



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Enforcement Department

[Islamabad]

Before Rashid Sadiq, Executive Director

Order

In the matter of

M/S. Pakistan PVC Limited

(Under Sub-section (3) of Section 245 of the Companies Ordinance, 1984.)

Number and date of notice	EMD/Enf -II/506/2003 dated February 23, 2004
Date of hearing	April 15, 2004
Present	No one appeared
Date of Order	April 19, 2004

This is a case of violation of the provisions of Section 245 of the Companies Ordinance, 1984 (the “Ordinance”) by M/s Pakistan PVC Limited (the “Company”).

2. The facts leading to this case, briefly stated, are that in terms of the provisions of Section 245 of the Ordinance, the Company was required to prepare and transmit to the members and simultaneously file with the Registrar and the Commission its quarterly accounts for the 2nd quarter ended on December 31, 2002 and 1st quarter ended on September 30, 2003 by February 29, 2003 and October 31, 2003 respectively. The Company failed to file the accounts for the quarter ended on December 31, 2002, whereas accounts for the quarter ended on September 30, 2003 were filed late by 45 days. The failure of the Company to comply with the aforesaid requirements necessitated action against the responsible directors in terms of Sub-section (3) of Section 245 of the Ordinance.



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Enforcement Department

3. Consequently, a show cause notice dated February 23, 2004 was served on all the directors including the Chief Executive of the Company calling upon them to show cause as to why penalties as provided under Sub-section (3) of Section 245 read with Section 476 of the Ordinance may not be imposed on them. No response was received from the directors of the Company to the aforesaid notice.

4. In order to give an opportunity of personal hearing, the case was fixed on April 15, 2004. However, no one appeared on the date of hearing to plead the case. In the circumstances, I proceed to decide this case on its merits.

5. It is the duty of the directors of the Company to ensure compliance with all the statutory requirements. Accordingly, the directors of the company are responsible for timely preparation and submission of quarterly accounts to its members and file the same with the Registrar and the Commission within prescribed time. Since the respondents have failed to furnish any justification for defaults, therefore, the same are considered willful and intentional. Moreover, the Company has also defaulted in submission of quarterly accounts in the past for which penalties were imposed on the Chief Executive of the Company.

6. In view of the above, the defaults under Section 245 are considered willful and deliberate, however, I take a lenient view and instead of imposing the maximum fine of Rs. 100,000 on every director and a further fine of Rs. 1,000 per day for the continuous default, I impose a penalty of Rs. 10,000 (Rupees ten thousand only) for each default under Sub-section (3) of Section 245 read with Section 476 of the Ordinance on the Chief Executive and directors of the Company. The detail of the penalties imposed are as follows: -



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Enforcement Department

Name	Penalty (Rupees)		
	Section 245 31-12-2002	Section 245 30-09-2003	Total Rupees
Mr. Reyaz Shaffi, Chief Executive	10,000	10,000	20,000
Mr. Asif Shaffi, Director	10,000	10,000	20,000
Mr. Anwar Khan, Director	10,000	10,000	20,000
Mr. Arif Shaffi, Director	10,000	10,000	20,000
Ms. Naila Shaffi, Director	10,000	10,000	20,000
Mr. Mahmood-ur-Rehman, Director	10,000	10,000	20,000
Mr. Aftab Sheikh, Director	10,000	10,000	20,000
Total	70,000	70,000	140,000

7. The Chief Executive and directors of M/s. Pakistan PVC Limited are hereby directed to deposit the aforesaid fine aggregating to Rs. 140,000/- (Rupees one hundred and forty thousand 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 receipted challans to the Commission.

Rashid Sadiq
Executive Director (Enforcement)

Announced:
April 19, 2004
ISLAMABAD