Securities and Exchange Commission of Pakistan Enforcement and Monitoring Division 7th Floor, NIC Building, Jinnah Avenue, Blue Area, Islamabad.

Nov 23, 2001

Before Rashid Sadiq, Executive Director In the matter of

M/S. SOUVENIR TOBACCO COMPANY LIMITED

Number and date of show cause notice No.19(171)CF/ISS/2001

dated September 27, 2001

Date of hearings October 04, 2001

Appearance of Hearing:

Mr. Qaiser Mufti Qaiser Mufti Associates

ORDER UNDER SECTION 245 (1) (a) (b) OF THE COMPANIES ORDINANCE, 1984).

M/s. Souvenir Tobacco Company Limited (the "Company") was required to prepare and transmit to the members within two months of the close of the first half of its year of account, a profit and loss account and a balance sheet as at the end of that half year under clause (a) of sub-section (1) of section 245 of the Companies Ordinance, 1984. The company was also required to file with the Registrar and the Commission three copies of such profit and loss account and balance sheet simultaneously with the transmission to the members in terms of clause (b) of sub section (1) of Section 245 ibid.

2. The company, however, failed to submit the half yearly profit and loss account and balance sheet for the period ended 31-12-2000 to the Commission within the prescribed time and accordingly a show cause notice of even number dated September 27, 2001 was served on the Chairman and all the Directors of the company calling upon them to show

cause in person as to why penalty as provided in sub section (3) of Section 245 <u>ibid</u> may not be imposed on them for the aforesaid contravention.

- 3. Mr. Qaiser Mufti of M/s Qaiser Mufti Associates appeared before the undersigned on October 4, 2001 on behalf of the company and it's directors and explained reasons for non-submission of these accounts, which were not found cogent.
- 4. Since the representative of the company failed to justify the delay, the default is considered to be willful on the part of the directors. Even the past record of the company relating to submission of half yearly accounts is not satisfactory.
- 5. In view of the above and taking into consideration all the relevant facts, the default is established and I impose a penalty of Rs.20,000/- (Rupees twenty thousand only) on each director of the company, namely Mr. Sadruddin Lakhani, Mr. Shad Ali Khan, Mr. Ameer Mohammad Khan, Mr. Dilawar Khan, Mr. Azam Khan, Mr. Mohammad Raza Sheikh and Mr. Mahmood Sheikh.
- 6. The above mentioned Directors of the company are directed to deposit the fine of 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 the receipted challan to the Commission.

RASHID SADIQ

(Executive Director (Enforcement and Monitoring)

Announced November 23, 2001 ISLAMABAD