



Corporate Supervision Department  
Company Law Division

Before Amina Aziz, Director

In the matter of

**DANDOT CEMENT COMPANY LIMITED**

|                                      |   |
|--------------------------------------|---|
| Number and date of show cause notice | CSD/ARN/345/2015-914 dated September 9, 2016                                |
| Hearing date                         | November 4, 2016  |
| Present at the hearing               | Mr. Muhammad Iqbal and Mr. Farhan Ahmed Khan,<br>Authorized Representatives |

**ORDER**

**UNDER RULE 5 OF THE COMPANIES (AUDIT OF COST ACCOUNTS) RULES, 1998 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984**

This order shall dispose of show cause proceedings initiated against the Chief Executive and Company Secretary (the "Respondents") of Dandot Cement Company Limited ("Company") under Rule 3 read with Rule 5 of the Companies (Audit of Cost Accounts) Rules, 1998 ("Rules") and Section 476 of the Companies Ordinance, 1984 ("Ordinance") for failure to submit the application to the Commission within the prescribed time for approval of the appointment of cost auditor for the year ended June 30, 2016.

2. Brief facts of the case are that in terms of sub-rule (2) of rule 3 of the Rules, the directors of the Company are required to appoint the cost auditor with the prior approval of the Commission within sixty days of the close of financial year of the Company i.e. on or before August 29, 2016 and in compliance with the provisions of sub-rule (3) of rule 3 of the Rules, the company shall apply to the Commission in the form set out in Appendix I for appointment of cost auditor not later than thirty days before the date on which cost auditor is to be appointed i.e. on or before July 30, 2016. The application of the Company was received by the Commission on August 26, 2016 with a delay of 26 days.

3. A Show Cause Notice ("SCN") was served upon the respondents requiring to show cause in writing within 14 days of the date of the notice as to why penalty as provided under Rule 5 of the Rules read with Section 259 of the Ordinance may not be imposed upon them for the aforementioned contravention of the law. The respondents did not reply to the SCN within prescribed time. However, in order to provide an opportunity of being heard personally or through such person as may be prescribed in this behalf, a hearing in the matter was fixed for November 4, 2016.

4. Mr. Muhammad Iqbal, Manager Accounts and Mr. Farhan Ahmed Khan, Manager Finance, the authorized representatives appeared before the undersigned on November 4, 2016 and they stated the



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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*Continuation Sheet - 1 -*

reason of delay in submission of the application that the employee who was given responsibility of submission of application to the Commission for its approval for the appointment of cost auditor for the year ended June 30, 2016 had left the job and we had forgotten to submit the such application. They assured to submit such application within prescribed time in future and requested to condone the delay this time.

5. The authorized representative stated that the employee who was given responsibility of submission of application to the Commission for approval of appointment of cost auditor for the aforementioned period had left the job and we had forgotten to submit the application is not cogent.

6. I have gone through the facts of the case, provisions of the Rules and reason of delay submitted by the authorized representatives and their assurance to comply with the provisions of the Rules within prescribed time in future, I am of the view that the respondents have been failed to comply with the provisions of the Rules. However, in view of good track record of submission of such application to the Commission within prescribed time in the past and assurance of the respondents to comply with the provisions of the Rules timely, taking cognizance of the fact, I hereby conclude the proceedings initiated under Rule 5 of the Rules with a warning to the respondents to be careful in future and ensure meticulous compliance with applicable laws within prescribed time.

**Arifina Aziz**  
Director  
Corporate Supervision Department

**Announced:**  
December 8, 2016  
Islamabad