



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*Company Law Division*  
(Enforcement Department)

*Before Abdul Rehman Oureshi, Commissioner (C.L.D)*

*In the matter of*  
*M/s. Pakistan Telephone Cables Limited*

Date of hearing

March 10, 2004

Present

Mr. Muhammad Ishaq Ahmed

Chief Financial Officer/Company Secretary

## ORDER

This Order shall dispose of the proceedings initiated against the directors of M/s. Pakistan Telephone Cables 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 1<sup>st</sup> quarter ended September 30, 2003 by October 31, 2003, which were filed with the Commission on January 06, 2004 i.e. with a delay of 67 days. A notice dated February 23, 2004 was therefore served on the Chief Executive and its directors calling upon them to state as to why penalty as provided under Sub-section (3) of Section 245 read with Section 476 of the Ordinance may not be imposed on them for the aforesaid contravention.

3. In response to the aforesaid notice, Mr. Muhammad Ishaq Ahmed, Chief Financial Officer/Company Secretary, on behalf of all the respondents vide his letter dated March 08, 2004 submitted that the delay occurred as the company was allowed an extension of time in holding of its Annual General Meeting and for filing of its annual accounts for the year ended on June 30, 2003 upto December 23, 2003 by the Commission. It was further submitted that illness of accountant and engagement of the management in arranging the AGM on December 23, 2003 also contributed to the said delay. He also submitted that the Company filed the said quarterly accounts with the Commission within 14 days after the confirmation of the AGM held on 23-12-2003. He requested a sympathetic view in the matter and also desired to appear for hearing on March 10, 2004 to explain the case personally.

4. Mr. Muhammad Ishaq Ahmed, Chief Financial Officer/Company Secretary accordingly appeared before me on March 10, 2004 and besides advancing the same arguments as were earlier submitted by him in his written reply averred that another reason for late submission of these accounts was delay in finalization of the annual accounts for the year ended on June 30, 2003, because the opening balances in the quarterly accounts were required to be taken from the said annual accounts.

5. I have given due consideration to the submissions of the respondents and found that the arguments advanced do by them do not justify late-submission of quarterly accounts in question. The delay in finalization of the annual accounts is not a justifiable excuse for delaying the circulation and filing of quarterly accounts, which is a separate mandatory requirement under Section 245 of the Ordinance. Further, the plea of illness of accountant and engagement of the management in arranging the AGM matters is also not convincing. Accordingly, the default is considered deliberate and intentional, which attracts the penal provisions of Sub-section (3) of Section 245 of the Ordinance. However, keeping in view the satisfactory track record of the Company with regard to filing of interim accounts in the past, I, taking a lenient view of the matter impose a fine of Rs.25, 000/- (Rupees twenty five thousand only) instead of imposing the maximum fine of Rs. 100,000/- on the Chief

Executive of the Company only. The other directors of the Company are reprimanded to be careful in future.

6. The Chief Executive of the Company is hereby directed to deposit the fine amounting to Rs.25, 000/- (Rupees twenty five 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 to furnish receipted challan to the Commission.

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

**March 11, 2004**  
**ISLAMABAD**