



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Through Courier

Before

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

In the matter of

Show Cause Notice issued to M/s Treet Corporation Limited
under Regulation 3(3) of the Reporting and Disclosure (of Shareholding by Directors, Executive Officers and Substantial Shareholders in Listed Companies) Regulations, 2015 and Section 102(3)
read with Section 106(2)(b) of the Securities Act, 2015

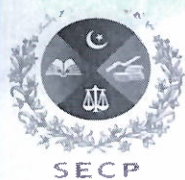
Number and date of Show Cause Notice (SCN)	2(446)SMD/Adj-1/2023-365 dated November 07, 2023
Date(s) of Hearing:	December 19, 2023
Present at the Hearing(s):	Mr. Muhammad Sohaib Sheikh, Advocate Mr. Sahibzada Uzair Hashim, Advocate (Authorized Representatives)

ORDER

This Order shall dispose of the proceedings initiated against M/s. Treet Corporation Limited (hereinafter referred to as the “**Company**” or the “**Respondent**”) for its alleged failure to file Form 4 with the Securities & Exchange Commission of Pakistan (the “**Commission**”) in terms of Section 102(3) of the Securities Act, 2015 (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**”) within seven (07) days of receipt of information from its directors on the respective prescribed Form 1.

2. Brief facts of the case are that the Company made an announcement on Pakistan Stock Exchange Limited (PSX) with respect to holding of its Extraordinary General Meeting (EOGM) on June 26, 2023, wherein the following individuals were elected as the directors of the Company, and the Company was required to fulfil the above-referred requirement for filing of respective Form-4 within the prescribed time:

S. No.	Name of Director(s)
1.	Syed Shahid Ali
2.	Syed Sheharyar Ali
3.	Mr. Imran Azim
4.	Dr. Salman Faridi
5.	Mr. Munir Karim Bana
6.	Dr. Haroon Latif Khan



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7.	Mr. Ahmed Shahid Hussain
8.	Ms. Sadia Fatima Sheikh

3. The relevant provisions of Section 102(3) of the Act & Regulation 3(3) of the Regulations and penal provisions of Section 106(2)(b) of the Act in case of contravention of Section 102 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 I from 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.-...(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.”

4. The record available with the Commission transpired that the Company failed to comply with the aforesaid requirements of the Act and the Regulations within the given timeframe. Accordingly, the relevant department of the Commission requested clarification/ explanation from the Company on August 28, 2023. The Company thereafter filed the respective Form 4 with the Commission in respect of each of the directors on September 12, 2023 with a delay of 64 days.

5. Considering the above-mentioned facts and the *prima-facie* delay in filing of relevant form(s), a Show Cause Notice dated November 07, 2023 was served upon the Company for contravention of Regulation 3(3) of the Regulations read with Section 102(3) of the Act under the penal provisions of Section 106(2)(b) of the Act.



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6. A response letter dated November 14, 2023 was submitted by Ms. Zunaira Dar, Group Head of Legal and Company Secretary. The relevant extracts of the said response are reproduced hereinbelow:

"...We acknowledge that there was a misunderstanding on our part regarding the timing of disclosure requirements. Initially, we believed that disclosure was only necessary in the event of a change in shareholding. However, we want to clarify that this misunderstanding was rectified well in advance of receiving the show-cause notice. We took proactive measures to correct our error and made the necessary disclosure on September 4, 2023, in full compliance with the disclosure requirements.

We deeply regret the initial misunderstanding, and we take full responsibility for it. We understand the importance of compliance and have taken steps to enhance our internal processes to prevent similar oversights in the future.

In light of the aforementioned circumstances and the fact that we rectified our error before the issuance of the show-cause notice, we kindly request the SECP to consider condoning this matter without the need for a formal hearing. We believe that our proactive efforts to rectify the situation demonstrate our commitment to compliance, and we are fully cooperative with the SECP in addressing any concerns..."

7. In order to meet the ends of justice and provide an opportunity of being heard to the Company being the Respondent, a hearing was fixed for December 07, 2023. However, the Company requested for an adjournment for the same, and submitted a letter of authority/power of attorney in favor of Mr. Muhammad Sohaib Sheikh, Advocate Supreme Court, Mr. Sahibzada Uzair Hashim, Advocate High Court and Mr. Ali Ahmad Shah, Advocate High Court. Accordingly, the hearing was re-fixed for December 18, 2023. An email dated December 12, 2023 was received from Mr. Muhammad Sohaib Sheikh, whereby another adjournment was requested. Hence, the hearing was rescheduled for December 19, 2023, which was duly attended by Mr. Muhammad Sohaib Sheikh, Advocate Supreme Court and Mr. Sahibzada Uzair Hashim, Advocate High Court. The Authorized Representative reiterated the earlier submissions and requested for a lenient view considering no intentional or willful default on part of the Company.

8. I have gone through the relevant provisions of law and the submissions made by the Respondent through its Authorized Representative. I have also perused Section 106(2)(b) of the Act, which stipulates penal provisions for contravention of Section 102(3) of the Act. The Section 102(3) of the Act read with Regulation 3(3) of the Regulations clearly mandates fulfilment of the reporting requirement within seven days of the receipt of the information from the director(s). Additionally, a clarification issued by the Commission through PSX to all listed companies on April 20, 2022 clearly pronounced that the requirement of filing of Form 5 is applicable on every director, who is appointed afresh, re-appointed and a nominee director.



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9. Nevertheless, the Company has duly filed the relevant forms with the Commission, although with a delay, and has demonstrated its commitment to adhere to all applicable laws in a timely manner in the future.

10. In view of the above-stated facts and circumstances, and the evident admission of default made by the Respondent, I have hereby decided to impose a **penalty of Rs.50,000 (Rupees Fifty Thousand) only on the Respondent**. The Respondent is directed to deposit the aforesaid penalty in the designated bank account maintained in the name of the Securities and Exchange Commission of Pakistan with MCB Bank Limited or United Bank Limited, within a period of thirty (30) days from the date of this Order, and furnish receipted voucher issued in the name of the Commission for information and record. The Respondent is also directed to ensure meticulous and timely compliance of applicable laws in true letter and spirit in future.

11. This order is being issued without prejudice to any other action(s) that may be initiated/taken against the Directors, the Company and/or its officers responsible for the violations of the aforesaid provisions of the law, accordingly.

(Shahzad Afzal Khan)

Director/Head of Department
(Adjudication Department-I)

Announced:

December 28, 2023

Islamabad