



# 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 Mr. Shuaib A. Malik Director 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.222/12(1304)2010 dated 31/07/2012 ("**Notice**") issued to Mr. Shuaib A. Malik ("**Respondent**"), a Director of 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 its Director was required to file return of change in his 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 provisions 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. For convenience, the provisions of the said Section are reproduced hereunder:-

*"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. On account of scrutiny of record of this office, it was observed that the Respondent has failed to file returns of changes in beneficial ownership on Form 32 for the changes taken place in his beneficial ownership during the period of May 2010 to July 2011 ("**period**"). The Respondent was, therefore, asked vide letter dated 20/02/2012 to file returns of beneficial ownership on Form 32 for the said changes in beneficial ownership alongwith reasons for non-filing of the same, within the period stipulated in Section 222 of the Ordinance.



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6. In response to the aforementioned letter, the Respondent filed returns of beneficial ownership on Form 32 with this Commission on 22/02/2012, showing therein purchase of 30,000 shares, sale of 138,345 shares and receipt of 803,616 bonus shares. The said returns have been filed with this office with delay which ranges from 215 days to 592 days, in contravention of Section 222(2)(c) of the Ordinance. The said contravention attracts penal provisions 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".*

7. 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(2)(c) of the Ordinance. Moreover, the Respondent was also advised to inform in writing if he wishes to be heard in person or through authorized representative to present the stance in person.

8. The Respondent vide letter dated 13/08/2012 filed written response to the Notice. The submissions made by the Respondent in this regard may be summarized as under:-

- a) *The changes in beneficial ownership were 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 Respondent ensured that he will comply with the requirement of Section 222 of the Ordinance within the prescribed time period in future.*

9. I have considered the submissions made by 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 regularly and timely with this office. Considering the submissions submitted by the Respondent, I intend to agree with the contention of the Respondent and of the view that the late filing of the under reference returns of beneficial ownership may not be willful. Therefore, a

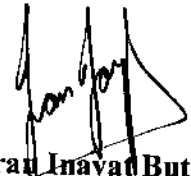


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lenient view of the matter has been taken and the Respondent is hereby strictly warned to ensure timely compliance of Section 222 of the Ordinance in future.

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.

  
(Imran Inayat Butt)  
Director/HOD (MSCID)

Islamabad.  
Announced on October 17, 2012

