



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s. Pak Datacom Limited
Show Cause Notice No. & Date:	CSD/ARN/546/2018-220 dated April 23, 2024
Respondent:	i. M/s. Pak Datacom Limited; ii. Syed Zomma Mohiuddin, Chairman/ Director; iii. Brig. Syed Zulfiqar Ali (R) – Chief Executive/ Director; iv. Ms. Rubina Safir – Director; v. Engr. Perwaiz Khan- Director; vi. Syed Junaid Imam – Director; vii. Mr. Muhammad Izqar Khan – Director; viii. Mr. Shamim Ahmed Sherazi – Director; and ix. Mr. Muhammad Waheed - Director
Date(s) of Hearing(s):	i. May 27, 2024 ii. August 22, 2024 iii. May 06, 2025
Case represented by:	i. Mr. Ali Saleem Rana, Company Secretary ii. Mr. Ahmed Bashir, Corporate Consultant (As Authorized Representatives)
Provision of law involved:	Section 132(3) of the Companies Act, 2017 read with Circular No. 10 of 2019 dated July 03, 2019 and Section 132(5)(a) and 510(2) thereof.
Date of the Order:	May 09, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the “Commission”) through Show Cause Notice No. CSD/ARN/546/2018-220 dated April 23, 2024 (“SCN”) issued to M/s. Pak Datacom Limited (the Company) and its Board of Directors including the Chief Executive Officer, hereinafter collectively referred to as the “Respondents”, under Section 132(3) of the Companies Act, 2017 (the Act) read with Circular No. 10 of 2019 dated July 03, 2019 (the Circular) and Section 132(5)(a) and 510(2) thereof.

2. Provisions of Section 132(3) of the Act requires the Respondent to send the notice of an Annual General Meeting (AGM) to the members and every person who is entitled to receive notice of general meetings at least twenty-one (21) days before the date fixed for the meeting. It further requires a listed company to send such notice to the Commission in addition to its being dispatched in the normal course to members and the notice shall also be published in English and Urdu languages at least in one issue each of a daily newspaper of respective language having nationwide circulation.

3. Provisions of clause (ii) of the Circular, while consolidating the applicable requirements for filing of notices of general meetings with the Commission, requires filing of copies of the notice published in English and Urdu morning newspapers having nationwide circulation and are generally known and read; along with the statement as required under section 134 of the Act with the Commission within three (03) days of publication of the same. Moreover, clause (iii)

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of the Circular requires that notice of general meeting, along with statement under section 134 of the Act, where applicable, shall also be transmitted to the SECP through fax or email at the email address general.meetings@secp.gov.pk”.

4. Brief facts of the case are that review of annual audited financial statements for the Financial Year (FY) ended June 30, 2023 of the Company transpired that it failed to send Notice of its AGM for FY 2023 dated October 4, 2023 and notice of Extra Ordinary General Meeting (EOGM) dated December 05, 2023 to the Commission contrary to the requirements of Section 132(3) of the Act read with the Circular. The following non-compliances were observed:

- a. Notices of AGM and EOGM had not been sent to the Commission at least twenty-one days before the date fixed for the meetings,
- b. Notices were not transmitted to the Commission through fax or email, and
- c. Copy of newspapers in each language i.e. English and Urdu, in which notices were published, were not filed within three (3) days of the publication with the Commission.

5. In order to probe, the matter was taken up with the Company vide Commission's letter dated February 27, 2024 which in its response letter dated March 05, 2024, *inter alia*, submitted:

“This observation is correct. This procedural omission was not willful and due care will be taken to ensure that it is not repeated in future”

6. In view of the afore-mentioned instances, the Respondents, *prima facie*, contravened the provisions of clause (ii) and (iii) of the Circular read with Section 132(3) of the Act which attract penal provisions provided in sub-section (2) of Section 510 of the Act and sub-section (5) of Section 132 of the Act, provided as under:

“Section 510(2) of the Act:

Any person, who obstructs or contravenes or does not comply with any directive, prudential requirements, codes, circulars or notifications, given under this section shall be liable to a penalty of level 3 on the standard scale.”

Section 132(5)(a) of the Act:

(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; ...”

7. Having being not satisfied with the aforesaid response, SCN was issued to the Respondents to show the cause in writing as to why a penal action may not be taken for non-compliance of the mandatory requirements of the Act and the Circular. No response was received from the Respondents until a final hearing notice was served on the Respondent. Eventually a written response was furnished by the Authorized Representative of the Company vide letter dated May 06, 2025, immediately prior to the final hearing opportunity wherein the Authorized Representative, *inter alia*, submitted:

- i. The Company, prior to the issuance of the SCN and in response to the Commission's letter/ Notice dated February 27, 2024, has already admitted its omission in relation to

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intimating the Commission and sending copies of notices. The said omissions were not willful and are regretted by the Company. Subsequent to March, 2024, the Company is fully compliant.

- ii. In terms of Section 132(3) of the Act, the Company is required to send notices to its members and every person entitled to receive notice of general meetings at least 21 days before the date fixed for the meeting; publish in daily newspapers of English and Urdu having nationwide circulation; and to send copies of the said notices to the Commission. The Company complied with all other requirements of Section 132(3) of the Act. It appears from the bare reading of Section 132(3) of the Act that it gives a direction to convey the fact of compliance with the requirement to give information to shareholders/members, public at large and the Pakistan Stock Exchange. Moreover, the omission of not conveying the Commission about compliance of having given/ published the notices/ information did not have any adverse consequences for the Company and its shareholders. However, the Company still regrets the omission of not having informed the Commission in compliance of Section 132(3) of the Act. In this regard, it is also pertinent to highlight that since then, the Company has not alleged to have acted or omitted to act in contravention of any laws, regulations and directives etc. This will be evident from the Commission's record.

8. In order to provide opportunity of personal representation, hearing in the matter was fixed for May 27, 2024. However, no response was received from the Respondents. The hearing notice was duly sent at the Registered Address of the Company i.e. 1st Floor, Telecom Foundation, TF Headquarters, 7-Mauve Area, G-9/4, Islamabad. Another hearing in the matter was fixed on August 22, 2024. However, the Respondents failed to respond to the hearing notice. In order to meet the ends of justice, a final hearing opportunity was accorded to the Respondents on May 06, 2025 and the hearing notices were duly sent at the Registered as well as the Head Office Addresses of the Company. On the date of hearing, Mr. Ahmed Bashir (Consultant) and Mr. Ali Saleem Rana (Company Secretary) appeared as *Authorized Representatives* on behalf of the Respondents. During the course of hearing, the Authorized Representatives reiterated the stance as provided in its written reply dated May 06, 2025, admitted to the default made on part of the Respondents and, *inter alia*, submitted that:

- i. Published copies of Notices of AGM and EOGM will be sent to the Commission subsequent to the hearing proceedings.
- ii. The Company requested to take a lenient view in the matter.
- iii. The Company has duly noted the regulatory oversight and has improved its internal processes to ensure that such compliance procedures are not overlooked in the future.

9. I have reviewed the facts of the case and also considered the written and verbal submissions made by the Respondents and their Authorized Representatives. I have also reviewed the relevant provisions of the law, especially the relevant clauses of Section 132 of the Act and the Circular. At this juncture, it is important to discuss the following legal and factual elements of the case:

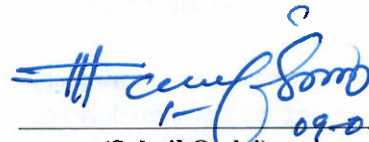
- i. With regard to the filing of published copy of the notices of AGM for FY 2023 dated October 04, 2023 and EOGM dated December 05, 2023, with the Commission, the Company admitted to the oversight made on its part and submitted that the notices were duly published in newspapers both in English and Urdu, having nationwide circulation and

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sent to all members, shareholders and communicated through PSX website within due time. The Authorized Representative admitted that the Company failed to inform the Commission regarding its AGM/ EOGM however, that the same has no adverse consequences for the Company or its shareholders.

- ii. In this regard, it is pertinent to note that Section 132(3) of the Act read with Clause (ii) and (iii) of the Circular clearly requires the Company to also send a notice of AGM/EOGM to the Commission at-least twenty-one (21) days before the date of general meetings. The Authorized Representative submitted published copies of notices of AGM dated October 26, 2023 and notice of EOGM dated December 27, 2023, subsequent to the hearing proceedings on May 06, 2025 i.e. with a significant delay. Scrutiny of the notices reveals that it was duly communicated to the members, shareholders and PSX within due time. However, the Company failed to send notices of AGM/EOGM to the Commission and also failed to transmit published copies of the notices of AGM/EOGM to the Commission on the designated email address within three (3) days of the publication.

10. In view of the foregoing facts, I am of the considered opinion that the Respondents have violated the provisions of Section 132(3) of the Act, as well as clauses (ii) and (iii) of the Circular, read with Section 132(5)(a) and 510(2) of the Act. However, given that the Respondents duly communicated the notices of general meetings to the members, shareholders, the public at large, and PSX through the appropriate channels, I, in exercise of the powers conferred under Section 510(2) and Section 132(5)(a) of the Act read with SRO 1545(I)/2019 dated December 06, 2019, hereby issue a strict **WARNING** to the Respondents regarding their failure to file/transmit notices of general meetings to the Commission. The Respondents are advised to remain fully compliant with all statutory obligations under the applicable regulatory framework and to ensure timely and proper dissemination of information relating to general meetings to all relevant stakeholders, in accordance with the requirements of the Act, applicable Circulars, and SROs.


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(Sohail Qadri)

Director/ Head of Department
Adjudication Department-I

Announced:

Dated: May 09, 2025

Islamabad.