



Corporate Supervision Department
Company Law Division

Before Amina Aziz –Director

In the matter of

Al-Azhar Textile Mills Limited

Number and date of notice: CSD/ARN/261/2015-2742-50 dated January 20, 2016
Date of hearing: March 9, 2016, March 18, 2016 and March 31, 2016
Present: No one appeared in hearings

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 against following directors including chief executive (together referred to as "respondents") of **Al-Azhar Textile Mills Limited** (the "Company").

S.#	Names of Directors
1	Dr. Mirza Muhammad Umar Baig
2	Mr. Farooq Ahmed Khan
3	Mrs. Rafiqan Begum
4	Sheikh Abdul Rashid Zahid
5	Mrs. Saug Hee Shin
6	Mirza Muhammad Asbar Baig
7	Mrs. Fehmida Begum
8	Mirza Muhmmad Auragzeb Baig
9	Mriza Muhmmad Jahanzeb Baig

The proceedings against the respondents were initiated through show cause notice (the "SCN") dated January 20, 2016, issued under section 245 read with section 476 of the Companies Ordinance, 1984 (the "Ordinance").

2. The relevant facts for the disposal of this case, briefly stated, are that the Company was required to prepare and transmit to the members and simultaneously file with the Registrar and the Securities & Exchange Commission of Pakistan ("the Commission") under Section 245 of the Ordinance, its quarterly/half yearly accounts, in following manner which the Company failed to submit.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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Period ended	Due on	Remarks
30-Sep-13	31-Oct-13	Not Filed
30-Sep-14	31-Oct-14	Not Filed
31-Dec-14	28-Feb-15	Not Filed
31-Mar-15	30-Sep-15	Not Filed
30-Sep-15	31-Oct-15	Not Filed

3. Failure of the Company to comply with the aforesaid mandatory requirements within the prescribed time necessitated action against the respondents in terms of Sub-section (3) of Section 245 of the Ordinance. Consequently, show cause notice was served under Sub-section (3) of Section 245 read with Section 476 of the Ordinance. The respondents failed to reply the SCN.

4. In order to provide opportunity of personal hearing the case was fixed before the undersigned on March 9, 2016, March 18, 2016 and March 31, 2016 but respondents failed to appear in the hearings.

5. 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).

6. 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. The shareholders provide seed money 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.

7. 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. For the foregoing reasons, the default under Sub-section (1) of Section



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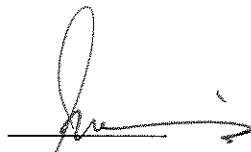
245 of the Ordinance regarding late filing of quarterly accounts for the aforesaid periods; stands established.

8. Keeping in view of the above I, hereby impose a fine of Rs 450,000/- (Rupees four hundred and fifty thousand only) on the respondents in aggregate for contravening the provision of Section 245 of the Ordinance. The respondents are directed to deposit the fine in the following manner;

S.#	Names of Directors	Total
1	Dr. Mirza Muhammad Umar Baig	Rs 50,000
2	Mr. Farooq Ahmed Khan	Rs 50,000
3	Mrs. Rafiqan Begum	Rs 50,000
4	Sheikh Abdul Rashid Zahid	Rs 50,000
5	Mrs. Saug Hee Shin	Rs 50,000
6	Mirza Muhammad Asbar Baig	Rs 50,000
7	Mrs. Fehmida Begum	Rs 50,000
8	Mirza Muhmmad Auragzeb Baig	Rs 50,000
9	Mriza Muhmmad Jahanzeb Baig	Rs 50,000
	TOTAL	Rs 450,000

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 receipted bank vouchers must be furnished to the Commission. In case of non-deposit of the fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the aforesaid fines are imposed on the respondents in their personal capacity; therefore, they are required to pay the said amount from personal resources.

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



Amrina Aziz

Director

Announced:

May 11, 2016

Islamabad