



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director

In the matter of

Khyber Tobacco Company Limited

Number and date of notice: EMD/233/389/02-1124 dated January 15, 2015
Date of hearing: November 3, 2015, February 12, 2016
Present: Mr. Sardar Dawood – Authorized Representative

ORDER

**UNDER SUB-SECTION (4) OF SECTION 158 READ WITH SECTION 476 OF THE
COMPANIES ORDINANCE, 1984**

This order shall dispose of the proceedings initiated vide show cause notice dated January 15, 2015, issued to following chief executive and directors (“respondents”) Khyber Tobacco Company Limited (“Company”) for default made in complying with the provisions of Section 158 read with Section 476 of the Companies Ordinance, 1984 (“Ordinance”).

- 1 Mr. Waseem Ur Rehman, Chief Executive
- 2 Mr. Muhammad Sayyad
- 3 Mr. Muhammad Faridoon Rehman
- 4 Mr. Liaqat Ali Khan
- 5 Mr. Amir Siddiquie
- 6 Mr. Bilalzada
- 7 Mr. Shafiq Afzal Khan

2. The brief facts leading to this case are that the Company was required to hold its Annual General Meeting (“AGM”) for the year ended June 30, 2014 on or before October 31, 2014. As per record of the Commission the Company failed to convene its annual general meeting for the year ended June 30, 2014 till date. Therefore, proceeding was initiated under Section 158 (4) of the Ordinance against the respondents. The respondents vide letter dated January 27, 2015 submitted that the Company has held AGM for the year ended June 30, 2014 on October 31, 2014 and copies of annual audited accounts were also submitted to CRO Peshawar and provided copy of annual audited accounts for the year ended June 30, 2014 which include notice of annual general meeting to be held on October 31, 2014. .

3. In order to provide opportunity of personal hearing; the case was fixed before the undersigned for November 3, 2015, February 12, 2016. Mr. Sardar Dawood, authorized



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representative on behalf of respondents appeared and submitted that the Company held its AGM in time but due to lack of knowledge failed to provide information to the Commission.

4. In terms of the Commission's notification SRO 1003(I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 158 of the Ordinance have been delegated to Director (Corporate Supervision Department).

5. Before proceeding to decide this case, I consider it necessary to highlight important provision of law regarding transmission of notices of AGM. As per Subsection 3 of Section 158 of the Ordinance the notice of AGM shall be sent to the shareholders at least twenty-one days before the date fixed for the meeting and, in the case of a listed company, such notice, in addition to its being dispatched in the normal course, shall also be published at least in one issue each of a daily newspaper in English language and a daily newspaper in Urdu language having circulation in the Province in which the stock exchange on which the company is listed is situate. Pursuant to Commission's Circular No.2 of 2001 and Circular No. 5 of 2002 ("Circulars") the listed companies in addition to other compliances, were directed to comply with requirements concerning transmission of notice of AGM/EOGM to the Commission on the same date on which the notices are issued to the shareholders.

6. It is clear from the record the Company failed to provide notice of annual general meeting to the Commission and also failed to provide annual audited accounts for the period ended June 30, 2014 to the Commission in time under Section 233 of the Ordinance. Based on submissions of the respondent and authorized representative that the AGM held on time but failed to submit documents to the Commission and apology for late compliance, I hereby conclude the case with a warning to the respondents to ensure future compliance of applicable legal provisions.

Amina Aziz
Director (CSD)

Announced:
March 31, 2016
Islamabad