



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division

ORDER	
Name of Company	Al-Khair Gadoon Limited
Show Cause Notice No. & Date:	No. CSD/ARN/385/2016 -740 dated December 23, 2024
Date(s) of Hearing(s):	January 15, 2025;
Case represented by:	(i) Ms. Samina Kokab, Company Secretary; and (ii) Mr. Makhdoom Abdul Qadir, Chief Financial Officer
Provision of law involved:	Section 195 of the Companies Act, 2017 read with Sections 502 and 479 thereof

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through the Show Cause Notice No. CSD/ARN/385/2016-740 dated December 23, 2024 (the "SCN") against Al-Khair Gadoon Limited (the "Company") its Chief Executive Officer and the Board of Directors ("BoD"), hereinafter collectively referred to as the "Respondents", issued under Section 195 of the Companies Act, 2017 (the "Act") read with Section 479 thereof.

2. The brief facts of the case are that the review of the annual accounts for the year ended June 30, 2024 and quarterly accounts for the period ended September 30, 2024 of the Company revealed that M/s Shemas International (Private) Limited ("SIPL") was acting as the share registrar for the Company. As per the relevant record of the Commission, it transpired that SIPL is not a licensed share registrar under the Share Registrars and Balloters Regulations, 2017 (the "Regulations") as its license was expired on July 11, 2023 and was not renewed.

3. In order to probe the matter, the Commission vide letters dated October 22, 2024, November 01, 2024, November 14, 2024 and November 29, 2024 sought clarification from the Company for appointing a share registrar who is not licensed under the Regulations since July 11, 2023. However the Company failed to provide response to any of the aforesaid letters.

4.. The aforesaid contraventions indicate that the Respondents appointed a share registrar who was not licensed under the Regulations which, *prima-facie*, constitute contravention of Section 195 of the Act which attracts penal action as provided under Section 502 of the Act. For case of reference, the same are reproduced as under:

**195. Listed Company to have Share Registrar.** — *Every listed company shall have an independent share registrar possessing such qualifications and performing such functions as may be specified.*

**502. Penalty where no specific penalty is provided.** — *If a company or any other person contravenes or fails to comply with any provision of this Act 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 Act, the company and every other officer of the company who is in default or such other person shall be liable to a penalty of level 3 on the standard scale."*

5. Taking cognizance of the aforesaid contravention, SCN was issued to the Respondents to show the cause in writing as to why a penal action may not be taken against them for non-compliance of the requirements of Section 195 of the Act. In response to the SCN, Ms. Samina Kokab, Company Secretary vide letter received on January 06, 2025, inter-alia, submitted that:

- (i) The Company has been working with SIPL for last many years without any service related issues and came to know about expiry of its license through the SCN;
- (ii) SIPL, on inquiry by the Company, informed that it is in process of renewal of license and the same will be provided on receipt;

*Handwritten signature and date:*  
20-01-2025

- (iii) The BoD in its meeting held on December 27, 2024 resolved to change the Share Registrar and accordingly the Company has appointed M/s Corplink (Pvt.) Limited as new share registrar w.e.f. January 01, 2025; and
- (iv) We apologize for the non-compliance and request to condone the matter without any penalty.

6. In order to provide opportunity of personal representation, hearing in the matter was fixed for January 15, 2025 wherein Ms. Samina Kokab-Company Secretary and Mr. Makhdoom Abdul Qadir-CFO appeared as Authorized Representatives ("ARs") and while reiterating the response to SCN, *inter-alia*, stated that:

- (i) SIPL is the share registrar of the Company since 2011 and in past it used to regularly intimate about the status of the license;
- (ii) BoD has appointed new share registrar w.e.f. January 01, 2025 and there were neither any complaint of any shareholder nor any corporate action during the transition period;
- (iii) Moreover, the Company is now exercising extra vigilance on the subject matter; and
- (iv) The non-compliance was not willful, therefore, lenient view is requested.

7. I have examined the facts of the case in light of applicable provisions of law and have given due consideration to written as well as verbal submissions and arguments of the ARs. I am of the considered view that the Respondents were required to comply with the requirements of Section 195 of the Act without fail. At this juncture it is stated that:

- (i) The role of a share registrar in a listed company is integral to maintaining accurate shareholder records. This role enhances operational efficiency, builds investor confidence and helps the company manage its shareholder base effectively. The share registrar plays a critical role in the functioning of a listed company, ensuring transparency, compliance, and the smooth operation of shareholder activities as it is entrusted with the function to maintain and update the records of shareholders, ensure proper distribution of dividends, rights, issuance of new shares, dividend payouts, conducting Annual General Meetings ("AGMs") and ensures that shareholders receive their rightful entitlements thereby supports the company in maintaining shareholder satisfaction and regulatory compliance.
- (ii) The Respondents have changed the share registrar w.e.f. from January 01, 2025. However license of outgoing share registrar had expired since July 11, 2023. The said fact has been admitted by the Respondents in their reply to SCN and also by the ARs during the hearing held on January 15, 2025.

8. The aforesaid contravention with the requirements of Section 195 of the Act has been established beyond doubt which attracts penal action in terms of Section 502 of the Act. I have also given due attention to the grounds presented by the ARs in respect of the said non-compliance and the fact that the Respondents have subsequently complied with the legal requirements by appointing a new share registrar w.e.f. January 01, 2025 and that none of the stakeholders have filed any complaint during the transition period. I, therefore, in exercise of the powers conferred upon me under Section 502 of the Act read with SRO 1545(I)/2019 dated December 06, 2019, hereby conclude the proceedings initiated through the SCN with a **Warning** to the Respondents. The Respondents are also advised to ensure meticulous compliance with the applicable legal and regulatory framework in future.



21-01-2025

Sohail Qadri  
Director/ HOD  
Adjudication Department-I

**Announced:**  
January 21, 2025  
Islamabad.