



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 Mrs. Nargis Jehangir, Director of Mian Textile Industries 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.222/4(1913-C) 03 dated 26/12/2013 (“**Notice**”) issued to Mrs. Nargis Jehangir (“**Respondent**”), Director of Mian Textile Industries 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 32, within the period stipulated under Section 222 of the Ordinance. However, she 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 failed to file return of beneficial ownership on Form 32 with this Commission as a Director of Issuer Company for purchase transactions of 1,874,100 shares made on 06/07/2012. The Respondent, filed Form 32 for the said change in beneficial ownership, with this Commission on 18/03/2013 with delay of 240 days in contravention of Section 222(2)(c) of the Ordinance. The said contravention of Section 222 of the Ordinance *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 her to explain through written reply along with documentary evidence, if any as to why action may not be taken against her pursuant to Section 224(4) of the Ordinance, for aforesaid contravention of Section 222 of the





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Ordinance. Furthermore, in order to provide an opportunity of being heard in person, hearing in the matter was fixed for 09/01/2014 at Commission's Head Office, Islamabad.

6. The matter was responded vide letter dated 02/01/2014 by the Respondent, wherein she stated that:-

- a. *The aforesaid shares were purchased from relatives instead of general public.*
- b. *The default of late filing of the return was not willful and requested to condone the delay.*
- c. *She also assured that such default will be avoided in future.*
- d. *She further stated the Commission may let her know, if any further clarification is needed".*

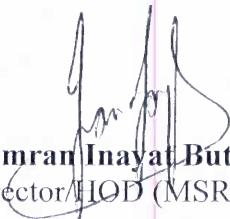
7. I have considered the aforesaid submissions made by the Respondent. The Respondent has admitted the default of late filing of the return of beneficial ownership with the contention that said default was not committed wilfully and knowingly. The Respondent has assured for timely filing of the returns of beneficial ownership in future and requested to condone the default in question. Considering the submissions made 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 return of beneficial ownership may not be 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.

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 February 07, 2014




(Imran Inayat Butt)
Director/HOD (MSRD)