



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

Say No to Corruption

Before

Shahzad Afzal Khan, Director/Head of Department (Adjudication-I)

In the matter of

Mr. Sohail Ilahi (Shareholder of Oilboy Energy Limited)

Number and date of Show Cause Notice (SCN)	No.3(2)SMD/Adj-1/2020-1005 Dated June 09, 2023
Date(s) of Hearings:	July 19, 2023 and August 02, 2023
Present at the Hearing:	Mr. Muhammad Usman, Advocate (Authorized Representative)

ORDER

UNDER SECTION 126(3) OF THE SECURITIES ACT, 2015

This Order shall dispose of the proceedings initiated against Mr. Sohail Ilahi (**the Respondent**), Shareholder of Oilboy Energy Limited (**the Company**) (formerly Drekkar Kingway Limited) through Show Cause Notice No.3(2)SMD/Adj-1/2020-1005 dated June 09, 2023 (**the SCN**) issued under Section 126(3) of the Securities Act, 2015 (**the Act**) on account of alleged contravention of Section 110(2) of the Act.

2. Brief facts of the case are that the Securities and Exchange Commission of Pakistan (**the Commission**) passed an Order under the Section 257 of the Companies Act, 2017 dated September 09, 2022 and appointed the investigation team to conduct investigation of the Company.

3. Inspectors submitted the Investigation Report dated March 31, 2023 which revealed that as per Pattern of Shareholding annexed to the annual audited accounts June 30, 2021, the Respondent was holding 2,600,000 shares (26%) in the paid-up capital of the Company.

4. In terms of Section 110(2) of the Act requires that if an acquirer who acquires voting shares more than ten per cent voting shares in a listed company, shall disclose the aggregate of his shareholding in that company to the said company, the securities exchange on which the voting shares of the said company are listed and the Commission within two working days. However, the record available with the Commission transpires that he did not disclose the aggregate of his shareholding in the Company, PSX and the Commission.

5. The relevant provisions of the law are reproduced as under:

Section 110(2) of the Act:

"110. Acquisition of more than ten per cent voting shares of a company





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- (2) The disclosure mentioned in sub-section (1) shall be made within two working days of
- (a) the receipt of intimation of allotment of voting shares; or
(b) the acquisition of voting shares, as the case may be."

Section 126(3) of the Act:

"126. Penalties for non-compliance.

- (3) If any person
- (a) refuses or fails to furnish any document, paper or information which he is required to furnish by, or under, this Part;
- (b) refuses or fails to comply with any order or direction of the Commission made or issued under this Part; or
- (c) contravenes or otherwise fails to comply with the provisions of this Part, the Commission may, if satisfied, after giving the person an opportunity of being heard, that the refusal, failure or contravention was willful, impose penalty which may extend to one hundred million rupees as may be specified in the order."

6. In view of the above, the Respondent, *prima facie*, has violated Section 110(2) of the Act, which attracts applicability of the penal provision of Section 126(3) of the Act. Accordingly, the Commission while taking cognizance of the aforementioned non-compliance served the SCN upon the Respondent, requiring him to submit his written reply within 14 days of the date of the SCN. However, no reply was submitted in response to SCN by the Respondent.

7. The Respondent was provided opportunity of personal representation and the hearing was fixed in the matter for July 19, 2023 which was not held as the Respondent requested to adjourn the hearing. Subsequent hearing in the matter fixed for August 02, 2023 which was attended by Mr. Muhammad Usman, Company Secretary as the Authorized Representative (**the Representative**) on the behalf of the Respondent before the undersigned. During the course of hearing, the Representative was advised to explain the reasons for the alleged non-compliance, as narrated in the SCN. The Representative admitted the default made on its part and requested that a lenient view may be taken in the matter.

8. I have gone through the facts of the case and considered the verbal submissions of the Representative in light of the applicable provisions mentioned in the preceding paras and the available record and noted that the Respondent was required to disclose the aggregate of his shareholding in the company to the said company, the securities exchange and the Commission within two working days under Section 110(2). The Respondent in its reply dated August 03, 2023 provided evidence of disclosure made under Section 110(1) of the Act dated November 06, 2020 wherein the Respondent has acquired 2,300,000 shares (23%) of the total shareholding in the Company however, as per the annual audited accounts June 30, 2021, the Respondent was holding 2,600,000 shares (26%) in the paid-up capital of the Company. The disclosure for the said acquisition of shares was not provided by the Respondent.

9. In view of the foregoing and the verbal submission made by the Respondents, non-compliance/contravention of the provision Section 110(3) of the Act has been established and same has also been admitted by the Representative. Therefore, in exercise of the powers conferred upon me under Section 126(3) of the Act, I hereby impose a penalty of **Rs. 100,000/- (Pak Rupees One Hundred Thousand**



(Handwritten signature)



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Only) on the Respondent. The Respondent is further advised to make appropriate disclosure as per the requirements of the Section 110(1) of the Act.

10. The Respondent is directed to deposit the aforesaid penalty in the account of the Commission being maintained with the designated branches of MCB Bank Limited, within a period of thirty (30) days of the announcement of this Order, and furnish original Deposit Challan to this office.

11. This Order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with the law(s) on matter subsequently investigated or otherwise brought to the knowledge of the Commission.

(Shahzad Afzal Khan)
Director/ Head of Department
(Adjudication Department-I)



Announced:
August 31, 2023
Islamabad