



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. Muhammad Aliudin Ansari, Director of Hub Power Company 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(591)13 dated 07/1/2014 ("**Notice**") issued to Mr. Muhammad Aliudin Ansari ("**Respondent**"), Director of Hub Power Company ("**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 and Form 32, within the period stipulated under Section 222 of the Ordinance. However, he failed to discharge the said obligations which attract penal provision contained in Section 224(4) of the Ordinance.

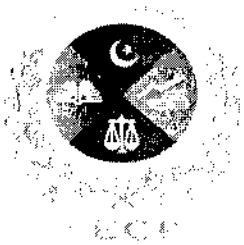
3. Section 222(2)(b) and Section 222(2)(c) of the Ordinance stipulate the period within which the Form 31 and Form 32 are to be submitted as under:-

222(2)(b) "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";

222(2)(c) "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 08/7/2013, filed Form 31 and Form 32 with this Commission on 23/07/2013. The said Form 31 showed that he is a beneficial





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ownership in the Company on 27/09/2012 and 260,000 shares of the Company were beneficially owned by him. Thus, he was required to file the said return with this Commission latest by 26/10/2012, but the same was filed on 23/07/2013 with delay of 269 days, in contravention of Section 222(2)(b) of the Ordinance. Furthermore, the aforementioned Form 32 showed that 250,000 shares of the Company were sold by him on 05/11/2012. Thus, he was required to report the said change in beneficial ownership to the Commission on 20/11/2012, but the same was reported on 23/07/2013, with delay of 245 days, in contravention of Section 222(2)(c) of the Ordinance. The said contraventions *prima facie* 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".

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. Moreover, 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 Respondent vide letter dated 10/01/2014 responded the matter. The submission made by the Respondent be summarized as under:-

- a) *He was non-executive and external Director of the Company.*
- b) *The details of beneficial ownership in the Company (at the time of becoming Director of the Company) as well as subsequent change in it were reported to the Company.*
- c) *The default in late filing of Form 31/32 took place inadvertently.*
- d) *Subsequently he left the Board of Directors of the Company,*
- e) *The Respondent has requested to condone the delay, with the plea that the same was committed unintentionally.*





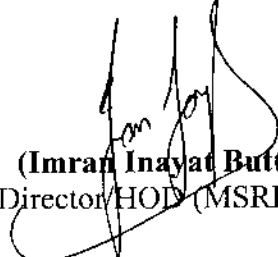
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6. I have considered the aforesaid submissions made by the Respondent. The Respondent has admitted the default of late filing of the return of beneficial ownership with the contention that said default was not committed wilfully and knowingly. The Respondent has assured for timely filing of the returns of beneficial ownership in future and requested to condone the default in question. Furthermore, the Respondent has left the Board of Directors of the Issuer Company. 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 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, if any.

7. 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.

Islamabad.
Announced on February 28, 2014.




(Imran Inayat Butt)
Director/HOD (MSRD)