



Corporate Supervision Department  
Company Law Division

Before Abid Hussain – Executive Director

*In the matter of*

**Kohinoor Industries Limited**

**ORDER**

Number and date of notice: CSD/ARN/30/2015-1372-79 dated October 20, 2016  
Date of hearing: November 24, 2017  
Present: Mr. M. Omer Farooq, Director  
("authorized representative")

**UNDER SECTION 204-A READ WITH SECTION 498 & 476 OF THE COMPANIES ORDINANCE, 1984**

This order shall dispose of the proceeding initiated against directors, company secretary and chief executive ("respondents") of Kohinoor Industries Limited (the "Company") through show cause notice (the "SCN") dated October 20, 2016 under the provisions of Section 204-A read with Section 498 & 476 of the Companies Ordinance 1984 (the "Ordinance").

2. The facts leading to this case, briefly stated, are that, Mr. Khwaja Safee Sultan is acting as the Company secretary since May, 2003. A complaint was received by the Commission that qualification of Company secretary is not in accordance with rule 14 of the Companies (General Provisions and Forms) Rules, 1985 ("Rules"). Clarifications were sought from the Company but the Company failed to respond.

3. In view of the above, it *prima facie* appeared that the Company has not appointed a qualified whole time secretary in contravention with Section 204-A read with Rule 14B of the Rules. Therefore, SCN was issued to the respondents under the provisions of Section 204-A read with Section 498 of the Ordinance. The respondents failed to respond SCN.

4. Hearing in the matter was held on November 24, 2016 and the authorized representatives, Mr. M. Omer Farooq appeared on behalf of respondents and submitted that Mr. Safee Sultan joined the Company in 1994 as corporate manager and appointed as Company secretary in 2003, and he hold bachelor degree and appeared in exams of Institute of Chartered Secretaries & Managers ("ICSM") and certificate is awaited. The authorized representative was advised to provide qualifications certificates of Company secretary.



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## Corporate Supervision Department Company Law Division

Continuation Sheet - 1 -

5. The representative provided copy of bachelor degree from University of Punjab vide letter dated November 5, 2016 and provided copy of certificate issued by ICSM admitting Mr. Khawaja Safee Sultan as an associate member of ICSM vide letter dated May 3, 2017.

6. Before proceeding further, it is necessary to advert to the following relevant provisions of Ordinance and Rules, which states as under:

*Sub-section (1) of section 204-A of the Ordinance - a listed company shall have a whole time secretary and a single member company shall have a secretary possessing such qualification as may be prescribed.*

*Rule 14B of the Rules- directors of a public listed company shall take reasonable steps to ensure that the company secretary is a person who appears to them to have the requisite knowledge and experience to discharge his functions as company secretary, and who is:*

- (a) a member of, -
  - (i) a recognized body of professional accountants; or
  - (ii) a recognized body of corporate or chartered secretaries; or
- (b) a person holding a master degree in business administration or commerce or being a law graduate from a university recognized by the Higher Education Commission and having at least two years relevant experience; or
- (c) a retired government servant in BS-19 or equivalent or above with at least fifteen years service:

*Section 498 of the Ordinance - if a company or any other person contravenes or fails to comply with any provision of this Ordinance or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, for which no punishment is provided elsewhere in this Ordinance, the company and every officer of the company who is in default or such other person shall be punishable with a fine which may extend to one million rupees, and, where the contravention is a continuing one, with a further fine which may extend to one hundred thousand rupees for every day after the first during which the contravention continues.*

7. In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 498 of the Ordinance have been delegated to the Director (Corporate Supervision Department).

8. I have analyzed the facts of the case, relevant provisions of the Ordinance, arguments put forth by the authorized representative during the hearing and documents submitted by the Company, and observed that although the respondents was in violation of Section 204-A and rule 14B of the Rules but now default has been rectified and the Company secretary acquired the



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

*Continuation Sheet - 2 -*

relevant qualification in accordance with rule 14B of the Rules. Therefore, keeping in view subsequent compliance, I hereby, conclude the case with a warning to the respondents..

**Amina Aziz**  
Director

**Announced:**  
June 1, 2017  
Islamabad

