

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
(Enforcement & Monitoring Division)

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No. 19(624)CF/ISS/2001

Fax & Courier
August 22, 2001

The Chief Executive
M/S Brothers Textile Mills Limited
135-Upper Mall
Lahore.

Subject: NOTICE UNDER SUB-SECTION (1) OF SECTION 472 OF THE
COMPANIES ORDINANCE, 1984.

WHEREAS, the annual accounts of M/S Brothers Textile Mills Limited (the "Company") for the year ended September 30, 2000 revealed that the company has provided a cross corporate guarantee amounting to Rs 40 million to Bank Al-Falah Limited (the "bank") on behalf of Brothers Engineering (Private) Limited, four directors of which are also directors of the company.

2. AND WHEREAS, the aforesaid cross corporate guarantee provided by the Company to the bank violated the provisions of Clause (c) of Sub-section (1) of Section 195 of the Companies Ordinance, 1984 (the "Ordinance")

3. AND WHEREAS, during the course of hearing held on July 20, 2001, Mr. Mahmood Ahmed Querashi, General Manager Finance of the company appearing on behalf of the company, admitted the default and agreed to rectify the same in accordance with the direction of the Commission.

NOW THEREFORE, in terms of Sub-Section (1) of Section 472 of the Ordinance, you are hereby called upon to undo the aforesaid irregularity within thirty days of the date of this notice.

In case of non-compliance, the Commission would be constrained to take action in terms of provision of Section 495 of the Companies Ordinance, 1984.

The receipt of this notice shall be acknowledged within ten days of the date of this notice.

This notice is being issued without prejudice to any other provisions under which action may be taken in respect of the default as aforesaid.

(RASHID SADIQ)
(Executive Director)