



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Company Law Division
(Enforcement Department)

Before Abdul Rehman Qureshi, Commissioner (CLD)

In the matter of

M/S. HAMID TEXTILE MILLS LIMITED

Date of hearing	October 08, 2003
Present	i) Mr. Zahid Latif, Corporate Secretary ii) Mr. Zahid Hussain, Chief Financial Officer

ORDER

This Order shall dispose of the proceedings initiated against M/s. Hamid Textile Mills Limited (hereinafter referred to as the "Company"), its chief executive and directors for the failure to file quarterly accounts for the period ended June 30, 2003 as required under Sub-section (1) of Section 245 of the Companies Ordinance, 1984 (the "Ordinance").

2. The brief facts of the case are that the Company, as provided under Sub-section (1) of Section 245 of the Ordinance, was required to prepare and transmit to the members and simultaneously to submit to the Commission quarterly accounts for the period ended on June 30, 2003 on or before July 31, 2003, but its management failed to comply with this legal requirement. The Company was, therefore, asked vide this Commission's letter dated August 12, 2003 to clarify position with regard to compliance of the said provisions of law but no reply was received from the Company. Consequently, a show cause notice dated September 01, 2003 was issued to the Chief Executive and directors of the Company calling upon them to show cause in writing as to why penalty as provided under Sub-section (3) of Section 245 read with Section 476 of the Ordinance may not be imposed upon them for the aforesaid default.

3. In reply to the aforesaid show cause notice, the Chief Executive of the Company requested for an opportunity of hearing. In order to provide the said opportunity, the matter was fixed for hearing on October 08, 2003. On the aforesaid date Mr. Zahid Latif, Corporate Secretary and Mr. Zahid Hussain, Chief Financial Officer appeared on behalf



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of Chief Executive and directors of the Company. They produced the requisite power of Attorney issued by the directors in their favour. During the hearing, the representatives of the company contended that the quarterly accounts could not be prepared and transmitted to the Commission, as the Company was not in a position to hold its annual general meeting for the year ended September 30, 2002. As a result, the corresponding figures to be incorporated in the quarterly accounts were not available.

4. I have given careful consideration to the arguments advanced by the Company's representatives and the grounds mentioned by them appear to be convincing.

5. In view of the above, I taking a lenient view of the default impose a token fine of Rs.20,000/- (Rupees twenty thousand only) on the Chief Executive of the Company. The other directors of the company are reprimanded to be careful in future.

6. Sardar Mohammad Omar, Chief Executive of the company is hereby directed to deposit the fine imposed upon him 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.

(Abdul Rehman Qureshi)
Commissioner (C.L.D)

December 02, 2003
ISLAMABAD