

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Mr. Waseem Ur Rehman Chief
Executive Director/ Director Khyber Tobacco Company Limited

Dates of Hearing

June 25, 2021

Order-Redacted Version

Order dated January 04, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Mr. Waseem Ur Rehman Chief Executive Director/ Director Khyber Tobacco Company Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated April 07, 2021.
2. Name of Company	Khyber Tobacco Company Limited (the Company)
3. Name of Individual*	Mr. Waseem Ur Rehman (the Acquirer)
4. Nature of Offence	Alleged contraventions of <u>Section 126 of the Securities Act, 2015 (the Act)</u> .
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have considered the submissions of the Acquirer both written and oral in light of the applicable legal provisions mentioned in the preceding paras and the available record and observed that:</p> <p>i. The Acquirer was required to make disclosure of the acquisition of the said shares, within two days of the acquisition, in the form and manner as provided in Schedule II of the Takeover Regulations, simultaneously to the Target Company, the Commission and PSX as required under Section 109(2) of the Act, read with regulation 4(1) of the Takeover Regulations.</p> <p>ii. The Respondent admitted the fact that he did not make the required disclosure to the Commission. The contention of the Respondent that the legal requirements provided in the law &</p>

	<p>regulations were duly complied with except making disclosure of the said acquisition to the mission, it not tenable due to the following reasons:</p> <p>a) The Acquire by not making disclosure of the said acquisition of shares, to the Commission has contravened sub-section (2) of Section 109 of the Act read with sub regulation (1) of regulation 4 of the Take-Over Regulations;</p> <p>b) the transaction communicated to the Target Company by the transferor and transferee was not on the format as provided in Schedule-II of the Take-Over Regulations which requires a set of information/ details regarding the acquirer and the transaction along with the post-acquisition shareholding viz-a-viz total issued voting shares of the Target Company. The said Schedule-II requires that the disclosure be made to the Target Company, the Commission, and PSX; and</p> <p>c) reporting by a Company Secretary to the Securities Exchange pursuant to regulation 5.6.1 (d) of the PSX Rule Book does not absolve the Acquirer of its responsibility under the Act and the Take-Over Regulations. It is pertinent to mention that regulation 5.6. I (d) of the PSX Rule Book requires every director, CEO, and substantial shareholder of a listed company to notify any change in beneficial ownership position to the Company Secretary and the Company Secretary is, thereafter, required to forward the same to PSX for dissemination and place the same before the board of directors.</p> <p>In view of the foregoing and admission made by the Acquirer, contraventions of regulation 4(1) of the Takeover Regulations and Section 109(2) of the Act has been established. Therefore, in terms of the powers conferred under Section 126(3)(c) of the Act, a penalty of Rs. 50,000/- (Rupees Fifty Thousand Only) is hereby imposed on the Acquirer.</p>
6. Penalty Imposed	Rs. 50,000/-
7. Current Status of Order	No Appeal has been filed by the respondents.