



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Say No to Corruption

Adjudication Department- I

Adjudication Division

Before

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

In the matter of

Mr. Anis Yakoob (Substantial Shareholder of Pakistan Synthetics Limited)

| | |
|--|--|
| Number and date of Show Cause Notice (SCN) | 2(419)SMD/Adj-1/2023-914 Dated May 05, 2023 |
| Date of Hearing: | June 12, 2023 |
| Present at the Hearing: | (i) Mr. Anis Yakoob (ii) Mr. Mubbashir Amin (Authorized Representatives) |

ORDER

UNDER SECTION 106 OF THE SECURITIES ACT, 2015

This Order shall dispose of the proceedings initiated against Mr. Anis Yakoob (**the Respondent**), Substantial Shareholder of Pakistan Synthetics Limited (**the Company**) through Show Cause Notice No. 2(419)SMD/Adj-1/2023-914 dated May 05, 2023 (**the SCN**) issued under Section 106 of the Securities Act, 2015 (**the Act**) on account of alleged contravention of Section 103 of the Act read with regulation 3(4) 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 Respondent became Substantial Shareholder of the Company on December 26, 2019 after acquiring 8.4 million (10.043%) shares of the Company.

3. In terms of Section 103 of the Act read with regulation 3(4) of the Regulations, the Respondent was required to file a statement of beneficial ownership i.e. Form 5 to the Securities and Exchange Commission of Pakistan (**the Commission**), within seven (7) days of becoming substantial shareholder of the Company and Form 6 for the change(s) in beneficial ownership, within seven (7) days of the respective change. However, the record available with the Commission transpires that the Respondent, *prima facie*, did not ensure the compliance in respect of filing of Form 5 and Form 6 in accordance with the aforesaid provisions of the law.

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

Section 103 of the Act:

"103 - Notification to the Commission of directors and others' interest

(1) Every director, executive officer or substantial shareholder of a listed company shall submit to the Commission in the prescribed form -





SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

- (a) a statement of beneficial ownership in the listed equity securities of the company or any other nature of securities as may be prescribed by the Commission;
- (b) the particulars of any change in the interest aforesaid; and
- (c) any change in his position.

(2) The reporting requirement imposed by sub-sections (1) shall be fulfilled before the expiration of a period of seven days beginning with the day on which the requirement first arises.”

Regulation 3(4) of the Regulations:

“3 – Reporting of Beneficial ownership in listed equity securities under Section 101 to Section 103 of the Act ...

(4) The directors, executive officers and substantial shareholders of the equity securities in a listed company shall in accordance with section 103 of the Act submit statement of Beneficial ownership on Form 5 and report any subsequent change therein or position to the Commission on Form 6.”

Section 106 of the Act:

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

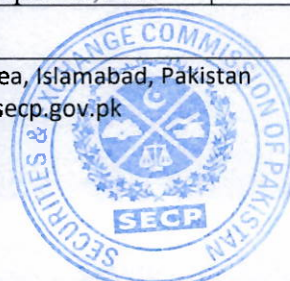
(2) where any person who contravenes or fails to comply with any provision of sections 101, 102, 103, 104, 105 and 107, the Commission may by order in writing direct,—

(a) in the case of an individual, to pay by way of penalty to the Commission such sum which may extend to five hundred thousand rupees and to a further sum which may extend to one thousand rupees per day for every day during which the default continues;”

5. The Commission vide letter dated February 28, 2023 sought explanation in the matter from the Respondent with respect to his alleged failure to file Form 5 and Form 6. The Company Secretary responded vide letter dated March 08, 2023 along with Form 5 and Form 6 and requested to accept the Forms and condone the delay in filing.

6. The Company Secretary was again advised vide letter dated March 14, 2023 to file the revised Forms after removing the highlighted deficiencies in the said Forms. Subsequently, the Company Secretary filed the revised Form 5 on March 17, 2023 with delay of 1170 days and Form 6 on the following dates with delay:

| Transaction Date | Due Date | Filing Date | Delay (No. of Days) |
|-------------------|----------------|----------------|---------------------|
| February 28, 2020 | March 6, 2020 | April 13, 2023 | 1133 |
| March 4, 2020 | March 11, 2020 | April 13, 2023 | 1128 |
| March 5, 2020 | March 12, 2020 | April 13, 2023 | 1127 |
| March 6, 2020 | March 13, 2020 | April 13, 2023 | 1126 |
| April 29, 2020 | May 6, 2020 | April 13, 2023 | 1072 |
| May 7, 2020 | May 14, 2020 | April 13, 2023 | 1064 |
| May 8, 2020 | May 15, 2020 | April 13, 2023 | 1063 |
| May 12, 2020 | May 19, 2020 | April 13, 2023 | 1059 |
| May 18, 2020 | May 25, 2020 | April 13, 2023 | 1053 |
| June 1, 2020 | June 8, 2020 | April 13, 2023 | 1039 |
| June 23, 2020 | June 30, 2020 | April 13, 2023 | 1017 |
| June 24, 2020 | July 1, 2020 | April 13, 2023 | 1016 |
| June 25, 2020 | July 2, 2020 | April 13, 2023 | 1015 |
| June 26, 2020 | July 7, 2020 | April 13, 2023 | 1010 |





SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

| Transaction Date | Due Date | Filing Date | Delay (No. of Days) |
|-------------------|-------------------|----------------|---------------------|
| July 2, 2020 | July 9, 2020 | April 13, 2023 | 1008 |
| October 29, 2020 | November 5, 2020 | April 13, 2023 | 889 |
| November 12, 2020 | November 19, 2020 | April 13, 2023 | 875 |
| November 18, 2020 | November 25, 2020 | April 13, 2023 | 869 |
| November 19, 2020 | November 26, 2020 | April 13, 2023 | 868 |
| November 23, 2020 | November 30, 2020 | April 13, 2023 | 864 |
| November 27, 2020 | December 4, 2020 | April 13, 2023 | 860 |
| December 1, 2020 | December 8, 2020 | April 13, 2023 | 856 |
| December 9, 2020 | December 16, 2020 | April 13, 2023 | 848 |
| December 30, 2020 | January 6, 2021 | April 13, 2023 | 827 |
| January 1, 2021 | January 8, 2021 | April 13, 2023 | 825 |
| January 8, 2021 | January 15, 2021 | April 13, 2023 | 818 |
| January 12, 2021 | January 19, 2021 | April 13, 2023 | 814 |
| January 14, 2021 | January 21, 2021 | April 13, 2023 | 812 |
| February 22, 2021 | March 1, 2021 | April 13, 2023 | 773 |
| February 23, 2021 | March 2, 2021 | April 13, 2023 | 772 |
| February 24, 2021 | March 3, 2021 | April 13, 2023 | 771 |
| March 4, 2021 | March 11, 2021 | April 13, 2023 | 763 |
| March 11, 2021 | March 18, 2021 | April 13, 2023 | 756 |
| March 12, 2021 | March 19, 2021 | April 13, 2023 | 755 |
| April 16, 2021 | April 23, 2021 | April 13, 2023 | 720 |
| July 12, 2021 | July 19, 2021 | April 13, 2023 | 633 |
| July 27, 2022 | August 3, 2022 | March 17, 2023 | 226 |
| July 28, 2022 | August 4, 2022 | March 17, 2023 | 225 |
| July 29, 2022 | August 5, 2022 | March 17, 2023 | 224 |
| August 4, 2022 | August 11, 2022 | March 17, 2023 | 218 |
| August 5, 2022 | August 12, 2022 | March 17, 2023 | 217 |
| August 10, 2022 | August 17, 2022 | March 17, 2023 | 212 |
| August 11, 2022 | August 18, 2022 | March 17, 2023 | 211 |
| August 12, 2022 | August 19, 2022 | March 17, 2023 | 210 |

7. In view of the above, the Respondent, *prima facie*, has violated Section 103 of the Act read with regulation 3(4) of the Regulations, which attracts applicability of the penal provisions of Section 106(2)(a) of the Act. Accordingly, the Commission while taking cognizance of the aforementioned non-compliance served the SCN upon the Respondent, requiring him to submit his written reply within 14 days of the date of the SCN.

8. In response to SCN, the Respondent vide letter dated May 11, 2023 submitted his reply as under:

"...At the outset I would to inform that I am a law-abiding citizen and follow to a maximum all known statutory legal requirement all the times. As I became the substantial shareholder of any Company for the first time and was not aware of any legal formalities applicable to me on becoming substantial shareholder. Once I got to know about the compliance requirement mentioned in section 103 of Securities Act, 2015 and relevant regulations pertinent to substantial shareholder, I submitted the requisite form 5 & 6 and remove the deficiencies as highlighted.





SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

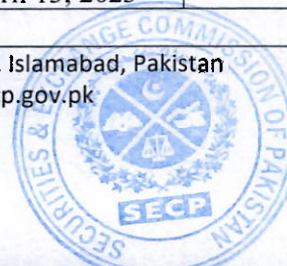
Considering the above, I would like to state that the delay in fulfilling the requirements of section 103 of the Securities Act and relevant regulation was not intentional nor have any motive to hide any information.

Therefore, I Would like to request you to kindly forgive the delay in submission.”

9. The Respondent was provided opportunity of personal representation and hearing in the matter was fixed for June 12, 2023, which was attended by Mr. Anis Yakoob and Mr. Mubbashir Amin (**the Representative**) before the undersigned. During the course of hearing, they were advised to explain the reasons for the alleged non-compliances, as narrated in the SCN. The Representative reiterated the written arguments and submissions already made in the written reply and admitted occurrence of delay in filing Form 5 and Form 6. However, he stated that Form 5 and Form 6 have been filed subsequently. The Representative requested that a lenient view may be taken in the matter, as the default has occurred for the first time.

10. I have gone through the facts of the case and considered both written as well as verbal submissions and arguments of the Respondent/Representative in light of the applicable law and the available record and noted that the Respondent was required to file his returns of beneficial ownership on Forms 5 within seven (7) days of becoming substantial shareholder of the Company and Form 6 for the change(s) in beneficial ownership, within seven (7) days of the respective change as required under Section 103 of the Act read with regulation 3(4) of the Regulations. Further, the admission made by the Respondent in late filing of the required returns on Form 5 and Form 6 to the Commission, is on the record. As per the record, the Company Secretary filed the revised Form 5 on March 17, 2023 after a **substantial delay of 1170 days** and Form 6 on the following dates with delay:

| Transaction Date | Due Date | Filing Date | Delay (No. of Days) |
|-------------------|-------------------|----------------|---------------------|
| February 28, 2020 | March 6, 2020 | April 13, 2023 | 1133 |
| March 4, 2020 | March 11, 2020 | April 13, 2023 | 1128 |
| March 5, 2020 | March 12, 2020 | April 13, 2023 | 1127 |
| March 6, 2020 | March 13, 2020 | April 13, 2023 | 1126 |
| April 29, 2020 | May 6, 2020 | April 13, 2023 | 1072 |
| May 7, 2020 | May 14, 2020 | April 13, 2023 | 1064 |
| May 8, 2020 | May 15, 2020 | April 13, 2023 | 1063 |
| May 12, 2020 | May 19, 2020 | April 13, 2023 | 1059 |
| May 18, 2020 | May 25, 2020 | April 13, 2023 | 1053 |
| June 1, 2020 | June 8, 2020 | April 13, 2023 | 1039 |
| June 23, 2020 | June 30, 2020 | April 13, 2023 | 1017 |
| June 24, 2020 | July 1, 2020 | April 13, 2023 | 1016 |
| June 25, 2020 | July 2, 2020 | April 13, 2023 | 1015 |
| June 26, 2020 | July 7, 2020 | April 13, 2023 | 1010 |
| July 2, 2020 | July 9, 2020 | April 13, 2023 | 1008 |
| October 29, 2020 | November 5, 2020 | April 13, 2023 | 889 |
| November 12, 2020 | November 19, 2020 | April 13, 2023 | 875 |
| November 18, 2020 | November 25, 2020 | April 13, 2023 | 869 |
| November 19, 2020 | November 26, 2020 | April 13, 2023 | 868 |
| November 23, 2020 | November 30, 2020 | April 13, 2023 | 864 |
| November 27, 2020 | December 4, 2020 | April 13, 2023 | 860 |
| December 1, 2020 | December 8, 2020 | April 13, 2023 | 856 |
| December 9, 2020 | December 16, 2020 | April 13, 2023 | 848 |





SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

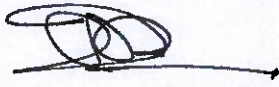
Adjudication Department-I Adjudication Division

| Transaction Date | Due Date | Filing Date | Delay (No. of Days) |
|-------------------|------------------|----------------|---------------------|
| December 30, 2020 | January 6, 2021 | April 13, 2023 | 827 |
| January 1, 2021 | January 8, 2021 | April 13, 2023 | 825 |
| January 8, 2021 | January 15, 2021 | April 13, 2023 | 818 |
| January 12, 2021 | January 19, 2021 | April 13, 2023 | 814 |
| January 14, 2021 | January 21, 2021 | April 13, 2023 | 812 |
| February 22, 2021 | March 1, 2021 | April 13, 2023 | 773 |
| February 23, 2021 | March 2, 2021 | April 13, 2023 | 772 |
| February 24, 2021 | March 3, 2021 | April 13, 2023 | 771 |
| March 4, 2021 | March 11, 2021 | April 13, 2023 | 763 |
| March 11, 2021 | March 18, 2021 | April 13, 2023 | 756 |
| March 12, 2021 | March 19, 2021 | April 13, 2023 | 755 |
| April 16, 2021 | April 23, 2021 | April 13, 2023 | 720 |
| July 12, 2021 | July 19, 2021 | April 13, 2023 | 633 |
| July 27, 2022 | August 3, 2022 | March 17, 2023 | 226 |
| July 28, 2022 | August 4, 2022 | March 17, 2023 | 225 |
| July 29, 2022 | August 5, 2022 | March 17, 2023 | 224 |
| August 4, 2022 | August 11, 2022 | March 17, 2023 | 218 |
| August 5, 2022 | August 12, 2022 | March 17, 2023 | 217 |
| August 10, 2022 | August 17, 2022 | March 17, 2023 | 212 |
| August 11, 2022 | August 18, 2022 | March 17, 2023 | 211 |
| August 12, 2022 | August 19, 2022 | March 17, 2023 | 210 |

11. In view of the foregoing and the verbal submission made by the Respondents, non-compliance/contravention of the provisions Section 103 of the Act read with regulation 3(4) of the Regulations has been established. Therefore, in exercise of the powers conferred upon me under Section 106(2)(a) of the Act, I hereby impose a penalty of **Rs. 10,000/- (Pak Rupees Ten Thousand Only)** on the Respondent.

12. 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.

13. 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:
July 11, 2023
Islamabad