



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director

In the matter of

Nazir Cotton Mills Limited

Number and date of SCN: EMD/Enf-II/163/2013-1354, dated February 3, 2015

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 February 3, 2015 issued to chief executive and directors (“respondents”) of Nazir Cotton 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 following interim financial statements (“Quarterly Accounts”) for the following periods with the Commission within stipulated time, as per requirements of section 245 of the Ordinance:

Quarter Ended	Due Date	Received on	Delay (days)
31-Dec-13	28-Feb-14	11-Mar-14	11

Consequently, the 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. In response to the SCN the respondents vide letter dated February 20, 2015 submitted that both the half yearly review by the auditors and the approval the accounts by board of directors were done within time, however, deadline was not met due to delay in printing process and assured that this type of delay will not be happen again.

3. 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).

4. 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



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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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 timely comply the requirements of law and have not circulated the quarterly accounts to the shareholders nor filed with the Commission within the prescribed time.

5. It is clear from the record that the Company did not file the aforesaid Quarterly Accounts in physical form with the Commission in a timely manner; however, considering the assurance by respondents for future compliance, instead of imposing fine, I hereby conclude the proceedings with a warning to the respondents to be careful in future and ensure meticulous compliance with provisions of section 245 of the Ordinance.

Amina Aziz
Director (CSD)

Announced:
April 19, 2016
Islamabad