



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. Mian Habib Ullah, Director of D M Textile Mills Limited

**Date of Hearing:**

January 28, 2014

**Present at Hearing:**

*Representing the Respondent:*

Mr. M. Javed Panni,  
Chief Executive,  
MJ Panni and Associates

*Assisting the Director/HOD (MSRD):*

Mr. Muhammad Farooq,  
Joint Director, SECP

**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(342)13 dated 01/01/2014 (“**Notice**”) issued to Mr. Mian Habib Ullah (“**Respondent**”), Director of D M Textile Mills 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, 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 filed return of beneficial ownership on Form 32 showing therein sale transaction of 145,124 shares (by spouse) made on 27/06/2012, with delay of 277 days in





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contravention of Section 222(2)(c) of the Ordinance. The said contravention *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”.*

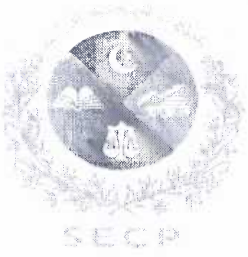
5. The Commission took cognizance of the aforesaid default and issued Notice to the Respondent under Section 224(4) of the Ordinance, calling upon him to explain through written reply along with documentary evidence, if any as to why action may not be taken against him pursuant to Section 224(4) of the Ordinance, for aforesaid contravention of Section 222 of the Ordinance.

6. In order to provide an opportunity of being heard in person, hearing in the matter was fixed for 16/01/2014 at Commission’s Head Office, Islamabad. Since the Respondent did not file written reply to the Notice, therefore, the matter was re-fixed on 22/01/2014, which on the request of Mr. M. Javed Panni, Chief Executive, M.J. Panni and Associates (“**Authorized Representative**”) was rescheduled for 28/01/2014. On the given date the Authorized Representative appeared before me on behalf of the Respondent and also filed written reply to the Notice. The submissions made on behalf of the Respondent in writing as well as verbally by the Authorized Representative during the course of personal hearing be summarized as under:-

- a) *The shares in question were sold by Respondent’ spouse out of her total shareholding of 245,124 shares.*
- b) *Due to oversight, the Respondent failed to file the return for the said change in beneficial ownership within the stipulated time limit.*
- c) *The return was filed by own, upon realization of the mistake*
- d) *The Authorized Representative requested to condone the delay, with the plea that the same was committed unintentionally.*

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 the 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. Moreover, it has been observed that the Respondent has reported the said changes in beneficial ownership by his own. Considering the submissions made by the Respondent, I intend



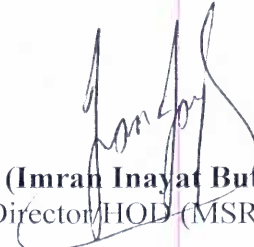


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to agree with the contention of the Respondent and of the view that the late filing of the under reference returns of beneficial ownership may not be willful. Therefore, a lenient view of the matter has been taken and the Respondent is hereby strictly 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.



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

Islamabad.  
Announced on February 07, 2014