



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Enforcement Department

[Islamabad]

Before Ejaz Ishaq Khan, Executive Director

Order

In the matter of

M/s. UDL Industries Limited

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

Number and date of notice	EMD/Enf-II /616/2004 dated April 12, 2004
Date of hearing	July 28, 2004
Present	Mr. Ghulam Mustafa M/s. Avais Hyder Zaman Rizwani Chartered Accountants
Date of Order	August 03, 2004

This is a case of violation of the provisions of Section 245 of the Companies Ordinance, 1984 (the “Ordinance”) by M/s. UDL Industries 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 read with Circular No. 9 of 2003, the Company was required to prepare and transmit to the members and simultaneously file with the Commission its quarterly accounts for the 2nd quarter ended December 31, 2003 by February 29, 2004, whereas the aforesaid accounts were filed with the Commission on March 22, 2004 i.e. with a delay of 22 days. Consequently, a notice dated April 12, 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.



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Enforcement Department

3. In response to the aforesaid notice, one of the directors of the Company vide his letter dated April 19, 2004 submitted on behalf of all the directors that the delay in submission of quarterly accounts occurred due to oversight of clerical staff. He expressed his regrets for delay and requested for condonation stating that the company has ceased its operations since 1997 and is dormant with no activity. He further informed that Mr. Ghulam Mustafa has been authorized to attend the legal proceedings on behalf of all the directors. In order to provide an opportunity of hearing, the matter was initially fixed on May 06, 2004, on which date no one appeared and instead a letter was received intimating that the authorized representative has met an accident and, therefore, is unable to attend the hearing. Finally, the matter was fixed for hearing on July 28, 2004, on which date Mr. Ghulam Mustafa, Manager, M/s. Avais Hyder Zaman Rizwani, Chartered Accountants, appeared before me to argue the case. He, while admitting the default, requested for condonation. He assured that no such delay will occur in future.

4. Although the default is admitted, yet, in view of the assurance given by the Authorized Representative for timely compliance in future and the fact that the accounts for the subsequent quarter ended March 31, 2004 have been filed within the prescribed time, I 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, impose fines under Sub-section (3) of Section 245 of the Ordinance on the Chief Executive and the directors of the Company as under:-

	Name	Penalty (Rupees)
1.	Mr. Tahir Khaliq, Chief Executive	1,000
2.	Mr. Nasir Abdullah, Director	1,000
3.	Mr. Ahsan Khaliq, Director	1,000
4.	Mr. Muhammad Yahya, Director	1,000
5.	Ms. Yasmeen Aslam, Director	1,000
6.	Ms. Fauzia Tahir, Director	1,000
7.	Mr. Khalid Abdullah, Director	1,000
	Total	7,000



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Enforcement Department

5. The Chief Executive and directors of the Company are hereby directed to deposit the aforesaid fines 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, failing which proceedings for recovery of the fines as arrears of land revenue will be initiated. It should also be noted that the said penalties are imposed on the Chief Executive and the directors in their personal capacity and they are required to pay the said amounts from their personal resources.

Ejaz Ishaq Khan
Executive Director

Announced:
August 03, 2004
ISLAMABAD