



Securities and Exchange Commission of Pakistan

Securities Market Division

Public offering and Regulated Persons Department

Through Courier

Before the Commissioner (SMD)

In the matter of Notice of Opportunity of Personal Hearing Issued to Najeeb Consultants (Pvt.) Limited in terms of Application for Grant of Licence as Share Registrar and Balloter under the Share Registrars and Balloters Regulations, 2017 (the "Regulations")

Date of Hearing

October 4, 2017

Present at the Hearing

Representing Najeeb Consultants (Pvt.) Limited

i. Mr. Muhammad Nabeel Shahzad, Chief Executive Officer

ii. Mr. Afzal Awan, Advocate, Representative

Assisting the Commissioner (SMD)

i. Mr. Faisal Nawaz, Joint Director (SMD-PRPD)

ORDER

This Order shall dispose of the application of M/s Najeeb Consultants (Pvt.) Limited (the "**Respondent**") for obtaining licence as Share Registrar and Balloter under the Share Registrars and Balloters Regulations, 2017 (the "**Regulations**") read with the Securities Act, 2015 (the "**Act**").

2. The Respondent had applied for registration to act as a Balloter and Transfer Agent ("**BTA**") vide their letter dated September 28, 2015 under the Balloters and Transfer Agents Rules, 2015 ("**the Rules**").

3. The said application was signed by Syed Zahoor Hussain, Director of the Respondent and in this regard, a copy of resolution dated September 23, 2015 duly signed by Mr. Manzoor Ahmed, Chief Executive Officer ("**CEO**") of the Respondent was provided. As per the said resolution, Syed Zahoor Hussain was authorized to sign all the documents on behalf of the Respondent for registration as BTA.

4. While processing the said application certain deficiencies were observed for which CEO was contacted. On contacting the CEO, it had come to the notice of the Commission that Mr. Manzoor Ahmed is no longer part of the Respondent and had left the Respondent approximately seven years ago. Further, he was not aware of the application filed by the Respondent for obtaining the Registration as BTA with the Commission. He further informed that Syed Zahoor Hussain, Director of the Respondent is also out of country. Since the board resolution through which Syed Zahoor Hussain was authorized for filing the application for registration as BTA was signed by Mr. Manzoor Ahmed, therefore, the statement of Mr. Manzoor Ahmed with regard to his resignation created serious doubts about the genuineness of the application of the Respondent, its sponsors and management.





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5. In order to ascertain the existence of the Respondent as a company and genuineness of its sponsors & management, the matter was referred to the Company Registration Office ("CRO") Karachi where the Respondent is registered. Accordingly, the CRO taken up the matter with the Respondent vide letter dated January 1, 2016. In response, the Respondent vide letter dated January 19, 2016 informed the CRO that Mr. Manzoor Ahmed is out of city, left for Punjab, to look after his ill father and Syed Zahoor Hussain (the Director) and Mr. Nabeel Shahzad (the Company Secretary) are running the affairs of the Respondent. Further, Syed Zahoor Hussain and Mr. Nabeel Shahzad visited CRO along with their original CNIC's and confirmed that they are running the affairs of the Respondent.

6. On perusing the matter of registration as BTA, the Respondent telephonically informed that they are in process of appointing the new CEO. Accordingly, the Respondent vide email dated March 29, 2016 was asked to provide the Certified True Copy ("CTC") of Form 29 showing the appointment of new CEO along with other deficient documents/information including audited accounts of the Respondent for the last three years as required under Annexure A of rule 5 of the Rules. In response the Respondent vide email dated March 29, 2016 agreed to provide the requisite information/documents. However, the Respondent despite repeated requests failed to provide the same. Therefore, the Respondent vide letter dated June 29, 2016 was called for hearing before the undersigned in terms of rule 8(1) of the Rules.

7. The hearing was held on July 28, 2016 where, Syed Zahoor Hussain and Mr. M. Sarfaraz ("**Representatives**") appeared on behalf of the Respondent through video link facility from Commission's Karachi office. During the hearing, the Representatives submitted a copy of Respondent's letter dated July 27, 2016 informing that the Respondent in its board meeting held on September 23, 2015, authorized Syed Zahoor Hussain to file the application for registration as BTA under the rule 5 of the Rules. Moreover, the Respondent informed that Mr. Mohammad Nabeel has been appointed as new CEO and also provided the profile of new CEO. They further informed that the returns with regard to appointment of new CEO is being filed with CRO. However, the copies of Audited Accounts of the Respondent for last three years were not provided. Therefore, the Respondent was accordingly advised to provide the CTC of Form 29 confirming the appointment of new CEO of the Respondent and to provide the copies of Audited Accounts of the Respondent at the earliest. Subsequently, the CTC of Form 29 was received in this office on August 16, 2016, whereas the copies of Audited Accounts of the Respondent were not provided.

8. Meanwhile, the Regulations were promulgated on January 11, 2017. In order to conclude the pending application received under the Rules, the Respondent vide email dated February 1, 2017 was advised to submit a fresh application under the Regulations, without any additional fee. Accordingly, the application of the Respondent for grant of licence as Share Registrar and Balloter ("**SRB**") under the Regulations was received on March 30, 2017. The said application was duly signed by Syed Zahoor Hussain.

9. Scrutiny of the application revealed that while submitting the returns with regard to change in CEO, Mr. Manzoor Ahmed (the Ex-CEO of the Respondent) vide his letter dated August 8, 2016 confirmed to the CRO with regard his resignation. However, it was observed that the signatures of Mr. Manzoor Ahmed on his resignation confirmation letter dated August 8, 2016 was not tallying with his signatures maintained on his CNIC. It was further observed that the signatures of Mr. Manzoor Ahmed appearing on the board resolution dated September 23, 2015 were also not tallying with the signatures appearing on his CNIC. Rather the flow of



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signatures on board resolution dated September 23, 2015 and on Mr. Manzoor Ahmed's letter dated August 8, 2016 written to CRO transpired that both signatures were made by same person and these signatures do not tally with the signatures of Mr. Manzoor Ahmed appearing on his CNIC. Thus, the above create doubts about the genuineness of the application.

10. Therefore, Mr. Manzoor Ahmed was again contacted on telephone to confirm whether he has resigned from the Company or not. However, no satisfactory response was received from Mr. Manzoor Ahmed rather he gave ambiguous reply. Therefore, in order to ascertain the genuineness of the resignation confirmation letter dated August 8, 2016 in the name of Mr. Manzoor Ahmed, directors of the Respondent along with Mr. Manzoor Ahmed, Ex- CEO of the Respondent were called for a meeting on September 12, 2017, through VC at SECP's Regional Office, Karachi.

11. Mr. Nabeel Shahzad (New CEO) and Syed Zahoor Hussain, Director of the Respondent attended the said meeting held on September 12, 2017 and stated that Mr. Manzoor Ahmed is out of city (in Punjab) and therefore could not come for the meeting. In the said meeting, the issue regarding difference in the signatures of Mr. Manzoor Ahmed on his resignation confirmation letter and CNIC was discussed, however, the response of the Respondent was not found satisfactory.

12. Keeping the forgoing in view, the Respondent vide letter dated September 21, 2017 was called for hearing before the undersigned in terms of regulation 8(1) of the Regulations, on October 4, 2017 at the Commission's Head Office, Islamabad.

13. On the date of hearing Mr. Nabeel Shahzad, CEO and Mr. Afzal Awan ("Representative") appeared on behalf of the Respondent through video link from the Commission's Karachi Office. The Respondent during the hearing submitted as follow:

"Mr. Manzoor Ahmed is no more part of the Respondent and requested to consider the subject application for grant of licence as Share Registrar and Balloter under the 2017 Regulations, as old application is not relevant anymore."

14. I have analyzed the facts of the case, relevant provisions of the Act and the Regulations and the arguments put forth by the Respondent during the course of hearing, I am of the considered opinion that the Respondent has made misstatement relating to the position of Mr. Manzoor Ahmed, Ex-CEO of the Respondent in both applications (i.e. application for registration as BTA under the Rules and then the application for licensing as SRB under the Regulations). Therefore, I am of the opinion that it is not in the public interest and in the interest of Capital Market to grant licence to the Respondent as SRB. Hence, Respondent's application for grant of licence as SRB cannot be processed further, therefore, refused in terms of regulation 8 of the Regulations.

15. The Respondent is hereby directed to:

- a. Immediately initiate the process for change in its Memorandum of Association;
- b. From the date of receipt of the decision of the Commission, not act as SRB for any new issue;





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- c. Intimate to all its customers and the securities exchange in case it is providing share registrar and balloter services to any of the listed companies or listed securities; about its inability to act as a share registrar and balloter; and
- d. Continue to provide SRB services to all its existing customers till the appointment of any other SRB by its customers;

Provided that the appointment of any other share registrar and balloter should be made within the time period but not exceeding 60 days from the date of this order.

15. This order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.




Akif Saeed
Commissioner (SMD)

Announced on November 29, 2017
Islamabad.