



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 IGI Holdings 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(335) SMD/Adj-1/2021-350 dated November 03, 2023
Date(s) of Hearing:	November 27, 2023
Present at the Hearing(s):	Ms. Nadia Perveen Hussain, Company Secretary Syed Awais Amjad, Chief Financial Officer

ORDER

This Order shall dispose of the proceedings initiated against M/s. IGI Holdings 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 May 23, 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 Babar Ali
2.	Mr. Shamim Ahmad Khan
3.	Syed Haider Ali
4.	Syed Yawar Ali
5.	Syed Shahid Ali
6.	Mr. Ali Ahsan
7.	Ms. Saima Amin Khawaja



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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 24, 2023. The Company thereafter filed the respective Form 4 with the Commission on September 07, 2023 with a delay of 100 days.

5. Considering the above-mentioned facts and the *prima-facie* delay in filing of relevant form(s), a Show Cause Notice dated November 03, 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.

6. A response letter dated November 10, 2023 was submitted by Ms. Nadia Hussain, Company



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Secretary. The relevant extracts of the said response are reproduced hereinbelow:

“The delay in filing of the Forms in question was not willful nor intentionally perpetrated but only took place as a bona fide oversight. Had there been any mala fides on the part of the Directors in filing the Forms in question with a view to suppress any information and/or to conceal the same from the members of the public or the regulator (SECP), the Forms would not have been filed and objections would have been resorted to.

It was in view of the clarification by SECP bearing No. SD/Mis.BO/2022/415 dated April 20, 2022 that the Company and the reelected Directors came to know that filing of the Forms in question despite similar Forms having been filed upon the earlier election appointment of the same persons as Directors of the Company where no change in interests of the Directors has occurred, since last filling.

You would kindly appreciate that the Company informed you...in response to your letter ...that the Company had complied with the submission of the Forms.

It may be noted that the late filing did not cause any prejudice to the shareholders of the Company and/or the members of the public.

Kindly also note that the Company has strengthened the procedure whereby the already maintained checklist of regulatory requirements will be updated periodically by monitoring the websites of SECP and PSX for any new regulatory requirements.

In view of the above-mentioned position, it is respectfully prayed on behalf of the Company that the unintentional and inadvertent delay may kindly be condoned keeping in view the facts that the Company is a part of a reputed business group of Pakistan known for its law-abiding and compliant corporate culture...”

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 held on November 27, 2023. The Authorized Representative attended the hearing on behalf of the Respondent, reiterated the earlier submissions and requested for a lenient view considering no intentional or willful default on part of the Company. Subsequent to the hearing, another response was submitted by the Authorized Representative vide letter dated November 29, 2023, *inter alia* stating that:

“...In furtherance of our submissions kindly note that the elections of Directors were duly held in the Extraordinary General Meeting (EOGM) of the Company conducted on May 23, 2023 in which following Directors were elected by the shareholders of the Company:

S. No.	Name of Director	Appointment
1	Syed Babar Ali	Re-elected



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2	Syed Hyder Ali	Re-elected
3	Syed Yawar Ali	Re-elected
4	Syed Shahid Ali	Re-elected
5	Shamim Ahmad Khan	Re-elected
6	Saima Amin Khawaja	New appointment
7	Ali Ahsan	New appointment

The beneficial ownership held by the Directors as of the date of election was as follows:

S. No.	Name of Director	Individual Shareholding	Through Spouse/ Minor children	Through Private Company	Total Beneficial Ownership
1	Syed Babar Ali	27,048,613	3,595,438	-	30,644,051
2	Syed Hyder Ali	8,839,102	340,325	-	9,179,427
3	Syed Yawar Ali	1,440,057	411,565	-	1,851,622
4	Syed Shahid Ali	1,534,974	-	-	1,534,974
5	Shamim Ahmad Khan	7,251	-	-	7,251
6	Saima Amin Khawaja	-	-	-	-
7	Ali Ahsan	-	-	-	-

The AGM of the Company was held on 28th April 2023 subsequent to which Form-A for the year ended December 31, 2022 was duly submitted by the Company which included list of members and their respective shareholding as of the date of AGM...It is noteworthy that as and when a change in shareholding of the Company occurred, the Directors have proceeded to inform the Commission through Form 6...However, the Company did not file the forms prescribed under the Securities Act 2015 subsequent to the election of directors based on the understanding that:

- (i) *there was no change in the shareholdings of the Directors since the submission of last Form-A any relevant Form 6; and*
- (ii) *no shares were held by the newly appointed Directors at the time of election...*

However, the prescribed forms were duly filed by the Company as soon as the matter was notified by the Commission through its letter dated August 24, 2023...



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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.

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 submissions made by the Respondents, I have hereby decided to impose a **penalty of Rs.50,000 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 12, 2023
Islamabad

