



Corporate Supervision Department  
Company Law Division

Before Amina Aziz – Director

*In the matter of*

**Hajra Textile Mills Limited**

Number and date of notice: CSD/ARN/31/2015-3342-48 dated February 19, 2016  
Date of hearings: April 7, 2016  
Present Mr. Asrar Ahmed

**ORDER**

**UNDER SECTION 245 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984**

This order shall dispose of the proceedings initiated vide show cause notice dated February 19, 2016 issued to following chief executive and directors (“respondents”) of Hajra Textile Mills Ltd. (“Company”) for default made in complying with the provisions of Section 245 read with Section 476 of the Companies Ordinance, 1984 (“Ordinance”).

S.#	Names of Respondents
1	Mr. Ahmed Ellahi, Chief Executive
2	Mr. Muhammad Shafique Bhatti, Director
3	Mr. Muhammad Nawaz, Director
4	Mr. Muhammad Zulfiqar, Director
5	Mr. Muhammad Asim, Director
6	Mr. Rana Muhammad Saeed, Director
7	Mr. Shahid Aziz (NIT), Director

2. The brief facts of the case are that as per record, the Company failed to file interim financial statements (“Quarterly Accounts”) for following period with the Commission within stipulated time, as per requirements of section 245 of the Ordinance.

Quarter Ended	Due On	Remarks
31-Dec-14	28-Feb-15	Not filed
31-Mar-15	30-Apr-15	Not filed
30-Sep-15	31-Oct-15	Not filed

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 respondent failed to respond to SCN.



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3. In order to provide opportunity of personal hearing; the case was fixed before the undersigned for April 7, 2016. Mr. Asrar Ahmed- authorized representative appeared and admitted the negligence.

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 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. The Respondents have deprived the shareholders of their statutory right to receive the quarterly accounts of the Company within the prescribed time limit. The responsibility for preparation/circulation of quarterly accounts rests with the directors of the Company who have to take appropriate action within the time stipulated by law. The repetition of defaults clearly demonstrates that the directors of the company are not making any serious efforts to comply with the provisions of the law. It is also noted that the statutory compliance by the respondents with respect filing of quarterly accounts is deteriorating progressively. Earlier quarterly accounts were being filed with delays, the latest quarterly account as mentioned in these proceedings has not been filed altogether. Further, the respondents have also failed to any communication by the Commission in respect of these proceedings. For the foregoing reasons, the default under Sub-section (1) of Section 245 of the Ordinance regarding non filing of quarterly accounts for the aforesaid periods; stands established. Further, it has been observed previously that the respondent no. 7 Mr. Sahid Aziz vide its letter dated February 2, 2015 submitted that the Company is not holding board meetings and general meetings in spite of his best efforts and he has repeatedly reminded them to hold meetings, through telephone as well as written correspondence. He



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submitted correspondence with the Company dated May 30, 2014, July 3, 2014 September 26, 2014 and October 13, 2014, and previously requested to drop the proceedings against him as he is not involved in the matters of the Company.

7. Keeping in view of the above I, hereby impose a fine of Rs.180,000 (Rupees one hundred and eighty thousand only) in aggregate on respondents 1-6 for contravening the provision of Section 245 of the Ordinance. The respondents are directed to deposit the fine in the following manner;

Name of Respondents	Amount in Rupees
Mr. Ahmed Ellahi, Chief Executive	30,000
Mr. Muhammad Shafique Bhatti, Director	30,000
Mr. Muhammad Nawaz, Director	30,000
Mr. Muhammad Zulfiqar, Director	30,000
Mr. Muhammad Asim, Director	30,000
Mr. Rana Muhammad Saeed, Director	30,000
	<b>Rs.180,000</b>

The aforesaid fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the "Securities and Exchange Commission of Pakistan" within thirty days from the receipt of this order and furnish receipted bank vouchers to the Commission. In case of non-deposit of fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the said fines are imposed on the respondents in their personal capacity; therefore, they are required to pay the said amount from personal resources.

8. Moreover, the Respondents are hereby directed under the provision of Section 473 of the Ordinance to prepare aforesaid overdue quarterly accounts and transmit to the members and simultaneously file with the Registrar and the Commission with in sixty days of this Order.

**Amina Aziz**  
Director

**Announced:**  
May 5, 2016  
Islamabad