



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 Pak Fibre Industries LIMITED**

No. and date of show cause notice under Section 158 (for non-holding of AGM for the year ended 30.06.02)	EMD/233/313/2002/5659-66 April 04, 2003
No. and date of show cause notice under Section 245 (for non-filing of accounts for the quarter ended 31.12.02)	EMD/233/313/2002/5674-80 April 04, 2003
No. and date of show cause notice under Section 246 (for non-filing of accounts for the quarters ended 31.03.02, 30.06.02 & 30.09.02)	EMD/233/313/2002/5681-88 April 04, 2003
Date of hearing	August 13, 2003
Present	No one appeared.

## Order

This Order shall dispose of the proceedings initiated against M/S Pak Fibre Industries Limited (hereinafter referred to as the “Company”) and its directors for default made in complying with the provisions of Sub-section (1) of Section 158, Sub-section (1) of Section 245 and 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 transmit to the members and simultaneously file with the Commission quarterly accounts for the quarters ended March 31, 2002, June 30, 2002, September 30, 2002 and

December 31, 2002 and was further required to hold annual general meeting (AGM) on or before December 31, 2002 for the financial year ended June 30, 2002 in which it failed. Therefore three show cause notices of even number dated April 04, 2003 were issued to the Company, Chief Executive and its directors calling upon them to show cause in writing as to why penalty as provided under Sub-section (4) of Section 158, Sub-section (3) of Section 245 and Sub-section (2) of Section 246 of the Ordinance may not be imposed upon them for the aforesaid contravention. The notices addressed to Mr. Sikandar, Director and Mr. Muhammad Iqbal, Director were received back undelivered with remarks that addressee has left the house and the address is incomplete respectively.

3. The company or any of the respondents failed to file any reply even after the lapse of reasonable time therefore, in order to give an opportunity of personal hearing the case was fixed for July 28, 2003, notices of which were sent to all the directors. The notices addressed to Mr. A. Wahid, Director and Mr. Sikandar, Director could only be delivered and all the other notices were received back undelivered with remarks that the addresses are incomplete. On the date of hearing no one appeared. In order to give an other opportunity of personal hearing, the case was again fixed for August 13, 2003, and on date of hearing again no one appeared instead a letter dated August 06, 2003 was received on the Company's letterhead with out mentioning name of the person sending it. In the letter it was stated that the respondents are unable to attend the hearing due to financial position of the Company and it was also requested to fix the hearing in Karachi.

4. The respondents were given due time for clarification and to rebut the allegations imposed upon them but they have opted to stay away from proceedings and have neither filed any reply to the show cause notice, nor appeared before me on the date of hearing. Therefore, in the absence of any arguments that can provide sufficient evidence that default was either not committed or unintentional, I am constrained to believe that respondents have committed defaults and that was all knowingly and intentionally. This apprehension is further strengthened from the fact that the Company has never filed its quarterly accounts since the very implementation of this requirement, moreover the management of the Company have been subjected to proceedings under Section 234 &

245 of the Ordinance. Taking a lenient view once again, I impose fine of Rs. 10,000/- on Chief Executive of the company i.e. Mr. Maqsood Habib for default under Section 158 instead of imposing maximum fine of Rs. 20,000/- and further fine for continuous default @ Rs. 2,000/- per day. For default under Section 245, I impose upon Mr. Maqsood Habib a fine of Rs. 10,000/- instead of imposing maximum fine of Rs. 100,000/- and further fine for continuous default @ Rs. 1,000/- per day. For the default under Section 246 of the Ordinance, I impose upon Mr. Maqsood Habib fines of Rs. 11,350/- and Rs 6,750/- @ Rs 25/- per day for each day of default for a period of 454 days and 270 days for the quarters ended March 31, 2002 and September 30, 2002 respectively. Other directors of the company are condoned taking a lenient view and are issued strict warning for ensuring the compliance of all the provisions of law especially circulation and filing of quarterly accounts in future. However, as the requirement of preparation of fourth quarterly accounts was done away through the implementation of Companies (Amendment) Ordinance, 2002 therefore, taking a lenient view, default for the quarter ended June 30, 2002 has been condoned.

5. The Chief Executive of the company is directed to deposit the fine imposed upon him, i.e. Rs. 38,100/- 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 receipt of this order and furnish the receipted challan to the Commission.

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

AUGUST 19, 2003  
ISLAMABAD