



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

Say No to Corruption

Before

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

In the matter of

TPL Trakker Limited

Number and date of Show Cause Notice (SCN)	2(416)SMD/Adj-1/2023-878 Dated April 04, 2023
Date of Hearing:	May 25, 2023
Present at the Hearing:	(i) Ms. Shayan Mufti, (Assistant General Counsel) (ii) Mr. Nauman Saeed Khan (Manager Legal) (Authorized Representatives)

ORDER

UNDER SECTION 106 OF THE SECURITIES ACT, 2015

This Order shall dispose of the proceedings initiated against TPL Trakker Limited (**the Company/Respondent**) through Show Cause Notice No. 2(416)SMD/Adj-1/2023-878 dated April 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 individuals on its board pursuant to Annual General Meeting (AGM) held on October 24, 2022. The names of the Directors are as under:

S.no.	Name of Director(s)
1	Mr. Jameel Ahmed Yousaf
2	Mr. Muhammad Riaz Khan
3	Mr. Jamil Akbar
4	Ms. Nausheen Javaid Amjad
5	Mr. Oman Askari
6	Mr. Sarwar Ali Khan
7	Mr. Amjad Waqar
8	Brigadier (R) Muhammad Tahir Chaudhary





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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 no compliance was made by the Company in respect of above-mentioned directors.

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

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:

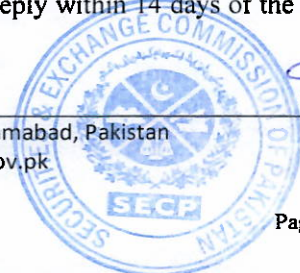
"106. Directive by the Commission.—(1) ...

(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 February 21, 2023 sought explanation from the Company with respect to its alleged failure to file Form 4. The Company responded vide letter dated March 03, 2023 that they have submitted the required forms, and further stated that they overlooked the submission of forms which was found unsatisfactory as it is an explicit requirement and responsibility of every company to file Form 4 within 7 days of the receipt of notification on Form 1 from the directors under 102(3) of the Act read with regulation 3(3) of the Regulations. However, the Company filed Form 4 with **delay of 119 days**.

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 upon the Company, requiring it to submit its written reply within 14 days of the date of the SCN.





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7. In response to SCN, the Company vide letter dated May 25, 2023 submitted its reply as under:

"...This is with reference to the hearing in respect of the Show Cause Notice No. 2(416) SMD/Adj-I/2023-878 dated April 04, 2023 (the "Notice"). We would like to confirm that we have submitted the necessary forms through SECP's E-Services on March 03, 2023, and the same has been informed to the Commission vide our letter dated March 01, 2023.

Kindly be informed that TPL Trakker Limited is a constituent of the TPL group, which comprises of over 18 entities (subsidiaries and associated companies). The majority of these entities have a year-end date of June 30, which results in the regulatory compliances for all the relevant regulators, notably PSX, SECP, and CDC, being due simultaneously.

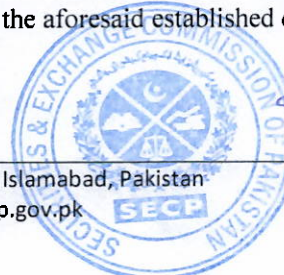
Notwithstanding the Company's diligent efforts to adhere to all the regulatory obligations, we, regrettably, overlooked the submission of Form 4 and Form 5 (on behalf of its Directors) within the prescribed time frame. However, we would like to highlight that the same information has been timely filed with SECP via Form SMD-BO 246.

On behalf of the Directors, we express our sincere regret for the delay in fulfilling the regulatory compliances and therefore request you to please condone the aforesaid negligence. It is assured that, going forward, all relevant compliances will be adhered to in letter and in spirit"

8. The Company was provided opportunity of personal representation and the hearing was fixed in the matter for May 25, 2023. The hearing was attended by Ms. Shayan Mufti (Assistant General Counsel) and Mr. Nauman Saeed Khan (Manager Legal) as Authorized Representatives (**the Representatives**) of the Company. During the course of hearing, the Representatives were advised to explain the reasons for the alleged non-compliances, as narrated in the SCN. The Representatives reiterated the written arguments and submissions made in the written reply and admitted occurrence of delay in filing Form 4. They further submitted that the delay was unintentional; however, subsequently, Form 4 has been filed by the Company in respect of all 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 Respondent and its 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 Form 4 to the Commission, is on the record. As per record of the Commission, the Company filed Form 4 all of its Directors after a substantial **delay of 119 days**.

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.





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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:

May 30, 2023
Islamabad