



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s. Dadabhoy Construction Technology Limited
Show Cause Notice No. & Date:	No. CSD/ARN/121/2015-630 dated November 20, 2024
Respondents:	(i) Mr. Faheem Khan Niazi, Chief Executive; (ii) Khawaja Mansoor Ali, Director; (iii) Malik Shaheer Khalid, Director; (iv) Mr. Zain Khalid Bhatti, Director; (v) Mr. Ahsan Hassan Khawaja, Director; (vi) Ch. Muhammad Javed Siddique, Director; (vii) Mr. Fazal Karim Dadabhoy, Director; (viii) Mr. Muhammad Sohail Arshad Sheikh, Company Secretary; and (ix) M/s. Dadabhoy Construction Technology Limited
Date(s) of Hearing(s):	(i) December 13, 2024; (ii) December 24, 2024; and, (iii) January 06, 2025
Case represented by:	<i>No one Appeared</i>
Provision of law involved:	Section 132 of the Companies Act, 2017 read with Section 479 of the Companies Act, 2017
Date of Order	March 26, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through the Show Cause Notice No. CSD/ARN/121/2015-630 dated November 20, 2024 (the "SCN") against M/s Dadabhoy Construction Technology Limited (the "Company"), its Board of Directors (BoD) and the Company Secretary, hereinafter collectively referred to as the "Respondents", issued under Section 132 of the Companies Act, 2017 read with Section 479 of the Companies Act, 2017 (the "Act").

2. The brief facts of the case are that the Company in terms of the requirement of Section 132(1) of the Act was required to hold its Annual General Meeting for the year ended June 30, 2024 (the "AGM") within a period of one hundred and twenty (120) days following the close of its aforesaid financial year i.e. by October 28, 2024. The relevant provisions of law are reproduced hereunder:

"132. Annual general meeting — (1) Every company, shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year..."

(5) Any contravention or default in complying with requirement of this section shall be an offence liable— (a) in case of a listed company, to a penalty of level 2 on the standard scale..."

3. The relevant record of the Commission revealed that the Respondents failed to hold the AGM of the Company, as required under sub-section (1) of Section 132 of the Act. While taking cognizance of the said contravention, SCN was issued to the Respondents to show 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, the Respondents made no submissions.

4. In order to provide an opportunity for personal representation, a hearing in the matter was first fixed for December 13, 2024. However, no one appeared on behalf of the Respondents, nor was there any adjournment sought. Thereafter, another hearing opportunity was provided on December 24,

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2024. However, again no one appeared on behalf of the Respondents, nor any request for adjournment was received.

5. Subsequently, to meet the ends of justice and to provide a final opportunity for personal representation, a hearing in the matter was re-fixed for January 06, 2025, with clear advice that in case of non-appearance, the matter would be decided *ex-parte* based on the record available with the Commission and on its merits. No one appeared in the hearing. It is pertinent to mention for the record that for all the aforementioned hearing notices were issued which were duly received at the registered office address of the Company i.e. 28-30, C/II, Noor Center, 12th Lane, Phase VII, Karachi and were not returned undelivered.

6. I have gone through the relevant provisions of Section 132(1) of the Act, considered the facts of the case and available record of the Company. I have also perused Section 132(5) of the Act, which stipulates penal provisions for contravention of the afore-referred provisions of law. I have noted that 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 (120) days following the close of its financial year. Accordingly, the Company was obligated to hold its AGM for the financial year 2023-24 by October 28, 2024, which it has failed to do so. The holding of AGMs on time is a crucial legal requirement that ensures transparency, accountability, and shareholder engagement. It allows shareholders to participate in discussions, approve financial statements, and hold management accountable. Adhering to legal provisions under the Act is essential for protecting shareholders' rights, fostering trust, and promoting good corporate governance. A listed company must meet its statutory duties to hold AGMs on time, facilitating open communication and feedback from its shareholders.

7. 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."*

8. During the review of the latest record it has been observed that the Company disseminated a notice dated October 09, 2024, at PSX's website, notifying that the AGM for the year ended June 30, 2024 will be held on October 31, 2024 i.e. three beyond the statutory timeline. However, a copy of said Notice for AGM – as required in terms of first provision of sub-section 3 of the Section 132 of the Act, and the statutory returns evidencing holding of the subject AGM has not been filed with the Commission. Furthermore, as per the available record, the Company previously failed to hold its AGMs for the years 2020, 2021, 2022 and 2023 in a timely manner for which penal actions were taken vide orders dated January 14, 2022, June 15, 2022, September 27, 2023, and December 04, 2024, respectively. This unfortunately demonstrates a recurring/habitual non-compliance by the Respondents.

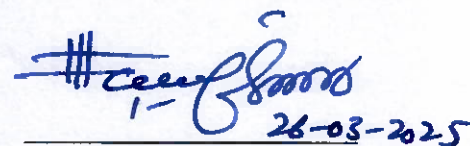
9. The fact that the AGM was eventually held on October 31, 2024, does not absolve the Respondents from liability for violating Section 132(1) of the Act. The AGM was convened three days beyond the statutory deadline i.e. October 28, 2024, which demonstrates a failure to adhere to statutory timelines. However, the delay was minimal and did not result in any substantive prejudice. In light of these circumstances, a lenient view is warranted.

10. It is important to note that despite multiple hearing opportunities the Respondents failed to participate in the proceedings or submit any response regarding non-compliance; thereby reflecting

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their non-cooperative behaviour in the matter. Therefore, I am left with no other option except to pass an ex-parte order in the subject proceedings on the basis of available record with this office.

11. In view of the preceding facts, I am of the well-considered view that by failing to hold AGM within the prescribed timeframe, the contravention with the requirements of sub-section (1) of Section 132 of the Act has been established beyond doubt which attracts penal action in terms of sub-section (5) of Section 132 of the Act. I have also given due consideration to the fact that the AGM for the year ended June 30, 2024 has been held on October 31, 2024 i.e. three days beyond the statutory timeline. As it is observed that the delay was minimal and there is an ongoing effort by the Company to achieve pending compliances of Section 132 of the Act, a lenient view is warranted. I, therefore, in exercise of the powers conferred upon me under sub-section (5) of Section 132 of the Act, vide S.R.O. 1545(I)/2019 dated December 06, 2019, hereby, conclude the proceeding and **WARN** the Respondents to ensure meticulous compliance with the applicable legal and regulatory framework in future.



Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:
Dated: March 26, 2025
Islamabad

