



Corporate Supervision Department  
Company Law Division

Before Amina Aziz – Director

*In the matter of*

**Khyber Tobacco Company Limited**

Number and date of notice: EMD/233/389/02-1123 dated January 15, 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 15, 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
31-Dec-13	28-Feb-14
31-Mar-14	30-Apr-14
30-Sep-14	31-Oct-14

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



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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. The respondent failed to reply the SCN.

3. In order to provide opportunity of personal hearing; the case was fixed before the undersigned for November 3, 2015, Mr. Sardar Dawood, authorized representative on behalf of respondents appeared and submitted that they filed quarterly accounts with CRO but due to ignorance failed to file with the Commission. In this regard confirmation was sought from CRO and they confirmed that the Company has not filed quarterly accounts for the period ended December 31, 2013 and March 31, 2014 but filed accounts for the period ended September 31, 2014 with delay of 17 days. The respondents were again provided opportunity of hearing on February 12, 2016. Mr. Sardar Dawood, authorized representative on behalf of respondents appeared and was asked to provide evidence of filing these quarterly accounts to the CRO and to the Stock Exchange but the respondents failed to provide any evidence despite given reasonable time.

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 file the aforesaid Quarterly Accounts in physical form with the Commission in a timely manner, I am of the view that the provisions of Section 245 of the Ordinance have been contravened; however, keeping in view the acquiescence of default and assurance by the respondents to observe meticulous compliance with the requirements of law in future, I take a lenient view in the matter and instead of imposing maximum



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finer on all the respondents, I hereby impose aggregate fine of Rs. 70,000 (Rupees seventy thousand only) on the respondents for violating the provisions of Section 245 of the Ordinance. The respondents are advised to deposit the fines as per following details;

	Name of Respondent	Total
1	Mr. Waseem Ur Rehman, Chief Executive	Rs. 10,000
2	Mr. Muhammad Sayyad	Rs. 10,000
3	Mr. Muhammad Faridoon Rehman	Rs. 10,000
4	Mr. Liaqat Ali Khan	Rs. 10,000
5	Mr. Amir Siddiquie	Rs. 10,000
6	Mr. Bilalzada	Rs. 10,000
7	Mr. Shafiq Afzal Khan	Rs. 10,000
	Total	Rs. 70,000

The aforesaid fines must be deposited in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with MCB Bank Limited within thirty days from the receipt of this Order and furnish evidence in this regard for record of the Commission. In case of non-deposit of the fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the aforesaid fine is imposed on the chief executive, in his personal capacity and he is required to pay the aforesaid amount of fine from personal resources.

10. Moreover, the Respondents are hereby directed under the provision of Section 473 of the Ordinance to prepare overdue quarterly accounts and transmit to the members and simultaneously file with the Registrar and the Commission within sixty days of this Order.



Amina Aziz  
Director (CSD)

**Announced:**  
March 31, 2016  
Islamabad