



Corporate Supervision Department  
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

*In the matter of*

Dadabhoy Sack Limited

Number and date of SCN: CSD/ARN/119/2015-533-39 dated August 16, 2016

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 Sack Limited (the “Company”):

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

The proceedings against the respondents were initiated through show cause notice (the “SCN”) dated August 16, 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



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

Continuation Sheet - 2 -

from the date of coming into force of this Ordinance and the provisions of the said Part VIII A along with all related or connected provisions of the repealed Ordinance shall be applicable mutatis mutandis to Non-banking Finance Companies in a manner as if the repealed Ordinance has not been repealed:

Provided that repeal of the repealed Ordinance shall not-

(f) affect any inspection, investigation, prosecution, legal proceeding or remedy in respect of any obligation, liability, penalty, forfeiture or punishment as aforesaid, and any such inspection, investigation, prosecution, legal proceedings or remedy may be made, continued or enforced and any such penalty, forfeiture or punishment may be imposed, as if this Ordinance has not been passed".

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 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 been received at the Commission Head Office on November 16, 2016.



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

*Continuation Sheet - 3 -*

I have been assured that all future quarterly accounts shall be prepared and circulated within due time. It is also to be noted that the company is moving towards revival of its operations. 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.

Amina Aziz  
Director (CSD)

**Announced:**  
December 15, 2016  
Islamabad