

July 27, 1999 Rejection of application for deferment of payment of dividend by ZAINAB TEXTILE MILLS LIMITED.

The Securities and Exchange Commission of Pakistan has rejected application of M/s. Zainab Textile Mills Limited under section 251 of the Companies Ordinance, 1984 for deferment of payment of dividend. The application has been rejected for the reason that application was not filed within the prescribed time and also prima facie the company had manipulated facts. The request for deferment of dividend was made on the ground that in case of certain shares there were disputes between individuals as to the right to receive dividend but on in-depth examination the Commission found that out of 8 dispute cases, applications in 4 cases were received in the company's Registered Office even after the filing of application under section 251(2) of the Companies Ordinance, 1984. This fact was revealed by the dates generated by the fax on applications which were received through fax. It was further noted by the Commission that these applications disputing the right to receive dividend were received in Company's office within 10 minutes time i.e. 13.55 hours to 14.06 hours on 29-05-1999. This was considered to be a manipulation by the company. The Commission has taken a serious notice of violations of law by the company with regard to payment of dividend, registration of transfer of shares and issuance of certificate of the shares and has initiated action under section 251(2), section 74(2) and Section 76(7) of the Companies Ordinance, 1984.