixed for hearing on June 12, 2001 on which date Mr. Raisul Hassan, Legal Advisor and Mr. Qaisar Alam, Company Secretary appeared on behalf of the Company. They repeated the same arguments as were already covered in the reply to the show-cause notice. They, however, admitted the default and requested to condone the delay.

4. The management of the Company is responsible for the timely preparation, circulation and filing of half yearly accounts. The directors should have made a serious attempt for preparation, circulation and filing of half yearly accounts within prescribed time.

5. 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 take a lenient view of the default and, instead of imposing a fine of Rs.100,000/- on every director including the Chief Executive of the Company, hereby impose a fine of **Rs.5,000/-**

(Rupees five thousand) on the Chief Executive of the Company under Sub-section (3) of Section 245 of the Ordinance read with Section 476 of the Ordinance.

6. The Chief Executive of the Company is directed to deposit the fine 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.

RASHID SADIQ

*Executive Director (Enforcement &
Monitoring)*

Announced
October11, 2001
ISLAMABAD