



Before the Director/HOD (MSRD)

In the matter of Show Cause Notice issued under Section 224(4) of the Companies Ordinance, 1984 to Mr. Imad Mohammad Tahir, Director of Apna Microfinance Bank Limited

Order

This Order will dispose of the proceedings initiated under Section 224(4) of the Companies Ordinance, 1984 (“**Ordinance**”) by the Securities and Exchange Commission of Pakistan (“**Commission**”) through Show Cause No. SMD(B.O)C.O.222/1(3)14 dated 19/12/2014 (“**Notice**”) issued to Mr. Imad Mohammad Tahir (“**Respondent**”), director of Apna Microfinance Bank Limited (“**Issuer Company**”).

2. The facts of the matter leading up to aforesaid Notice are that the Issuer Company is a public listed company and the Respondent being its Director was required to file return of beneficial ownership on Form 31 within the period stipulated under Section 222 of the Ordinance. However, he failed to discharge the said obligation which attracts penal provision contained in Section 224(4) of the Ordinance.

3. Section 222(2)(b) of the Ordinance stipulates the period within which the Form 31 is required to be submitted as under:-

“in any other case, including a case where the company is listed on the stock exchange after the commencement of this Ordinance or after the person has occupied the position or office specified in sub-section (1) or has acquired interest as beneficial owner of securities as aforesaid, within thirty days of occupying the office in the company or acquisition of interest as beneficial owner requiring submission of the return aforesaid or listing of the company on the stock exchange, as the case may be.”

4. The Respondent filed Form 31 with this Commission on 08/08/2014. The said Form 31 showed that he acquired beneficial ownership in the Company on 18/06/2013 and 20,000,000 shares of the Company were beneficially owned by him. Thus, he was required on his own to file the said return with this Commission latest by 17/07/2013, but the same was filed on 08/08/2014, with delay of 386 days, in contravention of Section 222(2)(b) of the Ordinance. The said contravention *prima facie* attracts penal provision of Section 224(4) of the Ordinance, which provides as under:-

“Whoever knowingly and wilfully contravenes or otherwise fails to comply with any provision of section 222, section 223 or section 224 shall be liable to a fine which may extend to thirty thousand rupees and in the case of a continuing contravention, non-compliance or default to a further fine which may extend to one thousand rupees for every day after the first during which such contravention, non-compliance or default continues.”





5. The Commission took cognizance of the aforesaid default and issued Notice to the Respondent under Section 224(4) of the Ordinance, calling upon him to explain through written reply alongwith documentary evidence, if any as to why action may not be taken against him pursuant to Section 224(4) of the Ordinance, for aforesaid contravention of Section 222 of the Ordinance. Furthermore, personal hearing in the matter was also fixed on 05/01/2015 at Commission's Head Office, Islamabad.

6. Mr. Rafat Abbas, Company Secretary, Apna Microfinance Bank Limited ("**Representative**") responded the Notice on behalf of the Respondent vide letter dated 23/12/2014, followed by e-mail dated 24/12/2014 received from Mr. Saleem Shaikh, Chief Executive Officer of the Issuer Company, wherein *inter alia* he stated that the Respondent is unable to attend the personal hearing scheduled on 05/01/2015, because he is out of country and requested to consider the explanation earlier submitted by the Representative. The submissions made by the Representative in his aforesaid letter and e-mail be summarized as under:-

- a) *The Respondent was elected as Director in EOGM held on 18/06/2013 and on that date his shareholding in the Issuer Company was Nil.*
- b) *As per commitment, the Respondent placed Rs.100 million as an investor/underwriter for 20 million right shares at the discounted rate of Rs.5/- per share. The shares were issued to him on 10/07/2014 making him beneficial owner on this date.*
- c) *Respondent has filed Form-31 within the prescribed time, i.e. within 30 days of the acquisition of beneficial ownership.*
- d) *The Respondent assured timely compliance in future and requested to drop the proceedings*

7. I have considered the aforesaid submissions made in writing by the Representative on behalf of the Respondent. The Respondent has stated that he became director of the Issuer Company on 18/06/2013 with nil shareholding. While he acquired beneficial ownership in the Issuer Company on 10/07/2014 by way of subscribing to 3rd right issue. In order to arrive at decision, I have reviewed the record of this office and observed that the Respondent in his aforesaid Form 31 showed date of acquisition of beneficial ownership as 18/06/2013 instead of 10/07/2014. However, hard copy of share certificate (folio No. 021) submitted by the Representative as documentary evidence reflects that 20,000,000 shares were allotted to him on 10/07/2014 on account of subscription to 3rd right issue. The delay in filing of the return was calculated on the basis of date of acquisition of beneficial ownership showed in aforesaid Form 31 by the Respondent. Considering the submissions made and documentary evidence provided by the Respondent, I intend to agree that the date of acquisition of beneficial ownership was 10/07/2014 instead of 18/06/2013 (reported by the beneficial ownership on Form 31). Therefore, a lenient view of the matter has been taken and the Respondent is hereby directed to submit revised return of beneficial ownership on Form 31, showing therein correct date of acquisition of



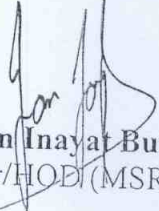


beneficial ownership within 10 days of the date of this Order. Furthermore, the Respondent is hereby strictly advised to pay due care and attention at the time of filing of returns of beneficial ownership, in future.

8. This Order is issued without prejudice to any other action that the Commission/Registrar may initiate against the Respondent in accordance with the law on matter subsequently investigated or brought to the Notice of the Commission.

Islamabad.
Announced on January 26, 2015




(Imran Inayat Butt)
Director/HOD (MSRD)