



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Securities Market Division
Market Supervision and Registration Department

Before the Director/HOD (MSRD)

In the matter of Show Cause Notice issued under Section 224(4) of the Companies Ordinance, 1984 to Mr. Nadeem Maqbool, Director of Premier Insurance 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 Notice No. SMD/BO/Co.222/2(284)03 dated 07/01/2014 ("**Notice**") issued to Mr. Nadeem Maqbool ("**Respondent**"), Director of Premier Insurance ("**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 32, 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)(c) of the Ordinance stipulates the period within which the Form 32 is required to be submitted as under:-

"where there is any change in the position or interest as aforesaid including a change in the beneficial ownership of any equity, security, within fifteen days of such change".

4. The Respondent, in response to this office letter dated 12/07/2013, filed Form 32 with this Commission 17/07/2013, showing therein receipt of 74,790 bonus shares on 04/06/2010. The said change in beneficial ownership has been reported to the Commission with delay of 1,124 days in contravention of Section 222(2)(c) of the Ordinance, which *prima facie* attracts penal provision contain in 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 along with documentary evidence, if any as to why action may not be taken against him





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pursuant to Section 224(4) of the Ordinance, for aforesaid contravention of Section 222 of the Ordinance. Furthermore, in order to provide an opportunity of being heard in person, hearing in the matter was fixed for 23/01/2014 at Commission's Head Office, Islamabad. But neither the Respondent nor his authorized representative attended the said hearing nor the Respondent made request for adjournment of the said hearing.

6. The Respondent vide letter dated 13/01/2014 responded the matter, wherein he stated that "*the bonus shares were issued to him on 25/05/2010 and Form 32 in this regard was filed on 04/06/2010*". The Respondent, in support of his claim submitted a copies of acknowledgement, Form 32 and bonus letter.

7. I have considered the aforesaid submissions made by the Respondent. The Respondent has stated that "*the return for aforementioned change in beneficial ownership has been filed within the stipulated time limit*". In this regard, it is pointed out that the documents submitted by the Respondent in support of the above-mentioned claim divulge that the return referred to by the Respondent was filed on 07/06/2010 with Company Registration Office (CRO) Karachi instead of the Commission (Head Office). It is pointed out that pursuant to the provisions of Section 222 of the Ordinance a beneficial owner is required to file separate returns of beneficial ownership with the registrar and the Commission (Head Office), within the stipulated time limit. But, in the instant case, the Respondent has reported the receipt of 74,970 bonus shares to the Commission with delay of 1,124 days. However, the said change in beneficial ownership was reported to CRO, Karachi, within the stipulated time limit. Keeping in view the nature and extent of change in beneficial ownership as well as act of timely filing of the return with the CRO, Karachi, a lenient view of the matter has been taken and the Respondent is hereby strictly warned to ensure timely filing of the returns of beneficial ownership with the Commission, n future, if any.

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.




(Imran Inayat Butt)
Director (HOD) (MSRD)

Islamabad.

Announced on February 25, 2014