



Corporate Supervision Department
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Dandot Cement Limited

Number and date of SCN: CSD/ARN/345/2016-451-57 dated August 11, 2016
Date of Hearing August 24, 2016
Present for Respondent Mr. Muhammad Salman, 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 directors including chief executive (together referred to as "respondents") of **Dandot Cement Limited** (the "Company"). The proceedings against the respondents were initiated through show cause notice (the "SCN") dated August 11, 2016, issued under the provisions of sub-section (3) 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	Received on	Delay(days)
31-Dec-14	28-Feb-15	30-Mar-15	30
30-Sep-15	31-Oct-15	7-Dec-15	37
31-Dec-15	29-Feb-16	4-Apr-15	35
31-Mar-16	30-Apr-16	12-May-16	12

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.

3. In response to the SCN, the respondents vide letter dated August 18, 2016 submitted that the Quarterly Accounts could not be filed in time due to inadvertence and that it was not a willful default. The company gave assurance that due compliance of law will be made in future in respect of filing of accounts.

4. In hearing held on August 24, 2016, Mr. Muhammad Salman, Authorized Representative of the respondents, appeared before the undersigned and stated that they were facing issues with the inventory, which caused the delay. He further stated that the company will ensure that there is no delay in the future.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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5. 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.

6. It is clear from the record that the Company did not file the aforesaid Quarterly Accounts in time with the Commission; however, considering the submissions of the respondents, 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 05, 2016
Islamabad