



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Company Law Division
(Enforcement Department)

Before Abdul Rehman Qureshi, Commissioner (CLD)

In the matter of
M/S. Harum Textiles Mills Limited

(Formerly Nayab Spinning & Weaving Mills Ltd.)

Date of hearing

December 10, 2003

Present

Mr. Abdus Sattar, Financial Consultant

ORDER

This Order shall dispose of the proceedings initiated against the Chief Executive and directors of M/s. Harum Textiles Mills Limited (hereinafter referred to as the "Company") for default made in complying with the provisions of Sub-section (1) of Section 245 of the Companies Ordinance, 1984 (the "Ordinance").

2. The Company was required to prepare and transmit to the members and simultaneously file with the Commission quarterly accounts for the quarter ended on June 30, 2003 latest by July 31, 2003, which it filed with a delay of two months and six days. Therefore, a notice dated September 01, 2003 was issued to the Chief Executive and directors calling upon them to show cause as to why penalty as provided under Sub-section (3) of Section 245 read with Section 476 of the Ordinance may not be imposed for the aforesaid contravention.

3. In reply to the show cause notice Mr. Saeed ul Hassan, of United Consultants (Pvt) Ltd, vide his letter dated September 22, 2003 intimated that he will plead the case on behalf of the directors of the Company and in this regard also submitted power of attorney in his favor. He also requested to give some time to file written arguments. As no response was

received, the case was fixed for hearing on October 15, 2003, which was adjourned to October 29, 2003 on the request of the authorized consultants. The consultant again requested for some time and as such the case was fixed for December 02, 2003. However, a letter was received from the Chief Executive of the Company on December 02, 2003 intimating to the Commission that Mr. Saeed ul Hassan is no more their representative and requested for adjournment of the case for a week. The case was finally fixed for hearing on December 10, 2003. On the said date, Mr. Abdus Sattar, Financial Consultant and authorized representative appeared on behalf of all the accused directors and submitted that due to financial crisis, the said accounts could not be prepared and circulated in time. He however, produced a courier receipt evidencing that the said accounts were sent to Karachi Stock Exchange on October 04, 2003. He while admitting the default requested for a lenient view.

4. I have given due consideration to the case. Although there is admitted delay yet the accounts have now been submitted to the shareholders, the Commission and the Karachi Stock Exchange. I, therefore, taking a lenient view, impose a fine of Rs. 20,000/- (Rs. Twenty thousands only) on the Chief Executive of the Company only. The other directors of the Company are warned to be careful in future.

5. The Chief Executive of the Company is hereby directed to deposit the fine amounting to Rs. 20,000/- (Rupees Twenty Thousands 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 to furnish receipted challan to the Commission.

(Abdul Rehman Qureshi)
Commissioner (CLD)

December 17, 2003
ISLAMABAD