



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
Securities Market Division  
Market Supervision and Registration Department (MSRD)

**Before the Director/HOD (MSRD)**

In the matter of Show Cause Notice issued under Section 224(4) of the Companies Ordinance, 1984 to Mr. Ibrahim Tanseer Sheikh, Ex-Director of Kohat Cement Company Limited

**Date of Hearing:**

September 01, 2014

**Present at Hearing:**

*Representing the Respondent:*

Mr. Rashid Sadiq,  
Chief Executive Officer,  
RS Corporate Advisory (Pvt.) Limited

*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 No. SMD/BOW/222/9(354)123 dated 25/06/2014 ("**Notice**") issued to Mr. Ibrahim Tanseer Sheikh ("**Respondent**"), Ex-Director of Kohat Cement Company 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 returns of beneficial ownership on Form 32, for the changes took place in his beneficial ownership from May 2013 to June 2013, 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"*





SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
Securities Market Division  
Market Supervision and Registration Department (MSRD)

\*\*\*

4. The Respondent has reported the following changes in beneficial ownership to the Commission on 04/03/2014, with the delay as mentioned against each:-

Date	No. of Shares	Nature	Extent of Delay (Days)
29/05/2013	45,000	Sale	264
31/05/2013	64,500	Sale	262
03/06/2013	140,000	Sale	259
12/06/2013	3,500	Sale	250
13/06/2013	20,000	Sale	249
14/06/2013	16,500	Sale	248

5. The aforesaid changes in beneficial ownership were reported to the Commission with delay ranging from 248 days to 264 days, in contravention of Section 222(2)(c) of the Ordinance. The said contraventions attract penal provision 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”.*

6. 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 contraventions of Section 222 of the Ordinance. Mr. Rashid Sadiq, Chief Executive Officer, RS Corporate Advisory (Pvt.) Limited (“**Authorized Representative**”) responded the Notice vide letter dated 17/07/2014 on behalf of the Respondent.

7. Furthermore, in order to provide an opportunity of being heard in person, hearing in the matter was fixed on 28/08/2014 at the Commission’s Head Office, Islamabad. The hearing was rescheduled for 01/09/2014 and the Authorized Representative was allowed to appear through video link, as was requested by him. On the said date, the Authorized Representative appeared through video link from Company Registration Office, Lahore. The submissions made by the Respondent in writing as well as verbally during the course of hearing be summarized as under:-







SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
Securities Market Division  
Market Supervision and Registration Department (MSRD)

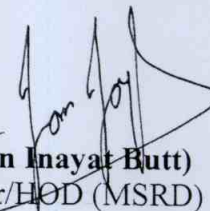
\*\*\*

- a) *The changes in beneficial ownership of the Respondent were due to sale of 289,500 shares.*
- b) *Furthermore, the delay in filing of Form 32 was a technical nature and there has been full and complete disclosure of the Respondent's shareholding in Form A as well as in Annual Report under Form 34, therefore, the delay in filing of Form 32 was unintentional.*
- c) *The Respondent will observe strict compliance with the mandatory provisions of Section 222 of the ordinance.*
- d) *The default is unintentional and the same may kindly be condoned.*

8. I have considered the aforesaid submissions made in writing as well as verbally by the Authorized Representative during the course of hearing. The Respondent has admitted the default of late filing of the return of beneficial ownership with the contention that due to oversight, the Form 32 could not be filed within the stipulated time period. The Respondent further contended that the said default was not committed willfully and knowingly. In order to arrive at decision, I have also reviewed the record of this office, which reveals that the Respondent has retired on 28/06/2013 from the position of Director of the Issuer Company. 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, if any.

9. 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 October 31, 2014