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Corporate Legal Consultants | Barristers & Advocates
High Courts & Supreme Court

June 5, 2018

Ref: MISC-579/2018/842

Principal Office – Karachi

Mr. Muhammad Farid Alam
AKD Securities Limited
602, Continental Trade Centre
Block-8, Clifton
Karachi

Subject: CRIMINAL MISC. APPLICATION NO. 6 OF 2017

Dear Sir,

It gives us great pleasure to inform you that the subject petition has been allowed by the Hon'ble High Court of Sindh at Karachi vide its Order dated 01.06.2018 and resultantly the criminal proceedings initiated against you and other officers of AKD Securities, in pursuance of FIR No. 34/2014, have been quashed.

Examination of the Order reveals that the Hon'ble Court has quashed the proceedings while appreciating our contentions before it, *inter alia*, the proceedings were legally incompetent and beyond the domain of powers of FIA. In that, the Hon'ble Court has observed in the Order that the allegation against AKD Securities was mainly of preparing a prospectus for AMTEX Limited.

In this regard the Hon'ble Court has further observed that persons, authorized by law can competently resort to an action for criminal liability on the ground of prospectus having some untrue statement which complaint shall be subject to affirmation by a competent Court of law. The Hon'ble Court has dilated upon various provisions of law including but not limited to Sections 57, 57(5), 59, 474 of the Companies Ordinance read with Section 25 of the Securities and Exchange Commission of Pakistan Ordinance 1969 to hold that since this aspect viz; untrue statement in a prospectus being covered under special law, therefore, the offence should have proceeded as per the dictates of the special law itself.

As to the allegation of prosecution viz; abetment, it is held that the prosecution has not collected a single document which could establish any nexus (conspiracy) between the AKD and EOB! which could least suggest a possibility of any abetment/conspiracy between them particularly, when purchase was admittedly made through EOB's own broker. The Hon'ble Court has therefore held that it leaves no doubt that any untrue statement, if any, would not turn into conspiracy even if the trial of the applicants is allowed to continue. It is further held that the position being undeniably so, leaves no

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possibility of the applicants to be found guilty of offence of abetment merely with reference of an error or illegality even in prospectus. The Hon'ble Court has observed that abetment is an independent offence, therefore, mere suspicion/words alone would never be sufficient to hold such charge/allegation but a conclusive proof must be there.

With the above observations the Hon'ble Court has quashed the proceedings against you and the certified copy of the Order has been communicated to you for your reference and record.

Should you require any further assistance, please feel free to contact the undersigned.

With Best Regards.

Yours sincerely,



(Amel Khan Kasi)
Partner