



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Say No to Corruption

Adjudication Division

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Before

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

In the matter of

Board of Directors of Al-Shaheer Corporation Limited

| | |
|--|--|
| Number and date of Show Cause Notice (SCN) | 2(344)SMD/Adj-1/2022-908 Dated May 04, 2023 |
| Date of Hearing: | June 07, 2023 |
| Present at the Hearing: | Mr. M. Hamza Paracha (Chief Financial Officer) Mr. Wajihuddin Farooq s(Company Secretary) (Authorized Representatives) |

ORDER

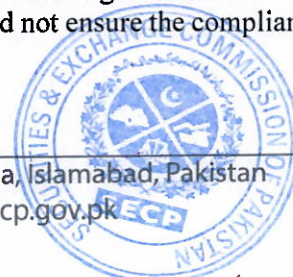
UNDER SECTION 106 OF THE SECURITIES ACT, 2015

This Order shall dispose of the proceedings initiated against Board of Directors of Al-Shaheer Corporation Limited (**the Company**) through Show Cause Notice No. 2(344)SMD/Adj-1/2022-908 dated May 04, 2023 (**the SCN**) issued under Section 106 of the Securities Act, 2015 (**the Act**) on account of alleged contravention of Section 103 read of the Act read with regulation 3(4) of the Reporting and Disclosure (of Shareholding by Directors, Executive Officers and Substantial Shareholders in Listed Company) Regulations, 2015 (**the Regulations**).

2. Brief facts of the case are that the following individuals (**Collectively referred hereunder as the Respondents**) were appointed as Directors of the Company on AGM held on November 28, 2022.

| S. No. | Name | Status |
|--------|-----------------------------------|----------|
| 1 | Mr. Kamran Ahmed Khalili | Director |
| 2 | Mr. M. Qaysar Alam | Director |
| 3 | Mr. Babar Sultan | Director |
| 4 | Mr. Umair Ahmed Khalili | Director |
| 5 | Mr. Zillay A. Nawab | Director |
| 6 | Ms. Sabeen Fazli Alavi | Director |
| 7 | Mr. Muhammad Zubair Haider Sheikh | Director |

3. In terms of Section 103 of the Act read with regulation 3(4) of the Regulations, the Respondents were required to file Form 5 with the Commission, within 7 days of becoming the director of the Company. However, the record available with the Securities and Exchange Commission of Pakistan (**the Commission**) transpires that the Respondents, *prima facie*, did not ensure the compliance with the aforesaid provisions of the law.



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

Section 103 of the Act:

"103 - Notification to the Commission of directors and others' interest

(1) Every director, executive officer or substantial shareholder of a listed company shall submit to the Commission in the prescribed form -

- (a) a statement of beneficial ownership in the listed equity securities of the company or any other nature of securities as may be prescribed by the Commission;
- (b) the particulars of any change in the interest aforesaid; and
- (c) any change in his position.

(2) The reporting requirement imposed by sub-sections (1) shall be fulfilled before the expiration of a period of seven days beginning with the day on which the requirement first arises."

Regulation 3(4) of the Regulations:

"3 - Reporting of Beneficial ownership in listed equity securities under Section 101 to Section 103 of the Act ...

(4) The directors, executive officers and substantial shareholders of the equity securities in a listed company shall in accordance with section 103 of the Act submit statement of Beneficial ownership in Form 5 and report any subsequent change therein or position to the Commission on Form 6."

Section 106 of the Act:

106. Directive by the Commission.—(1) ...

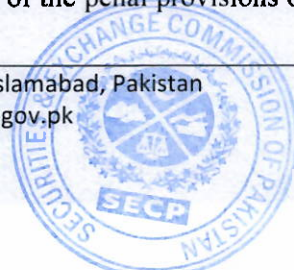
(2) where any person who contravenes or fails to comply with any provision of sections 101, 102, 103, 104, 105 and 107, the Commission may by order in writing direct,—

(a) in the case of an individual, to pay by way of penalty to the Commission such sum which may extend to five hundred thousand rupees and to a further sum which may extend to one thousand rupees per day for every day during which the default continues;"

5. The Commission vide letter dated March 08, 2023 sought explanation from the Respondents with respect to their alleged failure to file Form 5. The Company on behalf of the Respondents vide letter dated March 16, 2023 submitted that delay in filing Form 5 was due to the fact that all directors were reappointed and PSX clarification in this regard was inadvertently missed. Further, two directors were out of the country, who filed their Form 5 on April 10, 2023. In the instant case, the Directors/Respondents have filed their Form 5 on the following dates with delay:

| S. No | Name of Director(s)/CEO | Date of Filing | Delay (No. of days) |
|-------|-----------------------------------|----------------|---------------------|
| 1 | Mr. Kamran Khan Khalili | March 10, 2023 | 95 |
| 2 | Mr. M. Qaysar Alam | March 13, 2023 | 98 |
| 3 | Mr. Babar Sultan | March 13, 2023 | 98 |
| 4 | Mr. Umair Ahmed Khalili | March 13, 2023 | 98 |
| 5 | Mr. Zillay A. Nawab | March 16, 2023 | 101 |
| 6 | Ms. Sabeen Fazli Alavi | April 10, 2023 | 126 |
| 7 | Mr. Muhammad Zubair Haider Sheikh | April 10, 2023 | 126 |

6. In view of the above, the Respondents, *prima facie*, have violated Section 103 of the Act read with regulation 3(4) of the Regulations, which attracts applicability of the penal provisions of Section





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106(2)(a) of the Act. Accordingly, the Commission while taking cognizance of the aforementioned non-compliance served the SCN on the Respondents, requiring them to submit their written reply within 14 days of the date of the SCN.

7. In response to SCN, the Respondents vide letter dated May 17, 2023 submitted their reply as under:

"...As informed earlier via letter dated March 16, 2023, the delay in submission of Form 4 and Form 5 was due to inadvertently missed of PSX clarification regarding the reappointment of directors and there was no intention of concealment of any evidence. However, it should be noted that the Company immediately submitted Form 4 on March 09, 2023, and accordingly Form 5 of five directors was also been filed between March 10 to March 16 2023 and Form 5 of 2 directors was filed on April 10, 2023 as they were on traveling. Further, we would also like to inform you that since the Company has recently issued Right shares on Feb 2023, the Company has submitted Form 4 accordingly as required by the Securities Act 2015. In addition, Form 5 relating to all directors has also been submitted. We would like you to reiterate our apology for the delay and assure your good office that the Company shall be vigilant in meeting the respective regulatory deadlines in the future and no such delay would occur again. Accordingly, you are requested to withdraw the show-cause notices."

8. The Company was provided opportunity of personal representation and the hearing was fixed in the matter for June 07, 2023. The hearing was attended by Mr. M. Hamza Paracha, Chief Financial Officer and Mr. Wajihuddin Farooq, Company Secretary as Authorized Representatives (**the Representatives**) of the Company. During the course of hearing, the Authorized Representatives were advised to explain the reasons for the alleged non-compliances, as narrated in the SCN. The Representatives admitted occurrence of delay in filing Forms 5 and reiterated the written arguments and submissions made in the written reply. They further submitted that non-compliance has occurred due to lack of understanding of law and Clarification of PSX dated April 20, 2022 regarding the filing of prescribed Forms was inadvertently missed out; however, subsequently, Forms 5 have been filed by the all the Respondents/Directors. The Representatives requested that a lenient view may be taken in the matter.

9. I have gone through the facts of the case and considered the submissions of the Representatives both written and verbal in light of the applicable provisions mentioned in the preceding paras and the available record and noted that the Respondents were required to file their returns of beneficial ownership on Forms 5 within seven (07) days of becoming director of the Company as required under Section 103 of the Act read with regulation 3(4) of the Regulations. Further, the admission made by the Respondents in late filing of the required returns on Form 5 to the Commission, is on the record. As per record of the Commission, the Directors/Respondents have filed their Form 5 on the following dates with delay:

| S. No | Name of Director(s)/CEO | Date of Filing | Delay (No. of days) |
|-------|-----------------------------------|----------------|---------------------|
| 1 | Mr. Kamran Khan Khalili | March 10, 2023 | 95 |
| 2 | Mr. M. Qaysar Alam | March 13, 2023 | 98 |
| 3 | Mr. Babar Sultan | March 13, 2023 | 98 |
| 4 | Mr. Umair Ahmed Khalili | March 13, 2023 | 98 |
| 5 | Mr. Zillay A. Nawab | March 16, 2023 | 101 |
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[Signature]



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10. In view of the foregoing and the verbal submissions made by the Respondents, non-compliance/ contravention of the provisions Section 103 of the Act read with regulation 3(4) of the Regulations has been established and same has also been admitted by the Representatives. Therefore, in exercise of the powers conferred upon me under Section 106(2)(a) of the Act, I hereby impose an aggregate penalty of **Rs. 35,000/- (Pak Rupees Thirty Five Thousand Only)** on the Respondents, in the following manner:

| S. No. | Name of Director(s) | Amount of Penalty Imposed (Rs.) |
|--------|-----------------------------------|---------------------------------|
| 1. | Mr. Kamran Khan Khalili | 5,000 |
| 2. | Mr. M. Qaysar Alam | 5,000 |
| 3. | Mr. Babar Sultan | 5,000 |
| 4. | Mr. Umair Ahmed Khalili | 5,000 |
| 5. | Mr. Zillay A. Nawab | 5,000 |
| 6. | Ms. Sabeen Fazli Alavi | 5,000 |
| 7. | Mr. Muhammad Zubair Haider Sheikh | 5,000 |
| Total | | 35,000 |

11. The Respondents are 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.

12. 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:
July 12, 2023
Islamabad