



Corporate Supervision Department  
Company Law Division

Before Amina Aziz – Director

*In the matter of*

**Brothers Textile Mills Limited**

Number and date of notice: CSD/ARN/248/2015-2378-84 dated January 12, 2016  
Date of hearing: February 19, 2016, March 1, 2016 and March 11, 2016

**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 January 12, 2016 issued to chief executive and directors (“respondents”) of Brothers 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 following period with the Commission within stipulated time, as per requirements of section 245 of the Ordinance.

Quarter Ended	Due On	Remarks
31-Dec-12	28-Feb-13	Filed with 20 days delay
31-Mar-14	30-Apr-15	Filed with 44 days delay
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.

3. In order to provide opportunity of personal hearing; the case was fixed before the undersigned for February 19, 2016, March 1, 2016 and March 11, 2016 but no one appeared.

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).



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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 late/non filing of quarterly accounts for the aforesaid periods; stands established.

7. Keeping in view of the above I, hereby impose a fine of Rs.70,000 (Rupees seventy thousand only) in aggregate on all the respondents 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
Mian Muhammad Aslam Bashir	10,000
Mian Muhammad Omer Adrees	10,000
Mian Muhammad Furqan Adrees	10,000
Mrs. Memoona Adrees	10,000
Mrs. Farah Aslam	10,000
Mrs. Mehr Omer	10,000



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Mr. Muhammad Asif	10,000
<b>Total</b>	<b>70,000</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 overdue quarterly accounts for the period ended September 30, 2015 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:**  
April 19, 2016  
Islamabad