



Corporate Supervision Department
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Drekkar Kingsway Limited

Number and date of SCN: No.CSD/ARN/100/2015-2345-56 dated January 12, 2016
Date of hearing February 12, 2016, February 23, 2016 and March 08, 2016
Authorized Respondents Mr. Zafar Iqbal, Authorized Representative

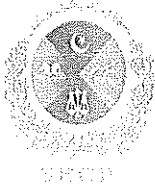
ORDER

**UNDER 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 **Drekkar Kingsway Limited** (the “Company”):

- | | |
|---------------------------|-----------------------------|
| 1 Mr. Humayun Gauhar | 7 Mr. Shaffi Saddick |
| 2 Mrs. Manizeh Gauhar | 8 Mr. Rais Umair Habib |
| 3 Ms. Mashal Gauhar | 9 Mr. Muhammad Ubaid |
| 4 Mr. Muhammad Ali Gauhar | 10 Mr. Aurangzeb Noor |
| 5 Ms. Fazila Gauhar | 11 Mr. Danish Kaiser Monnoo |
| 6 Mr. Imran Tajammul | 12 Mr. Sheraz J. Monnoo |

The proceedings against the respondents were initiated through show cause notice (the “SCN”) dated January 12, 2016 under the provisions of section 245 read with section 476 of the Companies Ordinance, 1984 (the “Ordinance”).



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2. The brief facts of the case are that 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:

Quarter Ended	Due on
30-Sep-08	31-Oct-08
31-Dec-08	28-Feb-09
31-Mar-09	30-Apr-09
30-Sep-09	31-Oct-09
31-Dec-09	28-Feb-10
31-Mar-10	30-Apr-10
30-Sep-10	31-Oct-10
31-Dec-10	28-Feb-11
31-Mar-11	30-Apr-11
30-Sep-11	31-Oct-11
31-Dec-11	28-Feb-12
31-Mar-12	30-Apr-12
30-Sep-12	31-Oct-12
31-Dec-12	28-Feb-13
31-Mar-13	30-Apr-13
30-Sep-13	31-Oct-13
31-Dec-13	28-Feb-14
31-Mar-14	30-Apr-14
30-Sep-14	31-Oct-14
31-Dec-14	28-Feb-15
31-Mar-15	30-Apr-15
30-Sep-15	31-Oct-15

Consequently, the SCN was issued to the respondents wherein they were called upon to show cause in writing within fourteen days as to why penal action may not be taken against them under



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sub-section (3) of section 245 of the Ordinance for not filing the aforesaid Quarterly Accounts with the Commission in a timely manner, as per requirements of the law.

3. The respondents vide letter received on dated January 26, 2016 submitted a written reply stating that the Company has not been operational since September 2008 until 2011. Proper books of accounts were not maintained and the accounts are being prepared. The hearings in this matter was fixed on February 12, 2016 however the hearing was not attended by anyone. The hearing was re-fixed for February 23, 2016. Mr. Zafar Iqbal appeared before the undersigned on behalf of the respondents however he did not provide the power of attorney in this regard. He committed to submit the power of attorney within a week but has still not been provided same to date. A letter dated February 23, 2016 was received from the Company reiterating the same facts as before as stated in earlier letter dated January 26, 2016. Further, the Company vide letter dated January 29, 2016 submitted that the quarterly accounts of September 30, 2014 to September 30, 2015 had now been filed.

5. Hearing was re-fixed for March 08, 2016 however; no one appeared nor was any reply received from the Company. It may be mentioned that the accounts prior to the period September 30, 2014 have not been received till date and the accounts received September 30, 2014 to September 30, 2015 have been filed subsequent to issue of SCN. .

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



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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 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.

8. It is clear that the aforesaid Quarterly Accounts of the Company were not filed by the Company. The attitude of the respondents shows that they are not concerned with following the law which is evident from the fact that they have neither submitted the power of attorney for their authorized representative nor the accounts have been filed. The aforesaid reflects a total disregard of the applicable legal framework by respondent which is not befitting for directors of a public listed company in their fiduciary capacity as caretakers of the investment of the minority shareholders. Keeping in view of the above I, hereby impose a fine of Rs.10,000 for each quarter on each respondents aggregating to Rs. 2,640,000 for contravening the provision of section 245 of the Ordinance. The respondents are directed to deposit the fine in the following manner:



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S. No	Names of Directors	2008 (2 Qtrs)	2009 (3 Qtrs)	2010 (3 Qtrs)	2011 (3 Qtrs)	2012 (3 Qtrs)	2013 (3 Qtrs)	2014 (3 Qtrs)	2015 (2 Qtrs)	Amount in Rs.
1	Mr. Hamayun Gauhar	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
2	Mrs. Manizah Gauhar	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
3	Ms. Mashal Gauhar	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
4	Mr. Muhammad Ali Gauhar	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
5	Ms. Fazila Gauhar	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
6	Mr. Imran Tajammul	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
7	Mr. Shafi Saddick	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
8	Mr. Rais Umair Habib Ahmed	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
9	Mr. Muhammad Ubaid	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
10	Mr. Aurangzeb Noor	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
11	Mr. Danish Kaiser Monnoo	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
12	Mr. Sheraz J. Manno	20,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	220,000
	TOTAL	240,000	360,000	360,000	360,000	360,000	360,000	360,000	240,000	2,640,000

The aforesaid fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the "Securities and Exchange Commission of Pakistan" within thirty days from the receipt of this order and receipted bank vouchers must be furnished to the Commission. In case of non-deposit of the fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the aforesaid fines are imposed on the respondents in their personal capacity; therefore, they are required to pay the said amount from personal resources.

Anis Aziz
Director (CSD)

Announced:
January 13, 2017
Islamabad

