

NO. 19(740)/CF/ISS/93
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
State Life Building, 7-Blue Area,
Islamabad

Islamabad, the 20th August, 1999

1. Name and address of the defaulter : Mr. Abdul Qadir Tawakkal,
Chief Executive,
M/s. Tawakkal Polyester Industries
Limited.,
Plot No. 163, Industrial Estate
Gadoon Amazai,
District Swabi, (NWFP)
2. Nature of default : Non-Holding of Annual General
Meeting for the year ended
30.06.1996, 1997 & 1998.
3. No. and date of Show Cause Notice : No. 19(740)/CF/ISS/93
Dated 24th June, 1998
4. Date of Hearing : Not required
5. Appearance : Nil
6. Date of Order : 20th August, 1999

ORDER UNDER SECTION 158 (4)
OF THE COMPANIES ORDINANCE, 1984

The annual general meetings of **Tawakkal Polyester Industries Limited** (a public limited listed company) for the year(s) ended 30th June, 1996, 30th June, 1997 & 30th June, 1998 were required to be held by 31st December, 1996, 31st December, 1997 & 31st December, 1998 respectively. But the Chief Executive of the company failed to hold the said meetings within the specific period.

2. In view of the above default, a Show Cause Notice dated 24th June, 1999 was issued to the Chief Executive of the company and delivered through CRO, Peshawar

3. There was no response from Chief Executive of the company and no explanation was received by the Commission on his behalf. However, before proceeding against the Chief Executive of the company further he was accorded an opportunity of being heard either personally or through duly authorized representative in terms of sub section (3) of section 476 of the Companies Ordinance, 1984 and hearing notice was issued on 27th July, 1999, directing the Chief Executive of the company to appear before the Commission in person or through duly authorized representative on 12th August, 1999 to explain his view point. However, on the date of hearing no body appeared. All this clearly shows that the Chief Executive has been knowingly and willfully a party to the said default and he has no respect for law.

4. Taking into consideration all relevant facts and circumstances of this case, I hold Mr. Abdul Qadir Tawakkal responsible for the default and I hereby impose the following fines for the default in holding the Annual General Meetings. The minimum of the fine prescribed by law has been imposed by taking a lenient view with a warning to the company that very serious view will be taken for such default if repeated in future.

a) For the default of the year 1996

A fine of Rs. 10,000/- (Rupees ten thousand only) for the first default is imposed on the part of

the Chief Executive of the company under sub section (4)(a) of section 158 of the Companies Ordinance, 1984. A further fine of Rs. 96,000/- (Rupees Ninety Six Thousand only) at the rate of Rs. 100/- (Rupees one hundred only) for every day after the first for which the default continued is imposed on him under section 158(4)(a) ibid. i.e. for the period from 1st January, 1997 to 18th August, 1999.

b) For the default of the year, 1997

A fine of Rs. 10,000 (Rupees ten thousand only) is imposed for the first default on the part of Chief Executive of the company under sub section (4)(a) of section 158 of the Companies Ordinance, 1984. A further fine of Rs. 59,500/- (Rupees Fifty Nine Thousand & Five hundred only), at the rate of Rs. 100/- (Rupees one hundred only) for every day after the first during which the default continued is imposed on him under section 158 4(a) ibid. i.e. for the period ended 1st January, 1998 to 18th August, 1999.

c) For the default of the year, 1998

A fine of Rs. 10,000 (Rupees ten thousand only) is imposed for the first default on the part of Chief Executive of the company under sub section (4)(a) of section 158 of the Companies Ordinance, 1984. A further fine of Rs. 23,000/- (Rupees thirty two thousand only) at the rate of Rs.

100/- (Rupees one hundred only) for every day after the first during which the default continued is imposed on him under section 158 4(a) ibid. i.e. for the period ended 1st January, 1999 to 18th August, 1999.

5. Mr. Abdul Qadir Tawakkal, Chief Executive of the company is hereby directed to deposit the fine amounting to **Rs. 2,08,500/-** (Rupees Two Lac Eight thousand and five hundred only) from his own resources and send Bank Draft drawn in favour of Securities and Exchange Commission of Pakistan, Islamabad within thirty days of the receipt of this Order.

(M. Zafar - ul - Haq Hijazi)
Commissioner (Enforcement)

Copy to:-

1. The Karachi Stock Exchange (Guarantee) Ltd., Karachi
2. The Lahore Stock Exchange (Guarantee) Ltd., Lahore
3. The Joint Registrar, Company Registration Office, Karachi.

(Riaz Ahmed)
Deputy Chief