



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director

In the matter of

Taj Textile Mills Limited

Number and date of notice: EMD/233/286/2002-1169 dated January 20, 2015
Date of hearing: February 1, 2016
Present: Mr. Tariq Latif – Authorized Representative

ORDER

**UNDER SUB-SECTION (3) OF SECTION 245 READ WITH SECTION 476 OF THE
COMPANIES ORDINANCE, 1984**

This order shall dispose of the proceedings initiated vide show cause notices dated November 20, 2015 issued to chief executive and directors (“respondents”) of Taj Textile Mills Limited (“Company”) for default made in complying with the provisions of Sub-section (1) of Section 245 read with Section 476 of the Companies Ordinance, 1984 (“Ordinance”).

2. The brief facts of the case are that as per record, the Company failed to file interim financial statements (“Quarterly Accounts”) for the period September 30, 2014 with the Commission within stipulated time, as per requirements of section 245 of the Ordinance. Consequently, the show cause notice (“SCN”) was issued to the respondents whereof they were called upon to show cause in writing as to why penal action may not be taken against them under sub-section (3) of section 245 of the Ordinance for not filing the aforesaid Quarterly Accounts in a timely manner as stipulated by the law. The respondents failed to reply SCN.

3. In order to provide opportunity of personal hearing; the case was fixed before the undersigned for February 1, 2016. Mr. Tariq Latif, authorized representative on behalf of respondents appeared and submitted that the Company prepared the quarterly accounts in time but due to non-availability of relevant staff failed to file in time. The authorized representative was advised to provide documentary evidence in this regard. The authorized representative vide letter dated February 11, 2016 received by the Commission on February 19, 2015 provided copy of quarterly accounts for the period ended September 30, 2014.

4. In terms of the Commission’s notification SRO 1003(I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 245 of the Ordinance have been delegated to Director (Corporate Supervision Department).

5. Before proceeding to decide this case, I consider it necessary to highlight the importance of the strict observance of the mandatory requirements of law. The protection of the



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - I -

investors/shareholders is one of the primary objectives of the Ordinance. These are shareholders who provide seed for the capital formation of the Company. It is their lawful right to receive timely, adequate and meaningful information. It is the annual and interim accounts, which provide information to the investors about the affairs of the company. It has unfortunately been noted that the directors of the Company have failed to comply the requirements of law and have not circulated the quarterly accounts to the shareholders nor filed with the Commission within the prescribed time.

6. It is clear from the record that the Company did not file the aforesaid Quarterly Accounts in physical form with the Commission in a timely manner; however, considering the otherwise satisfactory compliance history of filing of quarterly accounts with the Commission, instead of imposing fine, I hereby conclude the proceedings with a warning to the respondents to be careful in future and ensure meticulous compliance with provisions of section 245 of the Ordinance.

Amina Aziz
Director (CSD)

Announced:
February 29, 2016
Islamabad