



Corporate Supervision Department
Company Law Division

Before Ali Azeem Ikram, Head of Department (CSD)

In the matter of

Al-Noor Healthcare & Education Services (Pvt.) Limited

Number and date of notice: EMD/242/I/176/2011-1236 dated December 24, 2014
Date of hearings: March 31, 2015
Present: Mr. Kanwar Tanveer Anjum, Authorized Representative

ORDER

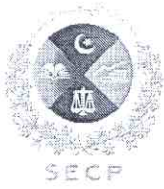
UNDER SECTION 218 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984

This order shall dispose of the proceedings initiated against the directors including the Chief Executive (the "respondents") of Al-Noor Healthcare & Education Services (Pvt.) Limited (the "Company") through show cause notice ("SCN") dated December 24, 2014 issued under the provisions of section 226 read with section 229 and section 476 of the Companies Ordinance 1984 (the "Ordinance").

2. The brief facts of the case are that examination of annual financial statements for the years ended June 30, 2012 and 2013 ("the Accounts") filed under Section 242 of the Companies Ordinance, 1984 ("the Ordinance") by Al-Noor Health Care & Education Services (Private) Limited ("the Company") revealed that during the years 2011, 2012 and 2013, following amounts were paid to the Chief Executive and a director of the Company on account of 'remunerations':

Year	2011	2012	2013
Chief Executive	Rs.6,000,000/-	Rs.6,700,000/-	Rs.7,800,000/-
Director	---	Rs.500,000/-	Rs.1,200,000/-

It reflected that the Company entered into a contract for appointment of a director in year 2012 and there has been a variation in the contract of Company's chief executive, as was evident from increase in remuneration in the years 2012 and 2013. An abstract of the terms of the appointment or contract or variation of the Director along with memorandum clearly specifying the nature of the concern or interest of the director in such appointment or contract or variation was not attached with the directors' reports filed along with the Company's audited financial statements under Section 242 of the Ordinance for the years ended June 30, 2012 and 2013.



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3. The Company through letter dated December 08, 2014 submitted the following:
- "As the chief executive and directors in the company are the renowned professionals of their field and provide extra services to the company. Therefore, their remuneration has been fixed for this purpose which has been determined and approved by the board of directors of the company in accordance with the requirements of Section 191 of the Ordinance."*

However, the Company did not confirm whether or not it had circulated an abstract relating to variation in the contract of appointment of its Chief Executive to the shareholders of the Company, within twenty one (21) days from the date of that variation.

4. Consequently, the SCN was issued to the respondents as the Company, prima facie, violated the provisions contained in Section 218 of the Ordinance by not:
- (i) attaching to the Directors' Reports for the years ended June 30, 2012 and 2013, an abstract of the appointment or contract or variation of the Director of the Company along with a memorandum in case of interest or concern of the Director in this appointment; and
 - (ii) circulating, an abstract relating to variation in the contract of appointment of its Chief Executive within twenty one (21) days from the date of variation in the contract of appointment.

In response to the SCN, the Company vide letter dated Jan 10, 2015 reiterated the earlier written stance and further stated that the procedural lapse, if any, was unintentional and any inconvenience in this regard is regretted with assurance to be careful in future.

5. A hearing in the matter was held on March 31, 2015 before the undersigned and the respondents appeared through their authorized representative. They mainly reiterated their earlier stance and further submitted that the Company run the only medical college in the area and is a family concern with 90% of the shareholding retained by them. They apologized for the procedural lapse and gave assurance for strict compliance with applicable legal provisions in future.



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6. Having gone through the facts of the case, submission of the respondents and considering the fact that the Company is a private limited company, I hereby conclude the proceedings with a warning to the respondents to be careful in future and ensure meticulous compliance with applicable legal provisions.

Ali Azeem Ikram
Head of Department (CSD)

Announced:
April 1, 2015
Islamabad