



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Enforcement Department

Before Javed K. Siddiqui, Executive Director (Company Law)

In the matter of
M/s. Dewan Cement Limited
(Under Sub-section (3) of Section 245 of the Companies Ordinance, 1984)

Number and date of Show cause notice	EMD/Enf-II/385/2004 Dated February 04, 2005
Date of hearing	May 09, 2005
Present	No one appeared
Date of Order	June 03, 2005

Order

This Order shall dispose of the proceedings initiated against the Directors of M/s. Dewan Cement Limited (formerly Pakland Cement Limited), (hereinafter referred to as the “Company”) for default made in complying with the provisions of Sub-section (1) of Section 245 of the Companies Ordinance, 1984 (the “Ordinance”).

2. The facts leading to this case, briefly stated, are that in terms of the provisions of Section 245 of the Ordinance, the Company was required to prepare and transmit to the members and simultaneously file with the Registrar and the Commission, its quarterly accounts for the 1st quarter ended on September 30, 2004 by October 31, 2004. The Company failed to file the aforesaid accounts with the Commission within the prescribed time. The failure of the Company to comply with the aforesaid requirements necessitated action against the Directors of the Company in terms of Sub-section (3) of Section 245 of the Ordinance. Consequently, a show cause notice dated February 04, 2005 was served on all the Directors including the Chief Executive of the Company calling upon them to show cause as to why penalties as provided under Sub-section (3) of Section 245 read with Section 476 of the Ordinance may not be imposed on them. No response was received from the Directors of the Company to the aforesaid notice.

3. In order to give an opportunity of personal hearing, the case was fixed for April 27, 2005. No one appeared on the date of hearing to plead the case. To afford another opportunity, the hearing was finally fixed for May 09, 2005. Again no one attended the hearing. However, a written reply dated



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May 07, 2005 was received in the Commission on May 09, 2005 from an anonymous person on behalf of the Directors of the Company intimating that they are unable to attend hearing fixed on May 09, 2005. Request was also made to fix a new hearing date. The said reply was received in the afternoon i.e. after the time of hearing. Moreover, no reason was furnished for adjournment of hearing. The request of the company for adjournment was, therefore, not considered cogent as the Commission had already afforded two opportunities of hearing but the company failed to avail the same. In the circumstances, I proceed to decide this case on its merits in accordance with law on the basis of well-settled principles of natural justice and record available on the file.

4. It is the duty of the Directors of the Company to ensure compliance with all the statutory requirements. Accordingly, the Directors of the Company are responsible for timely preparation and circulation of quarterly accounts to its members and file the same with the Registrar and the Commission within prescribed time. The requisite accounts were, however, filed with the Registrar and the Commission on March 03, 2005 i.e. with a delay of four months and two days. Since the Directors have failed to furnish any justification for the default/delay, therefore, the same is established. The Company in the past has also defaulted in submission of quarterly accounts and in the holding of AGM for which penalty was imposed on the Chief Executive of the Company.

5. In view of the above, it appears that the Directors do not assign due importance to complying with the requirements of the law and the default under Section 245 is considered willful and deliberate. However, taking a lenient view, and instead of imposing the maximum fine of Rs. 100,000/- on every Director and a further fine of Rs. 1,000/- per day for the continuous default, I, in exercise of powers conferred upon me under Section 245 read with Section 476 of the Ordinance, impose a fine of Rs. 10,000/- (Rupees ten thousand only) each on the Chief Executive and Directors of the Company in the following manner:

S. No	Name of Director	Penalty (Rupees)
1	Mr. Muhammad Khubaib, Chief Executive	10,000/-
2	Syed Moonis Alvi, Director	10,000/-
3	Mr. Farrukh Wiqaruddin Junaidy, Director	10,000/-
4	Mr. Zaheer M. Jaleel, Director	10,000/-



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5	Mr. Khursheed Anwar Jamal, Director	10,000/-
6	Mr. Muhammad Shabbir Alam, Director (NIT)	10,000/-
7	Mr. Azizul Haque, Director	10,000/-
8	Mr. Wajahat A. Baqi, Director (Nominee Creditors)	10,000/-
9	Mr. Basheer Ahmed Chowdry, Director (Nominee Creditors)	10,000/-
	Total	Rs. 90,000/

6. The Chief Executive and other Directors of the Company are hereby directed to deposit within 30 days of the date of receipt of this order the aforesaid fine totaling to Rs.90, 000/- (Rupees ninety thousand only) in the Commission's designated bank account No. 10464-6 maintained at Central Branch-2, HBL Plaza, I.I Chundrigar Road, Karachi or by a DD/Pay order issued in the name of Commission and send a copy of the receipted vouchers to the Commission for information and record, failing which proceedings under the Land Revenue Act, 1967 will be initiated which may result in the attachment and sale of their movable and immovable property. It should also be noted that the said penalty is imposed on the Chief Executive and the Directors in their personal capacity, therefore, they are required to pay the said amounts from their personal resources.

Javed K. Siddiqui
Executive Director (CL)