



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division

Say No to Corruption

*Before*

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

*In the matter of*

Mrs. Alia Sajjad (Director of Siddiqsons Tin Plate Limited)

Number and date of Show Cause Notice (SCN)	2(354)SMD/Adj-1/2022-852 Dated March 28, 2023
Date(s) of Hearings:	May 17, 2023 and June 09, 2023
Present at the Hearing:	Mr. Muhammad Haris, Company Secretary (Authorized Representative)

### ORDER

#### UNDER SECTION 106 OF THE SECURITIES ACT, 2015

This Order shall dispose of the proceedings initiated against Mrs. Alia Sajjad (**the Respondent**), Director of Siddiqsons Tin Plate Limited (**the Company**) through Show Cause Notice No. 2(354)SMD/Adj-1/2022-852 dated March 28, 2023 (**the SCN**) issued under Section 106 of the Securities Act, 2015 (**the Act**) on account of alleged contraventions of Section 103 of the Act read with regulations 3(4) of the Reporting and Disclosure of (Shareholding by Directors, Executive Officers and Substantial Shareholders in Listed Companies) Regulations, 2015 (**the Regulations**) and Section 104 of the Act regulation 4 of the Regulations and Section 105 of the Act.

2. As per the facts of the SCN, it was observed from the Annual Return submitted by the Company for the year 2022, that the Respondent executed following trades in the shares of the Company: -

Transaction No.	Transaction Date	Nature	No. of share	Rate/ share	Market
i.	February 17, 2021	Sell	140,500	18.97	Ready
ii.	February 18, 2021	Sell	259,500	19.03	Ready
iii.	August 24, 2021	Sell	100,000	17.05	Ready
iv.	August 25, 2021	Sell	100,000	17.10	Ready
v.	September 02, 2021	Sell	300,000	17.10	Ready
vi.	December 03, 2021	Purchase	443,955	10.91	NDM
vii.	March 03, 2022	Purchase	443,956	10.91	NDM

3. In terms of Section 103 of the Act read with regulation 3(4) of the Regulations, every director, executive officer or substantial shareholder of a listed company is required to submit to the Securities & Exchange Commission of Pakistan (**the Commission**) in the prescribed form (a) a statement of beneficial ownership in the listed equity securities of the company or any other nature of securities; and (b) report any subsequent change(s) in beneficial ownership position on Form 6, within seven (7) days





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beginning the with the day on which the requirement first arises. However, the record of the Commission revealed that Form 6 was filed by the Respondent with a **delay of 480 days**.

4. Pursuant to Section 104 of the Act read with regulation 4 of the Regulations, every director, executive officer or substantial shareholder who makes any gain by the purchase and sale, or the sale and purchase, of any beneficially owned listed equity securities of same class, within period of less than six months, such director, executive officer or substantial shareholder is required to report accrual of the gain to the Commission within seven days of its accrual. Moreover, in terms of Section 105 of the Act, such director, executive officer or substantial shareholder is required to tender the gain to the Commission, within six months of its accrual, for onward credit to Federal Consolidated Fund.

5. On account of the above-mentioned sale and purchase transactions (iii-vi), the Respondent made net tenderable gain of Rs. 2,743,101/- computed in the manner provided in Section 104 of the Act read with regulation 4 of the Regulations. The Respondent was required to report the tenderable gain to the Commission on Form 7 within seven days of the accrual of the gain. However, it was observed that no compliance was made regarding reporting of tenderable gain on Form 7 and submission of gain to the Commission for onward credit into Federal Consolidated Fund.

6. The Commission vide letter dated December 14, 2022 sought clarification/explanation on the afore-said non-compliance of the Act and the Regulations. The Company Secretary of the Company provide clarification on part of the Respondent vide letter dated January 02, 2023 wherein it was informed that the Respondent had filed Form 6 within due time however, they could not find record of the same. Further, the Commission vide letter dated January 10, 2023 again advised the Company Secretary to immediately file Form 7 along with explaining their position regarding non-filing of Form 7 and delay in filling of Form 6.

7. In view of the Above, the Respondent had failed to report and tender the gain till date and has, *prima facie*, contravened the provisions of Section 104 and 105 of the Act read with regulation 4(1) of the Regulations. Further, the Respondent also, *prima facie*, contravened the provisions of Section 103 of the Act read with regulation 3(4) of the Regulations by not filing Form 6 within the prescribed time limit which attract the applicability of the penal provisions mentioned under Section 106 (2) of the Act. Accordingly, the Commission while taking cognizance of the aforementioned non-compliance served the SCN upon the Respondents.

8. In response to SCN, Mr. Muhammad Haris (Company Secretary) vide letter dated April 07, 2023 submitted reply on behalf of the Respondent, as under:

- *Due to unforeseen reasons, purchase transactions were initially filed but not reflected in the SECP system. They were re-filed through Ms. Alia Sajjad's SECP user ID with a 480-day delay, requesting leniency for inadvertent non-compliance.*
- *Sales transactions involving Ms. Alia Sajjad's shares were routine, made from her existing shareholding before the finalization of Shares Purchase Agreement (SPA), with no intention of profit. No offloading occurred despite share price drop.*
- *SPA was finalized after a prolonged registration and approval process, including SBP and CCP Pressure from the seller led to execution of the transaction according to SPA terms, causing a conflict noted by SECP's Supervision Division.*
- *The entire transaction was based on agreement, not profit, and unintentional non-compliance. Due to the unique nature of the transaction and Ms. Alia Sajjad's compliance history, a request is made to condone the highlighted non-compliance.*







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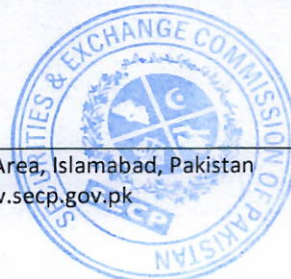
9. The Respondent was provided opportunity of personal representation and the hearing was fixed in the matter for May 17, 2023 which was not held, as the Company Secretary requested to adjourn the hearing. Subsequent hearing in the matter was fixed for June 09, 2023 was attended by Mr. Muhammad Haris, Company Secretary, as an Authorized Representative (**the Representative**) of the Respondent. During the course of hearing, the Representative was advised to explain the reasons for the alleged non-compliances, as narrated in the SCN. The Representative admitted the non-filing of Form 6 and reiterated the written argument earlier submitted in response to the SCN. Further, the Representative added that the filing of Form 6 was overlooked inadvertently and subsequent filing of the same has been made before the SCN. Moreover, the Representative opined that the Respondent executed these transactions due to the Share Purchase Agreement (SPA) and the seller rigorously emphasized for execution of the approved transaction in due time as agreed in SPA or otherwise they were ready to sold their shareholding. This transaction was not a routine transaction, in fact it was mainly due to the SPA. The Representative requested to condone the delay and a lenient view may be taken in the matter.

10. I have gone through the facts of the case and considered the submissions of the Representative both written and verbal in light of the applicable provisions mentioned in the preceding paras and the available record and noted as under:

- In terms of Section 103 of the Act read with regulation 3(4) of the Regulations, the Respondent was required to report any subsequent change(s) in beneficial ownership position on Form 6, within seven (7) days beginning with the day on which the requirement first arises. However, the Respondent has admitted the late filing of the required returns on Form 6 to the Commission. As per record of the Commission, the Respondent filed Form 6 with the Commission after a **substantial delay of 480 days**.
- In terms of Section 104 of the Act read with Regulation 4 of the Regulations, the Respondent was also required to report accrual of the gain to the Commission on Form 7, within seven (7) days of its accrual on the executed transaction. However, no compliance was made regarding reporting of tenderable gain on Form 7 to the Commission.
- Moreover, the Respondent was required to tender the gain to the Commission, within six months of its accrual, for onward credit to Federal Consolidated Fund as required under Section 105 of the Act. However, the Respondent has not submitted the gain to the Commission for onward credit into Federal Consolidated Fund till date.
- Furthermore, the submission by the Respondent related to non-filing of tenderable gain is not tenable, as the provisions of the law has explicitly explained that whosoever made gain out of the purchase and sale of the shareholding, has to tender the gain to the Commission and there is no exemption given in the law for those transaction which executed under SPA or any other agreement.

11. In view of the foregoing and the verbal submissions made by the Respondent, non-compliance/ contravention of the provisions Section 103 of the Act read with regulation 3(4) of the Regulations and Section 104 of the Act read with regulation 4 of the Regulations and Section 105 of the Act have been established and same have also been admitted by the Representative. Therefore, in exercise of the powers conferred upon me under Section 106(2)(a) of the Act, I hereby impose a penalty of **Rs. 100,000/- (Pak Rupees One Lac Only)** on the Respondent.

12. The Respondent is also directed to tender the gain amounting to **Rs. 2,743,101** to the Commission.





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13. The Respondent 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.

14. 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.

A handwritten signature in blue ink, appearing to read 'Shahzad Afzal Khan', is written over a horizontal line.

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



**Announced:**  
September 01, 2023  
Islamabad