



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Before Tahir Mahmood, Executive Director (Enforcement)

In the matter of

Bestway Cement Limited

UNDER SECTION 245 READ WITH SECTION 476 OF COMPANIES ORDINANCE, 1984

Number and date of notice	No. EMD/Enf-II/368/06-2110 dated February 12, 2009
Date of hearing	March 30, 2009
Present	Mr. M. Javed Panni Counsel for the Directors

ORDER

This order shall dispose of the proceedings initiated through Show Cause Notice No. No. EMD/Enf-II/368/06-2110 dated February 12, 2009 against the directors of Bestway Cement Limited (Company) under the provisions of Section 245 of the Companies Ordinance, 1984 (Ordinance).

2. In terms of Sub-section (1) of Section 245 of the Ordinance the Company was required to file its 1st quarter accounts for quarter ended September 30, 2008 with the Registrar and the Commission within a period of one month of the close of the said quarter i.e. by October 31, 2008. However, the Company filed said quarterly accounts, with the Registrar and the Commission, on February 04, 2009 i.e. with a delay of 95 days. Consequently, a show cause notice was served upon the directors of the Company to show cause in writing as to why penalty as provided under Section 245 read with Section 476 of the Ordinance, may not be imposed on them. A period of 14 days was given to respond to the aforesaid notice.

3. The show cause notice was responded by M/s. M.J Panni & Company, Corporate and Capital Market Consultants (the "Counsel") on behalf of all the directors of the Company through letter dated March 11, 2009. The Counsel made following submission and requested for personal hearing:

- i. The 1st quarter accounts were approved by the BOD in their meeting held on October 31, 2008 and Karachi Stock Exchange was informed through fax on November 1, 2008.(copy of KSE notice incorporating the quarterly accounts is attached).
- ii. The said quarterly accounts were placed on the Company's website on the same day for the shareholders as per requirement of SECP.
- iii. Delay in filing of accounts was due to time taken by the printer in printing the accounts. There has been unprecedented load-shedding of electricity which had affected all commercial/industrial entities. The printers kept on promising different dates as a result job got delayed inordinately.
- iv. The director's regret the unavoidable delay which was not willful and they have not been the cause of the said default. Therefore default may be condoned.

NIC Building, 63 Jinnah Avenue, Islamabad.

PABX: 9207091-4 Fax 9218592 & 9204915 E-mail: webmaster@secp.gov.pk Website: www.secp.gov.pk

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Enforcement Department

Continuation Sheet - 1

4. Submissions of the Counsel were not found satisfactory; therefore, the case was fixed for personal hearing on March 30, 2009. On the date of hearing Mr. Javed Panni, the Counsel of the directors, appeared before the undersigned to plead the case and reiterated the earlier submissions as made in written reply to the show cause notice.

5. I have given due consideration to the submissions of the Counsel and also perused the record placed before me in light of the relevant provisions of the Ordinance. The plea that the delay occurred due to delay in printing of accounts is not a valid reason as the 1st quarter accounts filed by the Company with the Commission on February 4, 2009, with a delay of 95 days, were not published copies. I have also perused the notice of KSE as submitted by the Company and observed that the same was an intimation to the stock exchange that Company's BOD has approved accounts for the 1st quarter and just a copy of profit and loss account was enclosed. Regarding submission that the accounts were placed on Company's website on the same day I would state that placement of quarterly accounts on Company's website would not exempt the Company from filing requisite copies of accounts with the Commission within time period prescribed in Section 245 of the Ordinance.

6. For the forgoing, I find no merit in contentions of the Counsel for late-submission of quarterly accounts. The default under Section 245 of the Ordinance is therefore established. However, I take a lenient view and instead of imposing penalty on each director of the Company impose a penalty of Rs.10,000/- (Rupees ten thousands only) on the Chief Executive of the Company only. Other directors are advised to be careful in future. I hope that the directors would react positively and would ensure compliance with the requirements of law within prescribed time in future.

7. The Chief Executive of the Company is hereby directed to deposit the aforesaid fine in the designated bank account maintained in the name of the Securities and Exchange Commission of Pakistan with MCB Bank Limited within thirty days from the receipt of this order and furnish receipted bank voucher to the Commission, failing which proceedings for recovery of the fine as an arrear of land revenue will be initiated. It may also be noted that the said penalty is imposed on the Chief Executive in his personal capacity; therefore, the same shall be paid from his personal resources.


Tahir Mahmood
Executive Director (Enforcement)

Announced
March 31, 2009
Islamabad.