



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. Pervez S. Siddiqi, Director of ICC Textiles Limited

Date of Hearing:

Februaury 20, 2014

Present at Hearing:

Representing the Respondent:

*Mr. Javed Rashid,
General Manager Finance
ICC Textiles 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/BO/Co.222/4(815)13 dated 15/01/2014 ("**Notice**") issued to Mr. Pervez S. Siddiqi ("**Respondent**"), Director of ICC Textiles 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 31, 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) (b) of the Ordinance stipulates the period within which the Form 31 is to be submitted as under:-

SECURITIES & EXCHANGE
COMMISSION OF PAKISTAN
NIC Building, 63 Jinnah Avenue,
Islamabad, Pakistan





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“in any other case, including a case where the company is listed on the stock exchange after the commencement of this Ordinance or after the person has occupied the position or office specified in sub-section (1) or has acquired interest as beneficial owner of securities as aforesaid, within thirty days of occupying the office in the company or acquisition of interest as beneficial owner requiring submission of the return aforesaid or listing of the company on the stock exchange, as the case may be”

4. The Respondent, filed Form 31 with this Commission on 26/09/2013. The said Form showed that he acquired beneficial ownership in the Company on 22/05/2013 and 7,714,933 ordinary shares of the company were beneficially owned by him. Thus, he was required to file the said return with this Commission latest by 20/06/2013, but the same was filed on 26/09/2013, with delay of 91 days, in contravention of Section 222 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”.

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 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 of the Ordinance. The Manager Corporate & Shares of the Issuer Company submitted written reply to the Notice vide letter dated 21/01/2014 on behalf of the Respondent.

6. Furthermore, in order to provide an opportunity of being heard in person, hearing in the matter was fixed for 29/01/2013 at the Commission's Head Office, Islamabad, which on the request of Manager Corporate & Shares of the Issuer Company was adjourned and rescheduled on 20/02/2014. On the said date, Mr. Javed Rashid, General Manager Finance of the Issuer Company (**“Authorized Representative”**) appeared on behalf of the Respondent. The submissions made in writing as well as verbally on behalf of the Respondent by the Authorized Representative during the course of hearing be summarized as under:-

- a) *Previously, the returns of beneficial ownership were required to be filed physically with the Company Registration Office (CRO) and the Commission.*
- b) *While, pursuant to recent directive of the Commission, the Form 31 in respect of the Respondent was electronically filed with CRO, Lahore. At the time of online*





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submission of the Form 31 with CRO, it was assumed that the same will also be available to the Commission.

- c) The Respondent promptly filed the Form 31 with the Commission as and when he came to know that e-filing of the aforesaid return was meant only for CRO.*
- d) The change in directorship and acquisition of shares were reported to the Commission under Section 15E of the Securities and Exchange ordinance, 1969.*
- e) The default is unintentional and the same may kindly be condoned.*
- f) The Authorized Representative ensured that the Respondent will comply with the requirement of Section 222 of the Ordinance within the prescribed time period in future.*

7. I have considered the aforesaid submissions made by the Respondent in writing as well 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 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. 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.



(Imran Inayat Butt)
Director/HOD (MSRD)

Islamabad.

Announced on February 25, 2014