



**Securities & Exchange Commission of Pakistan**  
*Enforcement and Monitoring Division*

[Islamabad]

**Before Rashid Sadiq, Executive Director**

*In the matter of*  
**M/S MUSLIM GHEE MILLS LIMITED**

Number and date of notice	EMD/233/542/2002/2059-2066 dated September 23, 2002
Date of hearing	November 08, 2002
Present	Mr. Fiaz-ur-Rehman Director

## **Order**

This order shall dispose of the proceedings initiated against M/S Muslim Ghee Mills Limited for failure to prepare and transmit quarterly accounts for the quarter ended March 31, 2002.

2. The facts of the case are very simple. M/S Muslim Ghee Mills Limited (the “Company”) was required to prepare and transmit to the members within one month of the close of the third quarter of its year of account, the profit and loss account and the balance sheet as at the end of that quarter under SRO No. 764(I)/2001 dated November 05, 2001 issued under Sub-section (I) of Section



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246 of the Companies Ordinance, 1984 (the “Ordinance”). The Company was also required to file with the Registrar and the Commission three copies of such profit and loss account and balance sheet simultaneously with the transmission to the members.

3. The Company failed to submit the quarterly accounts for which a notice dated September 23, 2002 was served on the Company, Chief Executive and directors of the Company calling upon them to show cause as to why fine as provided under Sub-section (2) of Section 246 of the Ordinance may not be imposed for the aforesaid contravention.

4. In response to the aforesaid show cause notice, Mr. Imran Malik, Chief Executive of the Company vide his letter dated October 5, 2002 stated that the Company was not aware of the requirements of SRO No. 764(I)/2001 therefore, the quarterly accounts could not be prepared within stipulated time. The quarterly accounts for the period ended March 31, 2002 were, however, filed with the reply. It was assured that the Company would be careful in future while complying with this legal requirement. In order to provide an opportunity of hearing, the case was fixed on November 08, 2002 on which date, Mr. Fiaz-ur-Rehman, Director appeared on behalf of the Company and pleaded the case. He repeated the same arguments as were advanced by Chief Executive in the reply to the Show Cause Notice. He requested for a lenient view of the default in view of considering the fact that the Company was lying closed for more than six years.

5. I have considered the arguments of the Company for not preparing and transmitting the quarterly accounts for the period ended March 31, 2002. SRO



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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 is 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. I am, therefore, not convinced with the contention 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.

6. 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 reprimanded to be careful in future and ensure the compliance of this requirement within prescribed time.

7. Mr. Imran Malik, Chief Executive of the Company, is directed to deposit the fine amounting to Rs.25,000 (Rupees twenty five thousands only) 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



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date of this Order and furnish receipted challan to the Securities and Exchange Commission of Pakistan.

*Announced*  
**December 26, 2002**  
**ISLAMABAD**

***Rashid Sadiq***  
Executive Director (Enforcement & Monitoring)