



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
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Company Law Division

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**Before Abid Hussain  
Director (Enforcement)**

**In the matter of**

**Data Textiles Limited**

Number & date of the notice: EMD/233/106/2002-4122 dated May 22, 2008  
EMD/233/106/2002-179 dated August 6, 2008

Date of hearing: July 8, 2008 & August 5, 2008

Present: Mr. Muhammad Mansha of Rafaqat Mansha Mohsin  
Dossani Masoom & Co., Chartered Accountants  
("Counsel # 1")

Mr. Mohsin Nadeem of Rafaqat Mansha Mohsin Dossani  
& Co., Chartered Accountants ("Counsel # 2")

**Order**

**Under Section 196 read with Section 476 of the Companies Ordinance, 1984**

This order shall dispose of the proceedings initiated against all directors including the Chief Executive of Data Textiles Limited ("the Company") through show cause notices dated May 22 and August 6, 2008 under the provisions of Section 196 read with Section 476 of the Companies Ordinance, 1984 ("the Ordinance").

2. The Company is a public limited company and was incorporated in Pakistan on March 20, 1988 under the Ordinance. Its shares are presently listed on the Karachi & Lahore Stock Exchanges. The Company is principally engaged in manufacture and sale of yarn. The Company has authorized share capital of Rs.120,000,000 divided into 12,000,000 ordinary shares of Rs.10.00 each and paid up capital of Rs.99,096,160 divided into 9,909,616 ordinary shares of Rs.10.00 each as per the latest annual audited accounts for the year ended June 30, 2007.

3. The brief facts of the case are that on perusal of 3<sup>rd</sup> Quarter Accounts of the Company for the period of nine months ended on March 31, 2008 revealed that its property, plant, and equipment had been reduced to Rs.125.483 million from its previous balance of Rs.277.781 million as on December 31, 2007



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whereas the Company had also received an amount of Rs.51.550 million as proceeds from disposal of its fixed assets. The Company in response to the Commission's query with regards to above reduction in assets has stated the following vide its letter dated May 16, 2008:

- Since June 30, 2006, it had disposed of assets having book value of Rs.158.796 million for Rs.52.416 million. Details of which are as under:

**Rupees in millions**

<b>Description</b>	<b>Cost</b>	<b>Book value</b>
Plant & Machinery	186.260	157.291
Vehicles	4.743	1.505
<b>Total</b>	<b>191.003</b>	<b>158.796</b>

- The Company obtained permission from its members for disposing of these assets in the 20<sup>th</sup> Annual General Meeting ("AGM") held on February 13, 2008. The Board of Directors ("BOD") of the Company approved the sale of such assets on February 16, and 26, 2008.

4. Notice of the said AGM sent to the Commission through Company's letter dated January 21, 2008 in compliance of Circular 5 of 2002 transpires that no such special business was proposed for approval from its members however minutes of the AGM submitted by the Company revealed that special business of disposing of Company's substantial assets was transacted under "any other business". It has been submitted by the Company that during discussion for approval of accounts it was pointed out by Mr. Shahid Saleem, one of the shareholder, that due to rising financial cost of loans the Company is facing huge losses and if liabilities were not adjusted very soon a stage would come where the loans would be more than the assets of the Company. So it was unanimously decided to take up the matter of sale of fixed assets to pay off the liabilities.

5. The response of the Company was not satisfactory as it failed to submit evidence of compliance of the provisions of Section 196 of the Ordinance which requires approval of the shareholders, therefore a show cause notice under Sub-section (4) of Section 196 read with Section 476 of the Ordinance was issued to following directors, including the Chief Executive, of the Company to explain their position and as to why penalty may not be imposed on them for contravention of the provisions of Section 196 of the Ordinance:



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- (i) Mr. Raheel Akhtar, Chief Executive;
- (ii) Mr. Nadeem Zar, Director;
- (iii) Mr. Raja Ashfaq Hussain, Director;
- (iv) Mr. Shamim Ahmad Khan, Director;
- (v) Mr. Umar Sadik, Director;
- (vi) Mr. Asif Rahim Khan, Director;
- (vii) Mr. Muhammad Ayub Khan, Director.

6. In response to the show cause notice, Mr. Raheel Akhtar, Chief Executive of the Company submitted the following reply vide his letter dated June 19, 2008:

- The Board of Directors (“BOD”) of the Company disposed of the machinery under the authority and consent tendered in the AGM dated February 13, 2008 by the members. The BOD is conferred upon the power to sell, lease, or otherwise dispose of the undertaking or a sizeable part thereof with the consent of the general meeting either specifically or by way of authorization in terms of Sub-section (3) (a) of Section 196 of the Ordinance and Article 98 (g) of the Articles of Association of the Company. Therefore, the BOD has exercised its power squarely in accordance with the law and no illegality, violation, or contravention of Sub-section (3) (a) of Section 196 of the Ordinance has been committed as alleged. It is cardinal principle of law that where the powers are conferred upon any person by the statute then it is incumbent on that person to exercise those powers, justly, fairly, and honestly to achieve the purpose for which those powers are intended. These powers are not granted for the purpose of to be show off or withheld and non-exercise of such powers or omission to exercise of such powers tantamount to negligence, or breach of responsibility and to defeat the object which the legislature intended to achieve. Therefore, the disposal of the assets in exercise of power vested with the BOD with consent as well as authorization is within the mandate of law and to protect and safeguard the interest of the Company;
- Proceedings of AGM dated February 13, 2008 and the decisions made therein including consent as well as authorization for disposal of machinery has attained finality and become past and close transaction because no petition in terms of Section 160-A of the Ordinance has been filed by the shareholders challenging the proceedings of the meeting on account of material defect /omission in the notice or irregularity in the proceedings of the meeting within 30-days of the date of such meeting. It is proved that all the members of the Company were satisfied with the decision of the AGM and condoned all the irregularity, omissions, and defects if any in the notice for rendering consent and authorizing the BOD for disposal of machinery otherwise they would have exercised their statutory right of petition to declare the proceedings of the meeting invalid on account of defect in the notice as alleged by the SECP;
- Extract of the minutes of the meeting including resolution for giving the consent of the members to dispose of the assets and authorizing the BOD is a conclusive evidence that these businesses have been transacted in the AGM dated February 13, 2008 as well as the meeting was duly called, held, and conveyed and no further proof of the fact therein stated is required in terms of Section 173 of the Ordinance and Article 95 of the Articles of Association of the Company;



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- The decision of the members for disposal of assets was binding on the directors due to the reason of protecting and safeguarding interests of the members of the Company as the assets was prevented from further depletion on account of constant burden of interest / financial charges on the borrowing. If this decision of the members had not been carried out by the directors then they would have been responsible for the losses for non-implementing the members' decision and non-exercising the powers vested on them by the statute as well as by Company's Articles of Association;
- Objection of not attaching explanatory statement of disposing assets is also irrelevant because the BOD has neither proposed for disposal of assets nor passed any resolution prior to the AGM for its disposal. Even otherwise, sending notice and attaching explanatory note to the member is a procedural law and non-compliance of procedural law is curable irregularity and illegality and it has been held in various cases that procedural lapse are permissible, condonable, and are excused when they are against the object or interest of the company or in case of necessity or emergency. In the case of infringement of procedures in *Parker and Copper Limited v. Reading* (1926) 1 Ch 975, it was observed as under:

*"Now the view I take of both these decisions is that where the transaction is intra vires and honest, and especially if it is for the benefit of the company, it cannot be upset if the assent of all the corporators is given to do it. I do not think it matters in the least whether this assent is given at different times or simultaneously."*

The above views were approved in *Re: Doumatic Ltd.* (1969) 1 All ER 161 re: *Bailey, Hay & Co. Ltd.* (1971) 3 All ER 963. In other words infringement of procedure is permissible where the transaction *intra vires*, honest, and to the benefit of the Company then the proceedings of the Company cannot be declared invalid on account of procedural lapse as procedures are meant only to regulate and not to thwart the same;

- BOD disposed of the assets / machinery to protect and safeguard the interests and wealth of the Company and its shareholders. They exercised their powers with due care and diligently. It also to be noted that act of the directors done in good faith is binding on the Company and the Company is bound to indemnify the loss caused to the directors;
- In terms of Article of 4 (2) (b) of the Constitution of Pakistan, no person shall be prevented from or hindered in doing that which is not prohibited by law or require him to do by law. Therefore, exercising the powers by the BOD which have been conferred upon by the Statute and its AOA cannot be prevented or hindered by the SECP and penalty cannot be imposed for exercising the legal power granted by the Statute;
- Interest on borrowing is prohibited by Quran and Sunnah and in terms of Article 127 of the Constitution of Pakistan, any law repugnant to injection of Islam is void. The decision of the members to protect and relieved from the sin of interest and to pay off the borrowing by disposing of assets is a righteous deed to eradicate evil and follow right path and seek blessing, forgiveness, and success hereinafter. Therefore, imposing penalty in such situation is also un-Islamic and not justified.



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7. Since, it was not confirmed that whether the above submission by Mr. Raheel Akhtar, Chief Executive of the Company were solely by himself or on behalf of all the directors of the Company therefore the Company was advised to clarify the position and moreover in order to provide an opportunity of personal hearing the case was fixed for July 8, 2008. On which date Mr. Muhammad Mansha of M/s Rifaqat Mansha Mohsin Dossani Masoom & Co., Chartered Accountant (“Counsel # 1”), the firm of auditors are also the statutory auditors of the Company, appeared on behalf of the Chief Executive of the Company. He reiterated the same arguments which were earlier submitted by Mr. Raheel Akhtar, Chief Executive through his letter dated June 19, 2008 however following additional arguments were made:

- The partial disposal of old and idle plant and machinery of the closed unit do not constitute sale of undertakings or sizable part of the undertakings and thus the restrictions imposed by Section 196 (3) of the Ordinance are not attracted in the instance case and the aforesaid sale of machinery of the non-going concern is precluded from the application of Section 196 (3) (a) of the Ordinance. The plain reading of said provision of law clearly shows that companies have been classified into two categories for the purpose of application of this provision i.e. companies having only one undertaking and companies having more than one undertaking. This section may be attracted to sale of single undertaking as whole or substantially the whole of the undertaking of the Company and not flexible according to the size and volume of undertakings and seems to be not practicable in case of big concern having larger numbers of undertakings and where the turnover of sale of undertaking over a period is high and holding of general meeting is difficult. Where as provisions of Section 196(3) of the Ordinance are broader in scope and flexible according to the volume of the undertakings of the Company and applicable to sale of all undertakings or sizeable part of the undertakings and not applicable on sale of undertaking on individual basis. It is imperative to note that penal provision of the statute should be construed strictly and in interpreting the penal provision one must look at the language employed by the legislator and there is no room for intendment, presumption or implication or inferences. The language of the penal provision cannot be strained or stretched to bring the subject in and import of words to support the assumed deficiency is prohibited. In case of ambiguity, doubt or possibility of several interpretations or views or subject opinion, the interpretation favorable to the subject is adopted. Maxwell, interpretation of statutes, page 239:

*“If the language of the statute is equivocal and there are two reasonable meaning of that language, the interpretation which avoid the penalty is to be adopted. The court must always see that the person to be penalized comes fairly and squarely within the plain words of the enactment. It is not enough that what he has done comes substantially within the mischief aimed at by the statute. The sooner this misunderstanding is dispelled and the supposed doctrine given its quietus the better it will be for all concerned, for the doctrine seems to involve substituting the uncertain and crooked cord of discretion, for, the golden and straight met wand of the law.”*



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*“In interpreting the penal or taxing statute the court must look to the words of the statute and interpret them in the light of what is clearly expressed. It cannot import anything which is not expressed. It cannot import provisions in the statute so as to support assumed deficiency. It is also well established that the penal provisions of a statute should be strictly construed and in case of any ambiguity or doubt arising from the construction, the benefit must go to the accused person. (1977 SCMR 371, 128, 1973 SCMR 140).”*

- It is admitted fact that the factory of the Company was closed from 1<sup>st</sup> Quarter of the accounting year 2007 and the Company was not going concern, therefore, the partial sale of old and idle plant and machinery which was subject to effect of obsolesce and technological factor and are expected to become scrap due to closer of factory on account of severe crisis in the textile sector does not constitute sale of undertaking even the interpretation of the terms “undertakings” or “sizable part of the undertakings” is extended to single “undertaking” although not permissible in case of penal provision. The expression “undertaking” has gone under the judicial scrutiny and reviews in a various cases and following are the few definitions of the word undertaking tendered by the Apex Courts.
  - (i) *“An undertaking is not in its real meaning anything which may be described as tangible piece of property like land, machinery or equipment: it is in actual effect an activity of man which is commercial of business parlance means an activity engaged in with a view to earn profit.’ (1970) 40 Comp Cas 466 (Mysore);*
  - (ii) *“Undertaking is going concern as a fruit producing tree, the produce of which is the fund dedicated by the contract to secure and to pay the debt. Closed unit could not be considered to be as undertaking in terms of Section 293 of the Companies Act, 1956.” (1985) 58 Comp Cas 772 (Cal);*
  - (iii) *“The entire organization whether it has a plant or whether it has as organization is considered as one whole unit and the entire business of the going concern is embraced within the word undertaking.” AIR 1970 SC 564 (630);*
  - (iv) *“The word undertaking was held to include land, building, line of supply, goodwill etc. in fact every thing which appertains to the supply of electricity under the license but if the concern is not a running one then the plant, machinery, building, and other materials constituting the undertaking become ordinary goods.” AIR 1967 Pat 191 (198);*
  - (v) *“Industrial undertaking therefore would normally be in its ordinary acceptance, some industrial concern or enterprise or adventure which is undertaken to be done by the person concerned. Whether the industrial undertaking means only the physical assets or the human assets involved in it or the principles of organization*



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*which cover it are to a certain extent unrealistic because we are of the view that industrial undertaking cover a complex of ideas both physical and non physical and we will not choose one at the cost of the other. It is a complex of ideas and methods of physical execution and therefore must necessarily involve both tangible and intangible consideration.” (1971) 80 ITR 428;*

- (vi) *“Industrial undertaking will mean organization or establishment carrying on an organized industrial and commercial activity operating through factory or mill for producing and manufacturing goods and it should be a compact, self-reliant, and independent unit capable of manufacturing goods for commercial purpose. It should not be a part of any existing factory nor should it be an expansion, adjunct, or improvement in an existing factory unable to run and produce independently.” 1991 PTD 359 (KHC);*
- (vii) *The expression undertaking means, the unit, the business as going concern, the activity of the company duly integrated with all the component in the form of an assets and not merely some asset of the undertaking.” (1992) 75 Camp Cas 583 (Bom).*

8. The other directors namely Mr. Nadeem Zar, Mr. Umar Sadik, Mr. Asif Rahim Khan, Mr. Shamim Ahmad Khan, Mr. Ayub Khan, and Mr. Raja Ashfaq Hussain were given another opportunity of hearing on August 5, 2008. On which date Mr. Mohsin Nadeem of M/s Razaqat Mansha Mohsin Dossani Masoom & Co., Chartered Accountant (“Counsel # 2”) appeared on behalf of all the aforementioned directors except Mr. Raja Ashfaq Hussain and made the same submissions as were earlier made by the Chief Executive of the Company and his Counsel. During the course of hearing the Counsel # 2 repeatedly emphasized that the disposal of asset had been done on the proposal made by the shareholders and with the consent of the shareholders of the Company. He further elaborated that in the AGM held on February 13, 2008 Mr. Shahid Saleem, a shareholder had pointed out that the Company is facing huge financial losses due to raising financial cost on its current loans. So it was unanimously decided to take up the matter of sale of fixed assets of the Company in order to pay off its liabilities.

9. Before deciding the case while gathering all the relevant documents it was observed that Raja Ashfaq Hussain, one of the directors of the Company to whom SCN was issued and who was not



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represented in the hearings held for the case, actually resigned on September 4, 2007 and Mr. Shahid Saleem was appointed as director in his place on September 4, 2007. Whereas, AGM of the Company in which this transaction was proposed and approved, as claimed by the Counsels, held on February 13, 2008. This fact was never disclosed in the written replies and was also not pointed out by the Counsels of the directors in the hearings. It was decided to include Mr. Shahid Saleem in the proceedings since the transaction for disposal of Company's fixed assets has taken place subsequent to appointment of Mr. Shahid Saleem, accordingly, a show cause notice dated August 6, 2008 under Sub-section (4) of Section 196 of the Ordinance was issued to him. In response to the show cause notice, he submitted the same reply as was given by the other directors vide letter dated August 19, 2008.

10. In order to provide an opportunity of personal hearing to Mr. Shahid Saleem, the case was fixed for August 25, 2008 and then for August 29, 2008. However, on both the occasion he failed to appear either in person or through legal representative on the scheduled dates. Finally, the case was fixed for October 7, 2008 and he was accordingly informed that in case of non-appearance, the Commission shall be constrained to decide the matter *ex-parte* but he again failed to appear. Further, no request for adjournment was received from him.

11. I have analyzed the facts of the case, provisions of Section 196 of the Ordinance, arguments put forth by the Counsels and observed as follows:

- (i) Since June 30, 2006 till the date of issuing show cause notice i.e. May 22, 2008, the Company had disposed of its fixed assets having book value of Rs.158.796 million which comprised 57.17 % of its total property, plant, and equipment;
- (ii) Minutes of 20<sup>th</sup> AGM held on February 13, 2008 revealed that the business for disposing of Company's assets was transacted under "any other business" which cannot be considered as a valid approval since the Company had failed to comply with the required disclosure requirements under Clause (b) of Sub-section (1) of Section 160 of the Ordinance and S.R.O. 1227 (I) / 2005 dated December 12, 2005. This view is supported by the cases titled M. Shahid Saigol vs. Kohinoor Textile Mills Limited, PLD 1995 Lahore 264 and Bamford V. Bamford, (1970) Ch 212 : (1969) 1 All ER 969 (CA). In the aforesaid Judgments following was observed:
  - The notice of the Extraordinary General Meeting ("EOGM") and the resolution passed therein were declared to be invalid with the direction to the respondent to hold fresh EOGM for the purpose after making compliance with the mandatory provisions of Section 160 (1) (b) and Section 208 of the Ordinance; and





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- The consent of the company in general meeting may be in the shape of a formal resolution in a general meeting.
- (iii) The proposal of sale of assets was made by one of directors of the Company namely Mr. Shahid Saleem, who was subsequently included in the proceedings through show cause notice dated August 6, 2008.

12. Before proceeding further, it is necessary to advert to the following provisions of law:

- Provisions of Clause (b) of Sub-section (1) of Section 160 of the Ordinance under titled “Provisions as to meetings and votes” provides as follows:

The following provisions shall apply to the general meetings of a company or meetings of a class of members of the company, namely:-

(b) where any special business, that is to say business other than consideration of the accounts, balance-sheets and the reports of the directors and auditors, the declaration of a dividend, the appointment and fixation of remuneration of auditors, and the election or appointment of directors, is to be transacted at a general meeting, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning such business, including, in particular, the nature and extent of the interest, if any, therein of every director, whether directly or indirectly, and, where any item of business consists of the according of an approval to any document by the meeting, the time when and the place where the document may be inspected shall be specified in the statement;

- Provisions of Sub-section (3) of Section 196 of the Ordinance provide that the directors of a public company or of a subsidiary of public company shall not except with the consent of general meeting either specifically or by way of an authorization sell, lease or otherwise dispose of the undertakings or of a sizeable part thereof, unless the main business of the company comprises of such selling or leasing;
- Provisions of Sub-section (4) of Section 196 of the Ordinance provide that whatsoever contravenes any provision of this section shall be punishable with a fine which may extend to one hundred thousand rupees and shall be individually and severally liable for losses or damages arising out of such action.
- Regulation 24 of first schedule to the Ordinance provides that “All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting with the exception of declaring a dividend, the consideration of the accounts, balance-sheet and the reports of the directors, and auditors the election of directors, the appointment of and the fixing of the remuneration of, the auditors”.

13. The aforesaid provisions of law are clear and explicit. Sub-section (3) of Section 196 of the Ordinance clearly provides that without the approval / consent of general meeting, directors are not authorized to sell, lease, or otherwise dispose of the undertakings or sizeable part thereof, unless the main



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business of the company comprises of such selling or leasing. Clause (b) of Sub-section (1) of Section 160 of the Ordinance provides that where any special business, that is to say business other than consideration of accounts, the declaration of dividend, the appointment and fixation of remuneration of auditors and election or appointment of directors, is to be transacted at a general meeting, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning such business, including, in particular, the nature and extent of the interest, if any, therein of every director, whether directly or indirectly, and where any item of business consists of the according of an approval to any document by the meeting, the time when and place where the document may be inspected shall be specified in the statement. Whereas S.R.O. 1227 (I) / 2005 dated December 12, 2005 also provides that companies while issuing notice of its general meeting where a special business relating to sale lease or disposal of the undertaking or sizeable part thereof, is to be transacted under Clause (a) of Sub-section (3) of Section 196 of the Ordinance, annex a statement, pursuant to Clause (b) of Sub-section (1) of Section 160 of the Ordinance, detailing, as minimum, the following information in case of disposal of sizeable part of undertaking:

- (i) Details of assets to be disposed of i.e. its description, cost, revalued amount (if available), book value, and approximate current market price / fair value;
- (ii) The proposed manner of disposal of the said assets;
- (iii) Reasons of sale, lease or disposal of assets and the benefits expected to accrue to the shareholders therefrom.

14. As regards arguments put further by the Counsels, I have observed that:

- The object of Sub-section (1) and (2) of Section 196 of the Ordinance is to empower the directors to proceed to for certain decisions without obtaining consent of general body of the shareholders. However, the provisions of Sub-section (3) of the aforesaid section clearly restricts the directors to not to proceed with the disposal of assets or sizeable part thereof except with the consent of general meeting either specifically or by way of authorization. It is believed that the process of obtaining specific approval or authorization has clearly been explained in the provisions of clause (b) of sub-section (1) of Section 160 of the Ordinance. The aforesaid provisions provides that where special business, sufficiently elaborated in the specific provision, is to be conducted shareholders should be given notice of 21 days



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accompanied with statement of material facts giving complete information of that business. If any special business is conducted in a general meeting without providing complete information to the shareholders, that resolution is not valid in the eyes of law as held by superior courts;

- I deny, the stance of the Counsels that partial disposal of old and idle plant and machinery of the closed unit do not constitute sale of undertakings or sizable part of the undertakings. The test to be applied would be to see whether the business of the company could be carried on effectively even after disposal of the assets in question or whether the mere husk of the undertaking would remain after disposal of the assets. The test to be applied would be to see whether the capital assets to be disposed of constitute substantial part of the assets and more specifically the integral part of the undertaking. In the instant case the operations of the Company were suspended due to such sale of assets;
- The notice of 20<sup>th</sup> AGM of the Company held on February 13, 2007 do not include agenda item for disposal of fixed assets of the Company therefore conducting a special business without giving notice to the shareholders is not valid in the eyes of law;
- I do not agree with the directors' stance that if this decision of the members had not been carried out by them then they would have been responsible for the losses for non-implementing the members' decision and non-exercising the powers vested on them by the statute as well as by Company's Articles of Association. It is the duty of the directors to propose and implement decisions in a lawful manner. The directors should have adopted the right course of action for disposal of assets by giving proper notice to the shareholders and getting a valid approval from them;
- This is also important to note that the shareholders were not taken into confidence prior to the disposal of a sizeable part of the undertaking of the Company. This gives rise to apprehension that the management has not only suppressed but also concealed the information about sale of assets of the Company from the shareholders. In my view, where the sale of sizeable asset/undertaking is to intended, the following minimum information needs to be sent to the shareholders in relation to material facts:

- a) The need for the sale;



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- b) How the sale is in the interest of the Company?
- c) The mode of disposal; the procedure to be followed; to whom the sale is intended to be made, if known at the date of notice?
- d) The expected proceeds of the sale;
- e) How the company would benefit from the sale of undertaking or its sizeable part?

15. Considering the circumstances of the case, I am of the view that directors have failed to clarify their position with respect to compliance with the requirement of Sub-section (3) of Section 196 of the Ordinance therefore an action is necessary under Sub-section (4) of Section 196 of the Ordinance which not only provides a fine of one hundred thousand rupees for the responsible directors but also make them individually and severally liable for losses and damages arising out of such action. The fact of the case warrants no sympathy for the directors and requires a stern action against them. I, therefore, impose a fine of Rs.700,000/- (rupees seven hundred thousand only) in aggregate on the following directors including the chief executive of the Company for contravening the provisions of Sub-section 196 of the Ordinance:

<b>Name of Directors</b>	<b>Amount in Rs.</b>
Mr. Raheel Akhtar, Chief Executive	100,000
Mr. Nadeem Zar, Director	100,000
Mr. Shamim Ahmad Khan, Director	100,000
Mr. Umar Sadik, Director	100,000
Mr. Asif Rahim Khan, Director	100,000
Mr. Muhammad Ayub Khan, Director	100,000
Mr. Shahid Saleem, Director	100,000
<b>Total</b>	<b>700,000</b>

No penalty has been imposed on Mr. Raja Ashafaq Hussain, former director of the Company as he had resigned from the office of the director of the Company before convene of the transaction on September 4, 2007.



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16. The chief executive and directors of the Company are hereby advised to deposit their respective fines in the account # 0183089871000097 maintained in the name of Securities & Exchange Commission of Pakistan ("SECP") with MCB Bank Limited within thirty days from the receipt of this order and to furnish a receipted bank vouchers to this office. It may also be noted that the said penalties are imposed on the directors in their personal capacity accordingly they are required to pay their respective fines from their personal resources.

17. Further, in terms of the provisions of Section 473 of the Ordinance, I hereby direct the chief executive of the Company:

- a) To provide the following information / documents within thirty days from the date of this order:
  - (i) Details of total assets disposed of i.e. its description, cost, revalued amount (if available), book value and approximate current market price;
  - (ii) Valuation report of all the assets sold or yet to be sold as planned by BOD, from a valuer borne on the penal of SBP;
  - (iii) The manner of disposal of the said assets i.e. through tender or calling quotations privately;
  - (iv) How best price assessed and who approved the same along with supporting documents;
  - (v) To whom, the above assets were sold and whether purchaser had any direct or indirect relationship with the Company or any of its directors?
- b) To submit a report duly verified by the auditors of the Company regarding sale proceeds and its utilization within thirty days of the date of this order.

**Abid Hussain**  
Director (Enforcement)

**Announced**  
December 2, 2008  
Islamabad