



Securities and Exchange Commission of Pakistan

Securities Market Division
Market Supervision and Capital Issues Department
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Before the Director/HOD (MSCID)

In the matter of Show Cause Notice issued under Section 224(4) of the Companies Ordinance, 1984 to Pharaon Investment Group Limited Holding SAL, a beneficial owner of more than ten percent ordinary shares of Attock Petroleum 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. S.M(B.O)C.O.222/6(118)12 dated 30/07/2012 (“**Notice**”) issued to Pharaon Investment Group Limited Holding SAL (“**Respondent**”), a beneficial owner of more than ten percent equity security i.e. ordinary shares of Sunrays Attock Petroleum 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 a beneficial owner of more than ten percent of its ordinary shares was required to file returns for change in beneficial ownership on Form 32, within the period stipulated under Section 222 of the Ordinance. However, it failed to discharge the said obligation which attracts penal provisions contained in Section 224(4) of the Ordinance.

3. Section 222(2)(c) of the Ordinance stipulates the period within which the said return (Form 32) is 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. It is worth mentioning that in order to provide an opportunity to directors/beneficial owners of listed companies to file their over due returns of beneficial ownership without facing penal action, the Commission through Notices dated 07/09/2009 and 21/09/2010 asked them to file their returns of beneficial ownership with Head Office of the Commission by 31/10/2009 and 31/10/2010 respectively and to ensure timely compliance of Section 222 of the Ordinance in future. The aforesaid Notices were sent to all listed companies and were also disseminated through stock exchanges and print media.

5. The Respondent despite aforesaid Notices failed to file a return of beneficial ownership on Form 32 for bonus shares received by it on 10/11/2010. The Respondent was, therefore, asked vide letter dated 01/06/2012 to file return of beneficial ownership for the said change in beneficial ownership alongwith reasons for non-filing of the same, within the period stipulated in Section 222 of the Ordinance.



Securities and Exchange Commission of Pakistan

Securities Market Division
Market Supervision and Capital Issues Department

6. In response to the aforesaid letter, the Respondent filed Form 32 with this Commission on 14/06/2012, showing therein receipt of 3,960,576 bonus shares. The said return has been filed with delay of 567 days, in contravention of Section 222(2)(c) of the Ordinance. The said contravention of Section 222 of the Ordinance, *prima facie* attracts penal provisions 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"

7. The Commission took cognizance of the aforesaid default and issued Notice to the Respondent under Section 224(4) of the Ordinance, calling upon it to explain through written reply alongwith documentary evidence, if any as to why action may not be taken against it pursuant to Section 224(4) of the Ordinance, for aforesaid contraventions of Section 222(2)(c) of the Ordinance. Moreover, the Respondent was asked to inform in writing if it wishes to be heard in person or through authorized representative to present the stance in person.

8. The Company Secretary of the Respondent vide letter dated 05/09/2012 filed written response to the Notice. The submissions made by the Company Secretary of the Respondent in this regard may be summarized as under:-

- a) *The change in beneficial ownership was duly intimated to Registrar evidencing the clear intent to disclose the interest as envisaged by Section 222 of the Ordinance.*
- b) *The delay in submission of the return of beneficial ownership to the Commission was not willful.*
- c) *The matter was promptly responded on receipt of letter from the Commission.*
- d) *The Company Secretary ensured that the Respondent will comply with the requirements of Section 222 of the Ordinance within the prescribed time period in future.*

9. I have considered written submissions made on behalf of the Respondent. The Respondent has admitted the default of late filing of the return of beneficial ownership with the contention that said default was not committed willfully and knowingly. The Respondent has assured for timely filing of the returns of beneficial ownership in future and requested to condone the default in question. In order to arrive at conclusion, I have also reviewed the available record which reveals that the Respondent has earlier filed returns of beneficial ownership timely and regularly with this office. Considering the arguments advanced on behalf of the Respondent, I intend to agree with the contention of the Respondent and of the view that the late filing of the under reference return of beneficial ownership may not be




Securities and Exchange Commission of Pakistan

Securities Market Division
Market Supervision and Capital Issues Department
* * *

willful. Therefore, a lenient view of the matter has been taken and the Respondent is hereby strictly warned to ensure timely compliance of Section 222 of the Ordinance in future.

10. 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 October 17, 2012.


(Imran Inayat Butt)
Director/HOD (MSCID)

