



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. Nasim Beg, Director of MCB-Arif Habib Savings & Investments 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. SMD/BO/Co.222/1(107)09 dated 09/01/2014 ("**Notice**") issued to Mr. Nasim Beg ("**Respondent**"), Director of MCB-Arif Habib Savings & Investments ("**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 in response to this office letter dated 10/07/2013 reported the following changes in beneficial ownership on Forms 32 to the Commission on 16/07/2013 with the delay as mentioned against each:-

Sr. No.	Date of Change	Nature of Change	No. of Shares	Delay in Days
1	09/07/2012	Buy	216,049	356
2	03/12/2012	Salc	300,000	210

The aforesaid changes in beneficial ownership have been reported to the Commission on 16/07/2013 with delay ranges from 210 days to 356 days, in contraventions 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:-

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NIC Building, 63 Jinnah Avenue,
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"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. Furthermore, in order to provide an opportunity of being heard in person, hearing in the matter was fixed for 23/01/2013 at Commission's Head Office, Islamabad. But neither the Respondent nor his authorized representative attended the said hearing nor the Respondent made request for adjournment of the said hearing.

6. The matter was responded vide letter dated 22/01/2014 by Mr. Nusrat Latif, Manager Corporate Advisory Services, Shekha and Mufti Chartered Accountant ("**Authorized Representative**"), wherein he stated that:-

- a. *The aforesaid changes in beneficial ownership were reported to Company Registration Office Karachi, on Form 32, within the stipulated time limit and submitted documentary evidence in support of the claim.*
- b. *Due to inadvertence, the Form 32 could not be filed with the Commission, within the prescribed period. The delay caused was neither knowing nor wilful.*
- c. *The changes in beneficial were reported to the Commission by the Respondent immediately upon receipt of letter from the Commission.*
- a) *The Authorized Representative requested to condone the delay, with the assurance that the same will not be repeated in future.*

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

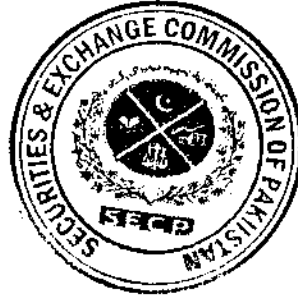


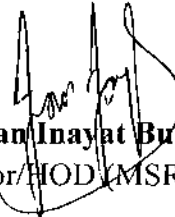


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in question. Furthermore, the documents submitted by the Respondent show that the Form 32 for the aforementioned changes in beneficial ownership was filed with Company Registration Office, Karachi on 12/12/2012 i.e. within the stipulated time limit. 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 26, 2014