



Corporate Supervision Department  
Company Law Division

Before Amina Aziz – Director (CSD)

*In the matter of*

**Aska Engineering Private Limited**

Number and date of notice: EMD/242/L/715/2013-142 dated September 5, 2014

**ORDER**

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

This order shall dispose of the proceedings initiated against the chief executive (the “respondent”) of **Aska Engineering Private Limited** (the “Company”). The proceedings against the respondent were initiated through show cause notice (the “SCN”) dated September 5, 2014 issued under section 218 read with section 476 of the Companies Ordinance 1984 (the “Ordinance”).

2. The brief facts of the case are that examination of annual audited financial statements of the Company for the years ended June 30, 2012 (the “Accounts”) filed under section 242 of the Ordinance, revealed that the remuneration of the directors increased as under:

Year	2012	2011
Directors Remuneration	Rs4,500,000	Rs3,600,000

The Company did not attach to the directors’ report, referred to in section 236 of the Ordinance, an abstract of the terms of appointment of directors, contract or variation thereto, together with a memorandum clearly specifying the nature of the concern or interest of directors in such appointment or contract or variation. Consequently, the SCN was issued to the respondent as the Company, prima facie, contravened the provisions of section 218 the Ordinance.

3. The respondent has not submitted any response to the SCN. Relevant provisions of sub-section (1) of section 218 of the Ordinance are produced below:

*“Where a company-*

*(a) appoints, or enters into a contract for the appointment of, a chief executive, managing agent, whole-time director or secretary of the company, in which appointment or contract any director of the company is in any way, whether directly or indirectly, concerned or interested: or*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

Continuation Sheet - 1 -

*(b) varies any such contract already in existence;  
the company shall make out and attach to the report referred to in section 236 an abstract of the terms of the appointment or contract or variation, together with a memorandum clearly specifying the nature of the concern or interest of the director in such appointment or contract or variation."*

Sub-section (6) prescribes penalty for contravention of the provisions of section 218.

4. I have analyzed the facts of the case and relevant provisions of the Ordinance. It transpires that provisions of sub-section (1) of section 218 have been contravened because the required disclosures regarding change in remuneration of directors were not made in the directors' report. I take into account the fact that the Company is a closely held private company with only three shareholders who are also directors of the Company and no outsider holds any shares in the Company. Keeping in view these facts I hereby conclude the proceedings with a warning to the respondent to be careful in future regarding compliance with applicable legal provisions.

**Amina Aziz**  
Director (CSD)

**Announced:**  
January 22, 2016  
Islamabad