



Securities and Exchange Commission of Pakistan
Enforcement and Monitoring Division

[Islamabad]

Before Rashid Sadiq, Executive Director

In the matter of
M/S ALTERN ENERGY LIMITED

Number and date of notice	EMD/233/390/2002 September 20, 2002
Date of hearing	October 07, 2002
Present	Mr. Anjum Perveiz Company Secretary

Order

This is a case of violation of the provisions of Section 246 of the Companies Ordinance, 1984 (the “Ordinance”) which pertains to the preparation and transmission of quarterly accounts by listed companies.

02. Through SRO No.764 (I) 2001 dated November 05, 2001, the listed companies were required to prepare and transmit to its members, stock exchanges registrars and the commission their quarterly accounts within one month of the close of relevant quarter of their year of accounts. Accordingly, M/S Altern Energy Limited, a listed company (the “Company”) was required to prepare and transmit its quarterly accounts for the period ended March 31, 2002 by April 30, 2002 to its shareholders, stock exchanges, registrar and the Commission. The failure of the Company to comply with the aforesaid requirement necessitated action in terms of the aforesaid provisions of law.



Securities and Exchange Commission of Pakistan
Enforcement and Monitoring Division

03. Consequently, a notice dated September 20, 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 (1) of Section 246 of the Ordinance may not be imposed. The response of the Company and its directors was received through letter dated September 27, 2002 signed by Mr. Anjum Pervez, Company Secretary. In order to provide an opportunity of hearing, the case was fixed on October 07, 2002 on which date, Mr. Anjum Pervez, Company Secretary appeared before me and argued the case. He did not file any written submissions on the date of hearing.

04. In the written submissions as well as verbal arguments at the time of hearing, it was argued that the quarterly accounts could not be filed due to a confusion created by a letter of Karachi Stock Exchange (the "KSE"), which stated that the effective date of quarterly financial reporting was from accounting period ending on or after June 30, 2002. It was also submitted that the Company, its directors and Chief Executive were not aware of SRO No.764 (I)/2001 dated November 05, 2001 by which the requirements of quarterly accounts were made to be effective from the quarter ending on or after December 31, 2001. He admitted that ignorance of law was not an excuse, however, a lenient view was pleaded with assurance that the quarterly accounts for the quarter ended March 31, 2002 would be filed soon. The quarterly accounts were subsequently filed with the Commission on October 14, 2002 as undertaken by the Company Secretary at the time of hearing.

05 I have considered the arguments of the Company and have also examined the KSE letter myself. The only requirement of the Code of Corporate Governance (contained in KSE letter) is that the quarterly accounts should be published and circulated along with directors' review on the affairs of the Company for the



Securities and Exchange Commission of Pakistan
Enforcement and Monitoring Division

relevant quarter. This essentially is a different requirement. SRO No.764 (1)/2001 dated November 05, 2001 specifically requires all the listed companies to prepare and transmit quarterly accounts within one month after close of 1st and 3rd quarter of their year of accounts. This requirement was effective for the quarterly accounts for the period ended on or after December 31, 2001. All the listed companies were duly intimated of this requirement. Moreover, this was also published through press releases in all major daily newspapers and was also available on the Commission's website. This was also widely discussed in the business and legal circles. It am, therefore, not convinced with the contention of the learned Counsel that the directors and Chief Executive of the Company were not aware of the requirements of the aforesaid SRO. The Company and its directors have admitted the default and have provided assurance for timely compliance of this requirement in future.

06. In view of the above discussion and the fact that the Company has promptly acted on receipt of show cause notice and circulated the quarterly accounts, I take a lenient view of the default and impose a token fine of Rs.25,000/- only on the Chief Executive of the Company under Sub-section (1) of Section 246 of the Ordinance read with section 476 of the Ordinance instead of imposing maximum fine of Rs. 1,000/- for each day of default on the Company and every officer of the Company. As this is the first default of the Company in transmitting the quarterly accounts, the other directors of the Company are issued a warning to be careful in future and ensure the compliance of this requirement within prescribed time. The Commission expects that the Company, its directors and Chief Executive would positively react and ensure the compliance of law in future.

07. Mr. Habib Rehman Khan, Chief Executive of the Company, is directed to deposit the fine amounting to Rs.25,000 (Rupees twenty five thousands only) in



Securities and Exchange Commission of Pakistan
Enforcement and Monitoring Division

the designated bank account maintained in the name 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
November 04, 2002
ISLAMABAD