



Corporate Supervision Department  
Company Law Division

Before Amina Aziz – Director (CSD)

*In the matter of*

**Genertech Pakistan Limited**

Number and date of SCN: EMD/233/395/2002-910, dated May 5, 2010  
Hearing held on: February 22, 2016  
Present: Mr. Tariq Latif, Director and Company Secretary

**ORDER**

**UNDER SECTION 204A READ WITH SECTIONS 498 476 OF THE COMPANIES  
ORDINANCE, 1984**

This order shall dispose of the proceedings initiated against the following directors including the chief executive officer (together referred to as “respondents”) of **Genertech Pakistan Limited** (the “Company”):

- |   |                                     |   |                            |
|---|-------------------------------------|---|----------------------------|
| 1 | Mr. Jahangir Elahi, Chief Executive | 5 | Mr. Muhammad Ashraf        |
| 2 | Mr. Tanvir Elahi                    | 6 | Mr. Tariq Latif            |
| 3 | Mr. Amir Jahangir                   | 7 | Mr. Muhammad Ashfaq Nadeem |
| 4 | Mr. Shahrukh Elahi                  |   |                            |

The proceedings against the respondents were initiated through show cause notice (the “SCN”) dated May 5, 2010 under the provisions of section 204-A read with sections 498 and 476 of the Companies Ordinance, 1984 (the “Ordinance”).

2. The brief facts of the case are that review of annual audited financial statements (the “Accounts”) of the Company for the year ended June 30, 2009 revealed that the Company had not appointed an independent share registrar (“Registrar”) in terms of section 204A of the Ordinance. Consequently, the SCN was issued to the respondents and they were required to inform within fourteen days, in case they wished to be heard in person or through their authorized representative. In response to the SCN, the respondent requested for further time which was allowed. Subsequently, Mr. Jahangir Elahi, the chief executive of the Company in response to the SCN stated that the Company’s shares are processed through CDC and almost 90 percent of those were transferred in the CDS. He further stated that Company’s shares were not actively traded and share registrar was not appointed due to constrained financial resources, however, the Company was in process of negotiations with Commission’s approved registrars for meeting the requirements with minimal financial burden. No request for hearing was made, therefore, the case



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was decided without hearing. The case was decided by Director of Enforcement Department, *now Corporate Supervision Department (CSD)*, vide order dated June 25, 2010 under section 204A read with section 498 of the Ordinance and a fine of Rs15,000/- was imposed on each of the seven respondents. The Company filed an appeal with the Appellate Bench of the Commission that without going into merits of the case vide its order dated July 6, 2015 remanded the case back to the CSD with direction to give an express opportunity of hearing to the appellants and decided the case afresh.

3. Consequently, a hearing in the matter was fixed on September 18, 2015 through hearing notice dated September 8, 2015 in response to the which the respondents through letter dated September 16, 2015 stated that the operations of the Company were closed for past several years, all the staff had left their jobs and the Company was hardly managing the statutory compliances. They requested for a time of sixty days to submit reply to the content of the SCN. The case was again fixed for hearings on October 28, 2015 and February 10, 2016, however, the respondents again requested for rescheduling of hearings. The hearing was finally held on February 22, 2016 and Mr. Tariq Latif, appeared on behalf of the respondents. He stated that the Company had appointed share registrar in the year 2010 to comply with the requirements of section 204A of the Ordinance. He was allowed one week's time for providing evidence of appointment of share registrar and its eligibility for appointment under the Balloters and Transfer Agents Rules, 2015 (the "Rules"). Subsequently, through letter dated March 8, 2016, Mr. Tariq Latif provided the evidence of appointment of Corplink (Pvt.) Limited as Company's share registrar since July 21, 2010. Moreover, a copy of certificate of registration of Corplink (Pvt.) Limited confirming its registration under the Rules was also provided.

4. Before proceeding further, it is necessary to advert to the following relevant provisions of the Ordinance.

Sub-section (2) of section 204-A of the Ordinance, inter alia, provides as under:

*"Listed companies shall have an independent share registrar possessing such qualifications and performing such functions as may be specified by the Commission."*

Penalty for violation of the aforesaid provisions have been provided in section 498 of the Ordinance.



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In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 498 of the Ordinance have been delegated to the Director (Corporate Supervision Department).

5. I have analyzed the facts of the case, relevant provisions of the Ordinance, and facts available on record. The aforesaid provisions of the law are clear and explicit. A listed company is required to appoint independent share registrar possessing such qualifications and performing such functions as may be specified by the Commission. The Commission has prescribed the requirements for share registrar under the Rules. It appears that the Company has appointed independent share registrar since July 21, 2010 to fulfil the requirements of section 204-A of the Ordinance, even though the Company has been in default of this requirement prior to July 2010. However, keeping in view the subsequent compliance with the requirements of section 204-A of the Ordinance, I hereby conclude the subject proceedings with a warning to the respondents in respect of non-compliance with requirements of sub-section (2) of section 204-A prior to July 21, 2010.

**Amina Aziz**  
Director (CSD)

**Announced:**  
April 19, 2016  
Islamabad