



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I Adjudication Division

Order

In the Matter of

Dadabhoy Construction Technology Limited

Number and Date of SCN: CSD/ARN/121/2015-375 dated December 19, 2023

Date(s) of Hearing(s): January 29, 2024; February 15, 2024; February 21, 2024; March 11, 2024; April 01, 2024; April 30, 2024; May 10, 2024; October 31, 2024; and November 20, 2024.

Present: No one appeared.

ORDER

UNDER SECTION 132 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (**the Commission**) against M/s. Dadabhoy Construction Technology Limited (**the Company**), its Board of Directors (BoDs) and the Company Secretary (herein collectively referred as **Respondents**) through Show Cause Notice CSD/ARN/80/2015-375 dated December 19, 2023 (**the SCN**) issued under Section 132 of the Companies Act, 2017 (**the Act**) read with Section 479 thereof.

2. The brief facts of the case are that from perusal of the relevant record of the Commission, it was noted that the Respondents failed to hold the Annual General Meeting of the Company for the Financial Year ended June 30, 2023 (**the AGM**) within a period of one hundred and twenty (120) days following the closure of its afore-stated Financial Year, as required under sub-section (1) of Section 132 of the Act for which the SCN dated December 19, 2023 was issued to the Respondents to show the cause in writing as to why penal action may not be taken against them for non-compliance with the provisions of Section 132 of the Act. However, in response to the SCN, no submissions were made by the Respondents.

3. In order to provide opportunity for personal representation, hearing in the matter was first fixed for January 29, 2024. However, no one appeared. Later on, the Respondents, vide letter dated January 30, 2024, regretted their non-availability on the scheduled date and time for hearing, stating that they had only received the hearing notice via an email that was not actively monitored. They further explained that the oversight to received the SCN was inadvertent and may be condoned.

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4. Subsequently, hearing opportunities in the matter were repeatedly fixed, the timeline of which is placed as below:

Date(s) of Hearing(s)	Attended by	Request of Adjournment
February 15, 2024	No one appeared	No request of Adjournment
February 21, 2024	No one appeared	No request of Adjournment
March 11, 2024	No one appeared	No request of Adjournment
April 01, 2024	No one appeared	No request of Adjournment
February 15, 2024	No one appeared	No request of Adjournment
February 21, 2024	No one appeared	No request of Adjournment
March 11, 2024	No one appeared	No request of Adjournment
April 01, 2024	No one appeared	No request of Adjournment
April 30, 2024	No one appeared	No request of Adjournment
May 10, 2024	No one appeared	No request of Adjournment

5. It is pertinent to mention for the record that for all the aforementioned hearings, notices were issued which were duly received at the registered office address of the Company. Simultaneously, earnest efforts were made to contact the Respondents via telephone calls; where the Respondents failed to appear at any of the scheduled hearings.

6. In order to meet the ends of justice, hearing in the matter was once again fixed for October 31, 2024, which was again not attended by the Respondents. Thereafter, the Company vide email dated November 1, 2024 sought an adjournment which was claimed to be due to its pre-occupation with holding of the AGM of the Company.

7. In order to conclude the matter, a final hearing notice dated November 13, 2024, was issued to the Respondents with clear advice that no further adjournments will be allowed and in the case of non-appearance, an appropriate ex-parte order shall be passed on merit. Despite the same, the Respondents, unfortunately, once again failed to join the proceedings.

8. I have considered the facts of the case based on the relevant provisions of the Act and the available record with this office on the case at hand. At this juncture, it is imperative to discuss the following legal and factual elements:

- In terms of Section 132(1) of the Act, every company is required to hold its AGM once in every calendar year within a period of one hundred and twenty days (120) following the close of its financial year. Accordingly, it was obligatory on part of the Company to hold its AGM by October 28, 2023, which it failed to hold.
- The holding of an AGM is a fundamental statutory requirement as it provides members with an opportunity to participate in discussions and vote on agenda items, including the consideration and approval of the company's financial statements. In order to ensure transparency and to protect shareholders' rights, the Company is required to meticulously

adhere to the provisions of law as prescribed under the Act for holding of AGMs and the Respondents, in any manner whatsoever, cannot absolve themselves from their statutory duties pertaining to holding of AGMs, in a timely manner.

- In the recent judgment passed by the Appellate Bench of the Commission, in the matter of *Gulistan Spinning Mills Limited vs. Director/HoD Adjudication-I* (Appeal No. 71 of 2022), the Appellate Bench has held that "A public listed company has a higher responsibility to disseminate a true and accurate state of affairs to all the stakeholders by holding the AGM within the stipulated time so that appropriate and timely decisions are made. Therefore, the Company, the BoD and Company Secretary should have conducted the AGM as per the applicable legal framework."
- The record of the Company maintained at the Company Registration Office (CRO) of the Commission also reveals that the Company has not filed any statutory returns evidencing holding of the AGM under question as per the requirements of law.
- Furthermore, as per the available record, the Company also failed to hold its AGMs for the years 2020, 2021, and 2022 for which penalties were imposed vide orders dated January 14, 2022, June 15, 2022, and September 27, 2023. This unfortunately demonstrates a recurring non-compliance by the Respondents.

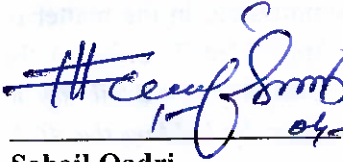
9. In view of the preceding facts, I am of the considered view that by failing to hold AGM within the prescribed timeframe, the Respondents have contravened the requirements of sub-section (1) of Section 132 of the Act which attract a penal action under sub-section (5) of Section 132 of the Act. I, therefore, in exercise of powers conferred under sub-section (5) of Section 132 of the Act, hereby impose an aggregate penalty of **Rs. 1,000,000/- (Rupees One Million only)** on the Respondents in the following manner:

S.No.	Name of Respondents	Penalty Amount
1.	Mr. Faheem Khan Niazi	100,000
2.	Khawaja Mansoor Ali	100,000
3.	Malik Shaheer Khalid	100,000
4.	Mr. Zain Khalid Bhatti	100,000
5.	Mr. Ahsan Hassan Khawaja	100,000
6.	Ch. Muhammad Javed Siddique	100,000
7.	Mr. Fazal Karim Dadabhoy	100,000
8.	Mr. M. Sohail Arshad Sheikh, Company Secretary	100,000
9.	Dadabhoy Construction Technology Ltd	200,000
	Total Amount	1,000,000

10. The Respondents are, hereby, directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under

Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue pursuant to provision of Section 42 of the Securities and Exchange Commission of Pakistan Act, 1997 (the SECP Act).

11. This Order is issued without prejudice to any other action that the Commission may initiate against the Respondents in accordance with the applicable law(s) on matters subsequently investigated or brought to the attention of the Commission.


1-12-2024

Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:
December 04, 2024
Islamabad.