



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Say No to Corruption

Adjudication Division

Before

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

In the matter of

Al-Shaheer Corporation Limited

Number and date of Show Cause Notice (SCN)	2(344)SMD/Adj-1/2022-909 Dated May 04, 2023
Date of Hearing:	June 07, 2023
Present at the Hearing:	Mr. M. Hamza Paracha (Chief Financial Officer) Mr. Wajihuddin Farooq (Company Secretary) (Authorized Representatives)

ORDER

UNDER SECTION 106 OF THE SECURITIES ACT, 2015

This Order shall dispose of the proceedings initiated against Al-Shaheer Corporation Limited (the Company and/or the Respondent) through Show Cause Notice No. 2(344)SMD/Adj-1/2022-909 dated May 04, 2023 (the SCN) issued under Section 106 of the Securities Act, 2015 (the Act) on account of alleged contravention of Section 102(3) of the Act read with regulation 3(3) of the Reporting and Disclosure (of Shareholding by Directors, Executive Officers and Substantial Shareholders in Listed Companies) Regulations, 2015 (the Regulations).

2. Brief facts of the case are that the Company appointed the following Directors on its Board pursuant to AGM held on November 28, 2022. The names of the Directors are as under:

S.No.	Name of Director(s)
1	Mr. Kamran Ahmed Khalili
2	Mr. M. Qaysar Alam
3	Mr. Babur Sultan
4	Mr. Umair Ahmed Khalili
5	Mr. Zillay A. Nawab
6	Ms. Sabeen Fazli Alavi
7	Mr. Muhammad Zubair Haider Sheikh

3. In terms of Section 102(3) of the Act read with regulation 3(3) of the Regulations, the Company was required to file Form 4, within 7 days of the receipt of information on Form 1 from the respective director. However, the record available with the Securities and Exchange Commission of Pakistan (the Commission) transpires that that the Company, *prima facie*, did not ensure the compliance with the said provisions of the law. In the instant case, Form 4 was filed by the Company on March 09, 2023 **with delay of 91 days.**

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





SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Section 102(3) of the Act:

"102. Register of directors' interests notified under section 101.—... (3) Whenever a listed company is notified of any matter in consequence of requirement imposed by sub-section (1) of section 101, the company shall notify it to the Commission, within seven days of the receipt of the information, showing therein name of director, executive officer or shareholder, date of appointment or acquisition of beneficial ownership and number of shares held by him.."

Regulation 3(3) of the Regulations:

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

(3) The listed company shall notify the Commission in Form 4 whenever such company receives Form 1 from a director, executive officer, or substantial shareholder pursuant to the requirement of section 101(1) of the Act."

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,—

(b) in the case of a company, the company and its every director or officer who is knowingly and willfully in default, to pay by way of penalty to the Commission such amount which may extend to five hundred thousand rupees and to a further amount 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 Company with respect to its alleged failure to file Form 4. The Company vide its response submitted that delay in filing Form 4 was due to the fact that all directors were reappointed and clarification from PSX in this regard was inadvertently missed out.

6. In view of the above, the Company, *prima facie*, has violated Section 102(3) of the Act read with regulation 3(3) of the Regulations, which attracts applicability of the penal provisions of Section 106(2)(b) of the Act. Accordingly, the Commission while taking cognizance of the aforementioned non-compliance served the SCN on the Company, requiring it to submit its written reply within 14 days of the date of the SCN.

7. In response to SCN, the Company vide letter dated May 17, 2023 submitted its 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





SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

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 4 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 4 have been filed by the Company in respect of all the 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 both written and verbal submissions of the Representatives in light of the applicable provisions of the law and the available record and noted that the Company was required to file Forms 4, within 7 days of the receipt of information on Form 1 from the respective director as required under Section 102(3) of the Act read with regulation 3(3) of the Regulations. The admission made by the Company in late filing of Forms 4 to the Commission, is on the record. As per record of the Commission, the Company filed Forms 4 in respect of all of its Directors after a substantial delay of 91 days i.e. on March 09, 2023.

10. In view of the foregoing facts and the verbal submission made by the Company, non-compliance/ contravention of the provisions Section 102(3) of the Act read with regulation 3(3) 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)(b) of the Act, I hereby impose a penalty of **Rs. 10,000/- (Pak Rupees Ten Thousand Only)** on the Company on account of the aforesaid established default.

11. The Company 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 forthwith.

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