



Say No To Corruption

Corporate Supervisions Department
Company Law Division

Before Ms. Amina Aziz – Director

In the matter of

(Colony) Thal Textile Mills Limited

Number and date of SCN: EMD/233/53/02-1356 dated February 3, 2015

Date of Hearing: October 19, 2015

Present: Mr. M. Taimur Tanveer, Director
Mr. Khursid Khan Tahir, Director

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 notice dated June 4, 2014, issued to following chief executive and directors (“respondents”) of (Colony) Thal 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”).

1	Mr .Tanveer A. Shaikh, Chief Executive
2	Mrs. Ayesha Tanveer, Director
3	Mr. Muhammad Taimur Tanveer, Director
4	Mr. Ahmed Sheikh, Director
5	Mrs. Beenish Taimur, Director
6	Mr. Hidayat Ali Shar, Director
7	Mr. Khursid Khan Tahir, Director
8	Mr. Sardar Mohammad Nawaz Khan, Director

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.

Sr. No.	Period ended	Due on
1	31-Dec-13	28-Feb-14
2	31-Mar-14	30-Apr-14
3	30-Sep-14	31-Oct-14



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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 dated February 3, 2015 was served under Sub-section (3) of Section 245 read with Section 476 of the Ordinance.

4. The respondents failed to reply the SCN, In order to provide opportunity of personal hearing the case was fixed on April 28, 2015 and the respondents were represented by Mr. M. Taimur Tanveer and Mr. Khursid Khan Tahir, who submitted that due to unavoidable circumstances pertaining to energy, labour and uncertain political circumstances of the country, the management of the Company could not hold the AGM for the year 2013 and 2014 due to which quarterly accounts were not filed in time. The Company held its AGM for the year ended June 30, 2013 on July 30, 2015 and AGM for the year ended June 30, 2014 on August 31, 2015. The Company is now holding its AGM for the year ended June 30, 2015 in time on October 31, 2015 and promise to submit all delayed quarterly accounts and requested to condone the default.

5. In terms of the Commission's notification SRO 1003(I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 245 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



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take appropriate action within the time stipulated by law.. For the foregoing reasons, the default under Sub-section (1) of Section 245 of the Ordinance regarding late filing of quarterly accounts for the aforesaid periods; stands established. However, keeping in view efforts made by the respondents to held overdue AGM and holding AGM for the year ended June 30, 2015 in time and assurance by the representatives to submit all overdue quarterly accounts; instead of imposing fine, I hereby, conclude the proceedings with a warning to the respondents to be careful and ensure compliance with mandatory provisions of the Ordinance, in true letter and spirit; in future.

8. 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 with in thirty days of this Order.

Amina Aziz
Director
(Corporate Supervision Department)

Issued at:
Islamabad,
Dated: November 17, 2015