



Corporate Supervision Department
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Dadabhoy Construction Technology Limited

Number and date of SCN: No. CSD/ARN/121/2015-2857-63, dated February 24, 2017
Date of hearing: March 15, 2017, March 27, 2017 and May 02, 2017
Authorized Representative: Mr. Haroon Aziz, Corporate Consultant

ORDER

UNDER SECTIONS 158 AND 245 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984

This order shall dispose of the proceedings initiated against the following directors including the chief executive officer (together referred to as "respondents") of **Dadabhoy Construction Technology Limited** (the "Company"):

- | | | | |
|---|-------------------------------|---|--------------------------|
| 1 | Mr. Muhammad Hussain Dadabhoy | 5 | Mrs. Yasmeen Dadabhoy |
| 2 | Mr. Fazal-e-Karim Dadabhoy | 6 | Mrs. Humaira Dadabhoy |
| 3 | Mr. Muhammad Amin | 7 | Mrs. Noor Bakht Dadabhoy |
| 4 | Mr. Danish Dadabhoy | | |

The proceedings against the respondents were initiated through show cause notice (the "SCN") dated February 24, 2017 under the provisions of sections 158 and 245 read with section 476 of the Companies Ordinance, 1984 (the "Ordinance").

2. The brief facts of the case are that the Company was required to hold its annual general meeting ("AGM") for the year ended June 30, 2016 on or before October 31, 2016, in terms of sub-section (1) of section 158 of the Ordinance. However, review of record revealed that the Company failed to convene the AGM as per requirement of the law. Furthermore, the Company did not file the interim financial statements ("Quarterly Accounts") for the following periods with the Commission, in a timely manner as per requirements of section 245 of the Ordinance:

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Quarter Ended	Due on
30-Sep-16	31-Oct-16

Consequently, the SCN dated February 24, 2017 was issued to the respondents whereof they were called upon to show cause in writing within fourteen days as to why penal action may not be taken against them under section 158 and sub-section (3) of section 245 of the Ordinance respectively for non-holding of AGM and for filing the aforesaid Quarterly Accounts with the Commission in a timely manner, as per requirements of the law.

4. Mr. Haroon Aziz, the authorized representative of the Company appeared on behalf of the Company before the undersigned on the hearing fixed on March 27, 2017. He informed that the Company had sought extension to hold its AGM for the year ended June 30, 2016 and the reason for the delay was the removal of the appointed auditors from the QCR list of ICAP. Consequently, the whole audit had to be conducted again. The extension granted was till November 30, 2016 but the Company sought further extension. Hearing was adjournment with the commitment from the representative to provide the relevant proofs.

5. Another hearing was held on May 02, 2017, which was also attended by Mr. Haroon Aziz as Company's authorized representative. The related documents had been provided. He reiterated his earlier submissions. Hence, concluded the AGM was held on January 24, 2017 the annual accounts had also been filed with the Commission accordingly. The accounts for the quarter Sep-16 were delayed due to the delayed AGM.

6. Before proceeding further, it is necessary to advert to the following relevant provisions of the Ordinance. In terms of sub-section (1) of section 245 of the Ordinance read with Commission's circular no. 9 dated March 19, 2003, all listed companies are, inter alia, required to file their quarterly accounts with the Commission within stipulated time i.e. one month from the close of first and third quarters and two months from the close of second quarter.

Sub-section (3) of section 245, inter alia, provides as under:

(3) If a company fails to comply with any of the requirements of this section, every director, including chief executive and chief accountant of the company who has knowingly by his act or omission been the cause of such default shall be liable to a fine of not exceeding one hundred thousand rupees and to a further fine of one thousand rupees for every day during which the default continues.

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 the Director (Corporate Supervision Department).

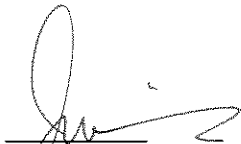
7. I have analyzed the facts of the case, relevant provisions of the Ordinance, and submissions made by the respondents. Before deciding upon on matter, manner not only provide to its users a reliable source of information



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regarding a company's financial position and performance but these also show the results of management's stewardship of resources entrusted to it. In order to ensure transparency, all the companies must meticulously follow the legal requirement for preparing and circulation of interim accounts. In addition to their responsibility of overseeing and managing affairs of the Company, directors also have fiduciary duties towards the Company and its shareholders. I would like to highlight that the requirement to circulate interim accounts was introduced so that the shareholders could have timely access to information about the affairs of companies. Keeping in view the fact that timing of interim financial statements is of essence the disclosure and audit requirements of these accounts have been kept to a bare minimum. Interim financial statements prepared properly and in a timely Company and its shareholders. They are, therefore, liable to a higher level of accountability, which requires them to be vigilant and perform their duties with care and prudence. It is directors' responsibility to oversee the functioning of the company, to keep it appropriately staffed and organized to ensure due compliance of law.

8. The Company has held its overdue AGM and that in the past the company has held its AGMs timely. The delay in filing 1st Quarter accounts was due to do finalization of preceding annual audited account. I taking a lenient view, hereby conclude the proceedings with a warning.



Amina Aziz
Director (CSD)

Announced:
May 30, 2017
Islamabad

