



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. Mazharul Haq Siddiqui, Director of Jahangir Siddiqui & Company Limited

**Date of Hearing:**

January 29, 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/BO/Co.222/1(2407)05 dated 09/01/2014 ("**Notice**") issued to Mr. Mazharul Haq Siddiqui ("**Respondent**"), Director of Jahangir Siddiqui & 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 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".*





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3. The Respondent, in response to this office letter dated 12/07/2013 reported the following changes in beneficial ownership on Form 32 on 18/07/2013 with the delay as mentioned against each:-

Sr. No.	Date of Change	Nature of Change	No. of Shares	Delay in Days
1	10/01/2007	Bonus received (self + spouse)	21,928	2,102
2	10/02/2008	As above	70,055	1,970
3	18/10/2008	As above	277,689	1,719

The aforesaid changes in beneficial ownership have been reported to the Commission with delay ranges from 1,719 days to 2,102 days, in contraventions 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. The matter on behalf of the Respondent was responded vide letter dated 21/01/2014 by Mr. Rashid Sadiq, Chief Executive, RS Corporate Advisory (Pvt.) limited (**Authorized Representative**).

6. In order to provide an opportunity of being heard in person, hearing in the matter was fixed for 23/01/2014 at Commission's Head Office, Islamabad, which was rescheduled for 29/01/2014. On the given date the Authorized Representative appeared through video link before me on behalf of the Respondent. 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 change in beneficial ownership of the Respondent was because of receipt of bonus shares by him and his spouse and not due to any trade in the market.*
- b) *The delay in filing of the return was purely due to oversight.*

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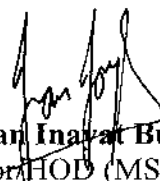
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- c) *The Respondent filed the return of beneficial ownership promptly upon receipt of Commission's letter.*
- d) *The Respondent will continue to observe strict compliance with mandatory provisions of Section 222 of the Ordinance, in future.*
- e) *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 stated that change in holding was taken place due to receipt of bonus shares by him and souse rather than making any transaction in the market 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 and nature of change in beneficial ownership, 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 March 10, 2014