

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Ms. Andleeb Kausar

Dates of Hearing

June 17, 2022

Order-Redacted Version

Order dated July 06, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Ms. Andleeb Kausar. Relevant details are given as hereunder:

| Nature | Details |
|-----------------------|---|
| 1. Date of Action | Show cause notice dated May 14, 2022. |
| 2. Name of Respondent | Ms. Andleeb Kausar (the Acquirer and / or the Respondent) |
| 3. Nature of Offence | Alleged contraventions of regulation 4(1) of the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 (the Takeover Regulations) and Section 109 of the Securities Act, 2015 (the Act) read with Section 126 thereof. |
| 4. Action Taken | <p>Key findings were reported in the following manner:</p> <p>I have considered submissions of the Acquirer both written and oral through the Representative, in light of the applicable legal provisions and the available record and observed that:</p> <ol style="list-style-type: none">i. the Acquirer was required to make disclosure of the acquisition of the said share, within two days of the acquisition, in the form and manner as provided in Schedule II of the Takeover Regulations, simultaneously to the Target Company, the Commission and PSX as required under Section 109(2) of the Act, read with regulation 4(1) of the Takeover Regulations.ii. The Respondent admitted the fact that she did not make the required disclosure to the Commission. The contention of the Respondent that the legal requirements provided in the law & regulations were duly complied with except making disclosure of the said acquisition to the Commission, it not tenable due to the following reasons:<ol style="list-style-type: none">a. The Acquire by not making disclosure of the said acquisition to the Commission has contravened sub-section (2) of Section 109 of the Act read with sub regulation (1) of regulation 4 of the Take-Over Regulations; |

| | |
|----------------------------|---|
| | <p>b. the transaction communicated to Target Company by the transferor and transferee was not on the format as provided in Schedule II of the Takeover Regulations which requires a set of information/ details regarding the acquirer and the transaction along with the post-acquisition shareholding viz-a-viz total issued voting shares of the target company. The said Schedule-II requires that the disclosure be made to the Target Company, the Commission, and PSX; and</p> <p>c. reporting by a Company Secretary to the securities exchange pursuant to regulation 5.6.1(d) of the PSX Rule Book does not absolve the Acquirer of its responsibility under the Act and the Takeover Regulations. It is pertinent to mention that regulation 5.6.1 (d) of the PSX Rule Book requires every director, CEO, and substantial shareholder of a listed company to notify any change in beneficial ownership position to the Company Secretary and the Company Secretary is, thereafter, required to forward the same to PSX for dissemination and place the same before the board of directors.</p> <p>In view of the foregoing and admission made by the Acquirer, contraventions of regulation 4(1) of the Takeover Regulations and Section 109(2) of the Act has been established, therefore the Acquirer is liable to be penalized. However, taking cognizance of the fact that the said acquisition was reported and disseminated to PSX and the Target Company, within the specified time period of two days, which seem that non-filing of return about the said acquisition on the specified Schedule II with the Commission was not willful. Therefore, in terms of the powers conferred under Section 126(3)(c) of the Act, I hereby conclude the proceeding initiated through the SCN without imposing any monetary penalty. The Acquirer is, however, warned to ensure compliance with all the regulatory requirements including Section 109(2) of the Act read with regulation 4(1) of the Takeover Regulations in letter and spirit, in future.</p> |
| 5. Penalty Imposed | Warning |
| 6. Current Status of Order | No Appeal has been filed by the respondents. |

