



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. Ihtasham ul Haq Qureshi, Director of Asia Insurance Company Limited

Date of Hearing:

April 24, 2013

Present at Hearing:

Representing the Respondent:

*Mr. Furqan Naveed,
Advocate,
Cornelius, Lane & Mufti,
Advocates and Solicitors*

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 Notice No. S.M(B.O)C.O.222/2(30)2003 dated 04/12/2012 ("**Notice**") issued to Mr. Ihtasham ul Haq Qureshi ("**Respondent**"), Director of Asia Insurance 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 provisions 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. For convenience, the provisions of the said Section are reproduced hereunder:-

"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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4. The Respondent in response to this office letter dated 10/07/2012 filed eight returns of beneficial ownership on Form 32, with this Commission on 07/08/2012, for the following changes in beneficial ownership with the delay as mentioned against each:-

Sr. No.	No. of Shares	Date	Nature of Change	Delay in Days
1.	25,060	29/12/2006	Purchase	2,032
2.	3,940,138	09/01/2007	Purchase	2,021
3.	3,811,100	29/12/2007	Acquisition of right shares	1,667
4.	3,601,767	10/11/2008	Acquisition of right shares	1,350
5.	3,758,768	12/12/2009	Acquisition of right shares	953
6.	1,000,000	26/08/2010	Sale	696
7.	4,698,458	27/09/2010	Acquisition of right shares	664
8.	4,498,456	12/12/2011	Acquisition of right shares	223

5. The aforesaid changes in beneficial ownership were reported to the Commission with delay ranges from 223 days to 2,032 days, in contravention of Section 222(2)(c) of the Ordinance. The said contraventions attract 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”.

6. The Commission took cognizance of the aforesaid defaults 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. Furqan Naveed, Advocate, Cornelius, Lane and Mufti, Advocates and Solicitors (“**Authorized Representative**”) vide letters dated 25/02/2013 and 09/04/2013 filed written reply to the Notice.

7. Furthermore, in order to provide an opportunity of being heard in person, hearing in the matter was fixed at the Commission’s Head Office, Islamabad for 12/02/2013, 27/03/2013, 03/04/2013 and 10/04/2013, but each time, the Authorized Representative requested for adjournment with the plea that he is required to be appeared before different courts. The case was finally fixed for 24/04/2013, with the warning that in case of failure to attend the hearing, the matter will be decided *ex-parte* on the basis of documents available in the record. On the said date, the Authorized Representative appeared on behalf of the Respondent. The submissions made in writing as well verbally on behalf of the Respondent by the Authorized Representative during the course of hearing be summarized as under:-



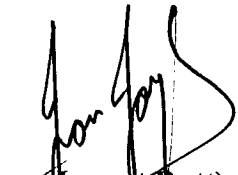
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- a) *The returns for the under reference changes in beneficial ownership were timely reported to the Company Registration Office, Lahore. Due to oversight, the same could not be filed with the Commission.*
- b) *The returns were filed without further delay, upon receipt of letter from the Commission.*
- c) *The delay in submission of the return of beneficial ownership to the Commission was not willful.*
- d) *The Respondent ensured that he will comply with the requirements of Section 222 of the Ordinance within the prescribed time period in future.*

8. I have considered the aforesaid submissions made by the Respondent 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 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. Moreover, the Respondent has reported the said changes in beneficial ownership to the respective Company Registration Office, 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 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.

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/MSRD (MSRD)

Islamabad.
Announced on May 10, 2013