

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Pak Hy Oils Limited

Dates of Hearing

- i. February 11, 2021
- ii. September 07, 2021
- iii. September 20, 2022
- iv. October 07, 2021

**Order-Redacted Version**

Order dated May 17, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Pak Hy Oils Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated October 08, 2020.
2. Name of Respondent	Pak Hy Oils Limited (the Respondent)
3. Nature of Offence	Alleged contraventions of <u>Section 103, 104 and 105 of the Securities Act, 2015 (the Act) read with Section 106(2) thereof.</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I am concluding the proceeding initiated through the SCN, based on the available material and record. From the available record it has been observed that:</p> <p>(i) the Respondent, being one o the substantial shareholders of the Company, has made buy and sell transactions (Off Market) in the listed shares of the Company on October 12, 2018; May 15, 2019; and June 26, 2019 as provided in detail' in the table in para 2 above. The Respondent in terms of <u>Section 103 of the Act</u> was required to report the said changes in its shareholding in the Company on Form 6 to the Commission within seven (7) days of each change. But, the Respondent failed to file on Form 6 the said changes despite reminder. the SCN, and four (4) opportunities of personal representation provided at different dates;</p> <p>(ii) the Respondent was required to report the gain amounting to Rs. 3,600,000/- to the Commission on Form 7, within 7 days of the accrual thereof, as required under Section 104 of the</p>

	<p>Act read with regulation 4(1) of the Regulations; under Section 105 of the Act, the Respondent was required to tender the said gain to the Commission, within six (6) months of the date of accrual thereof, for onward credit to the Federal Consolidated Fund' and</p> <p>(iii) the Respondent was advised vide letters dated March 12, 2020; April 30, 2020; and June 16 2020 to:</p> <p>(a) report to the Commission, the changes in its shareholding in the Company on Form 6;</p> <p>(b) report to the Commission, the aforesaid tenderable gain on Form 7 and; and</p> <p>(c) tender the said gain of Rs. 3,600,000/- to the Commission for onward credit into the Federal Consolidated Fund. or submit its comments along with supporting documents, if any in case it has different view point with regard to filing of Form 6, Form 7, and tendering of the gain.</p> <p>However, despite the said letters and reminders, the Respondent neither filed the said Forms 6 and 7, nor tendered the said gain to the Commission, nor submitted its comments in case of having a different view point. It is important to mention here that the Company Secretary of the Respondent vide email dated September 02, 2020 has confirmed receipt of the Commission's aforesaid letters.</p> <p>Keeping in view the facts of the case and the Respondent's failure to provide any written response and to appear on the dates of hearing in the matter fixed on four (4) different dates to explain its stance. I am of the considered view that contravention of Sections 103, 104 read with regulation 4 of the Regulations and Section 105 of the Act is established. Therefore, in terms of the powers conferred under Section 106 (2) of the Act, I am issuing an ex-party order whereby a penalty of Rs. 500,000/- (<u>Rupees Five Hundred Thousand Only</u>) is hereby imposed on the Respondent. This penalty is for the aforesaid contraventions/ non-compliances and does not absolve the Respondent of its obligations and responsibilities of tendering, the aforesaid gain.</p>
5. Penalty Imposed	Rs. 500,000/-
6. Current Status of Order	Penalty not deposited and No Appeal has been filed by the respondents.