



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director

In the matter of

Khyber Tobacco Company Limited

Number and date of notice: EMD/233/389/02-1125 dated January 14, 2015
Date of hearing: November 3, 2015, February 12, 2016
Present: Mr. Sardar Dawood – Authorized Representative

ORDER

**UNDER SUB-SECTION (3) OF SECTION 245 READ WITH SECTION 476 OF THE
COMPANIES ORDINANCE, 1984**

This order shall dispose of the proceedings initiated vide show cause notices dated January 14, 2015 issued to following chief executive and directors (“respondents”) of Khyber Tobacco Company Limited (“Company”) for default made in complying with the provisions of Sub-section (1) of Section 245 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 of the case are that as per record, the Company failed to file interim financial statements (“Quarterly Accounts”) for following period with the Commission within stipulated time, as per requirements of section 245 of the Ordinance.

Period Ended	Due to be filed on	Received on	Delay (days)
30-Sep-12	31-Oct-12	11-Jan-13	72

Consequently, the show cause notice (“SCN”) was issued to the respondents whereof they were called upon to show cause in writing as to why penal action may not be taken against them under sub-section (3) of section 245 of the Ordinance for not filing the aforesaid Quarterly Accounts in a timely manner as stipulated by the law. In response the respondents vide letter dated January 25,



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2015 submitted that the Company unable to hold its annual general meeting for the year ended June 30, 2012 in time due to which this delay occurred.

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 representative on behalf of respondents appeared and reiterated the submissions made in the written reply.

4. In terms of the Commission's notification SRO 1003(I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 245 of the Ordinance have been delegated to Director (Corporate Supervision Department).

5. Before proceeding to decide this case, I consider it necessary to highlight the importance of the strict observance of the mandatory requirements of law. The protection of the investors/shareholders is one of the primary objectives of the Ordinance. These are shareholders who provide seed for the capital formation of the Company. It is their lawful right to receive timely, adequate and meaningful information. It is the annual and interim accounts, which provide information to the investors about the affairs of the company. It has unfortunately been noted that the directors of the Company have failed to comply the requirements of law and have not circulated the quarterly accounts to the shareholders nor filed with the Commission within the prescribed time.

6. It is clear from the record that the Company did not prepare and file the aforesaid Quarterly Accounts with the Commission in a timely manner; however, considering the satisfactory filing history and acceptance of default by the respondent, instead of imposing fine, I hereby conclude the proceedings with a warning to the respondents to be careful in future and ensure meticulous compliance with provisions of section 245 of the Ordinance.

Amina Aziz
Director (CSD)

Announced:
March 31, 2016
Islamabad