



Corporate Supervision Department *Say No To Corruption*  
Company Law Division

Before Amina Aziz –Director

*In the matter of*

Al-Khair Gadoon Limited

Number and date of notice: CSD/ARN/385/2016-1701-17708 dated November 29, 2016

Date of Hearing December 15, 2016

**ORDER**

**UNDER SECTION 158 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984**

This order shall dispose of the proceedings initiated against following directors including chief executive (together referred to as “respondents”) of Al-Khair Gadoon Limited (the “Company”) through show cause notice (the “SCN”) dated November 29, 2016, issued under section 158 read with section 476 of the Companies Ordinance, 1984 (the “Ordinance”).

S.#	Names of Directors
1	Mr. Mohammad Amin Sheikh
2	Mr. Mohammad Afzal Sheikh
3	Mr. Mohamad Saeed Sheikh
4	Mrs. Farnaz Saeed
5	Mrs. Hina Ali
6	Mrs. Nafisa Ali
7	Mrs. Parveen Shehzadi
8	Mr. Sheikh Pervaiz Afzal

2. The brief facts of the case are that the Company was required to publish the notice of its annual general meeting (“AGM”) for the year ended June 30, 2016 in Urdu language along with English language. The Company, however, published on October 31, 2016 notice of AGM in daily Urdu newspaper (Nawa-i-Waqt), but in English language instead of Urdu Language, as required per subsection 3 of section 158 of the Companies Ordinance 1984.



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3. Consequently, the 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 section 158 of the Ordinance for not publishing notice of AGM in Urdu language in Urdu newspaper.

4. The respondents, through their letter dated December 14, 2016 replied to the show-cause notice dated November 29, 2016 wherein they stated that they inadvertently published the notice of AGM in Urdu newspaper in English language and that they republished the AGM notice in Urdu Language after directions from SECP. They assured that they would comply with the rules and regulations in future. They further stated that they had corrected the irregularity and re-published the notice.

5. Before proceeding further, it is necessary to advert to the following relevant provisions of Ordinance. sub-section (3) of section 158 of the Companies Ordinance, 1984 ("Ordinance") provides that *the notice of an annual general meeting 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.*

sub-section 4 of section 158 of the Ordinance provides that (4) *If default is made in complying with any provision of this section, the company and every officer of the company who is knowingly and willfully a party to the default shall be liable, --*

*(a) if the default relates to a listed company, to a fine not less than [fifty] thousand rupees and not exceeding [five hundred] thousand rupees and to a further fine not exceeding two thousand rupees for every day after the first during which the default continues; and*

*(b) if the default relates to any other company, to a fine not exceeding [one hundred] thousand rupees and to a further fine not exceeding [five] hundred rupees for every day after the first during which the default continues.*

6. 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).

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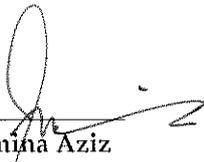


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7. I have analyzed the facts of the case, relevant provisions of the Ordinance, and submissions made by the respondents. The aforesaid provisions of the law are clear and explicit. A company is required to publish notice of AGM in both English language and Urdu language separately ensuring a wider dissemination for the notice. It is for ease of understanding and enhancement thereof for such shareholder in particular and other stakeholders in general who are unfamiliar or less proficient in the English language. It is imperative that notice is communicated to every concerned individual since holding of the AGM is a very important statutory event and provides an opportunity to the shareholders, including those in minority, to participate in discussion and voting on agenda items of the AGM that include consideration and approval of companies' financial statements, which not only show the financial position and performance of a company but also show the results of management's stewardship of resources entrusted to it. A notice which is understandable to the average man can ensure the presence of all shareholders. In addition to their responsibilities of overseeing and managing affairs of the Company, directors also have fiduciary duties towards the Company and its shareholders. They are, therefore, liable to a higher level of accountability which requires them to be vigilant and perform their duties with care and prudence. It is directors' responsibility to oversee the functioning of the company and to ensure due compliance of law.

8. Publishing of AGM notice in Urdu and English is a requirement of law but unfortunately it has been noted that the directors of the Company have not observed the compulsory requirements of law. However, keeping in view of the submissions of the respondents and good past track record of company of complying with the laws; instead of imposing fine, I hereby, conclude the proceedings with a warning to the respondents to be careful and ensure compliance with mandatory provisions of the Ordinance, in true letter and spirit; in future.

  
Amina Aziz  
Director

**Announced:**

January 4, 2017

Islamabad

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