



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: CSD/ARN/121/2015-618-24 dated August 23, 2016
Date of Hearing: September 26, 2016
Present for Respondent: Mr. Fazal Karim Dadabhoy, Authorized Representative

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 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. Noor Bakht Dadabhoy |
| 2 | Mr. Muhammad Amin Dadabhoy | 6 | Mr. Danish Dadabhoy |
| 3 | Mr. Fazal Karim Dadabhoy | 7 | Mrs. Humaira Dadabhoy |
| 4 | Mrs. Yasmeen Dadabhoy | | |

The proceedings against the respondents were initiated through show cause notice (the "SCN") dated August 23, 2016 under the provisions of section 245 read with section 476 of the Companies Ordinance, 1984 (the "Ordinance").

2. The brief facts of the case are that as per record, the Company did not file the interim financial statements ("Quarterly Accounts") for the following periods in physical form with the Commission, as per requirements of section 245 of the Ordinance:

Quarter Ended	Due On
31-Dec-14	28-Feb-15
31-Mar-15	30-Apr-15
30-Sep-15	31-Oct-15
31-Mar-16	30-Apr-16



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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.

4. In hearing held on September 26, 2016, Mr. Fazal Karim Dadabhoy, Authorized Representative of the Respondents, appeared before the undersigned and submitted that the delay was due to shortage of staff and assured that the accounts would be submitted shortly and assured of future compliance.

5. 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).

6. I have analyzed the facts of the case, relevant provisions of the Ordinance, and submissions made by the respondents. Before deciding upon on matter I would like to highlight that the requirement to circulate interim accounts was introduced so that the shareholders could



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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 manner not only provide to its users a reliable source of information 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. 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.

7. It is clear that the Quarterly Accounts of the Company were filed with a delay. However, the accounts in question have also been received at the Commission on September 28, 2016. It has also been noted that the Company has removed the cause for delay in filing of accounts and has held all its overdue annual general meetings. I have been assured that all future quarterly accounts shall be prepared and circulated within due time. Therefore, 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.

Amna Aziz
Director (CSD)

Announced:
November 09, 2016
Islamabad