



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 Mrs. Amber Saigol, a beneficial owner of more than ten percent equity security of Pak Elektron Limited

*Date of Hearing*

*September 10, 2013*

*Present at Hearing:*

*Representing the Respondent:*

(i) *Mr. Omer Farooq,  
Company Secretary,  
Pak Elektron Limited*

(ii) *Mr. Ashfaq A. Khan,  
Chief Executive,  
Ashfaq & Associates*

*Assisting the Director/HOD (MSRD):*

(i) *Mr. Muhammad Farooq,  
Joint Director (SMD)*

**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(231) 2012 dated 30/04/2013 ("**Notice**") issued to Mrs. Amber Saigol ("**Respondent**"), a beneficial owner of more than ten percent equity security of Pak Elektron 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 a beneficial owner of more than ten percent of its equity security i.e. ordinary shares was required to file returns of beneficial ownership on Form 32, for changes taken place in her beneficial ownership during the period from June 2010 to February 2012 ("**Period**") within the period stipulated under Section 222 of the Ordinance. However, she failed to discharge the said obligations which attract penal provisions contained in Section 224(4) of the Ordinance.

3. Section 222(2)(c) of the Ordinance stipulates the period within which the said return (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;*



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
Securities Market Division  
Market Supervision and Registration Department (MSRD)  
\*\*\*

3. Since the Respondent failed to discharge her obligations, therefore, she was asked vide letter dated 08/03/2012 followed by reminders dated 23/04/2012 and 06/11/2012 to file Form 32 for the changes taken place in her beneficial ownership during the aforesaid period.

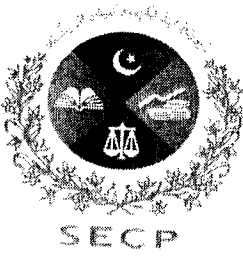
4. In response to the aforementioned letter/reminders, the Respondent filed Form 32 with this Commission on 18/12/2012, showing therein the following changes in beneficial ownership:-

Sr. No.	No. of Shares	Date of Change in beneficial ownership	Nature of Change	Due Date for Filing the Return	Return Filed on	Delay in Days
1.	500	04/06/2010	Purchase	19/06/2010	18/12/2012	913
2.	1,400,000	04/06/2010	Sale	19/06/2010	18/12/2012	913
3.	567,647	01/07/2010	Purchase	16/07/2010	18/12/2012	886
4.	567,647	01/07/2010	Sale	16/07/2010	18/12/2012	886
5.	100,500	13/01/2012	Purchase	28/01/2012	18/12/2012	325
6.	250,000	18/01/2012	Purchase	02/02/2012	18/12/2012	320
7.	80,410	20/01/2012	Purchase	04/02/2012	18/12/2012	318
8.	1,893,249	08/02/2012	Sale	23/02/2012	18/12/2012	299
9.	470,000	09/02/2012	Purchase	24/02/2012	18/12/2012	298
10.	410,393	09/02/2012	Sale	24/02/2012	18/12/2012	298

5. The aforesaid changes in beneficial ownership were reported to the Commission with delay ranges from 298 days to 913 days in contraventions of Section 222(2)(c) of the Ordinance which *prima facie* attract penal provisions 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".*

6. The Commission took cognizance of the aforesaid default and issued Notice to the Respondent under Section 224(4) of the Ordinance, calling upon her to explain through written reply along with documentary evidence, if any as to why action may not be taken against her pursuant to Section 224(4) of the Ordinance, for aforesaid contraventions of Section 222 of the Ordinance. Furthermore, the personal hearing in the matter was fixed on 14/05/2013. But neither written reply was filed nor any person appeared before me on the scheduled date to present the Respondent's stance in person. Thus, the case was rescheduled for 30/05/2013. In response, the



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
Securities Market Division  
Market Supervision and Registration Department (MSRD)  
\*\*\*

Company Secretary of the Issuer Company intimated vide letter dated 30/05/2013 that the Respondent is out of country and is likely to return to Pakistan after mid of July 2013 and requested for adjournment of the case, which was accepted. The case was again fixed for personal hearing on 29/08/2013, which on the request of the Company Secretary of the Issuer Company was adjourned and rescheduled for 10/09/2013.

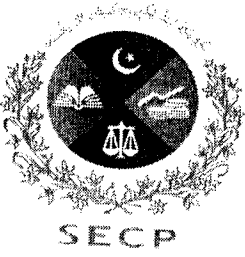
7. On the said date, Mr. Omer Farooq, the Company Secretary of the Issuer Company and Mr. Ashfaq Ahmed Khan, Chief Executive Officer, Ashfaq and Associates (**Authorized Representatives**) appeared before me on behalf of the Respondent and submitted written reply to the Notice duly signed by the Respondent. The submissions made in writing by the Respondent as well as verbally on behalf of the Respondent by the Authorized Representatives be summarized as under:

- a) *The transactions mentioned at serial number 3 and 4 (purchase and sale of 567,647 shares on 01/07/2010) of the table given in paragraph number 5 of the Notice were erroneously done by the broker namely Invest Capital Investment Bank Limited (Brokerage House). A letter from the brokerage house was provided in support of the claim.*
- b) *The Respondent mostly resides in UK due to her other business activities so that she could not reconciled her account with her broker.*
- c) *The Respondent has obtained financing from the brokerage house against the said shares and the brokerage house for its internal issues has made the above mentioned transaction. The Respondent was unaware of the said transactions.*
- d) *The non-filing of the returns of beneficial ownership with the Commission was unintentional and not willful.*
- e) *The Authorized Representative assured that the Respondent will comply with the requirement of Section 222 of the Ordinance within the prescribed time period in future and requested to condone the unintentional delay.*

8. I have considered the submissions made on behalf of the Respondent and observed that the main arguments of the Respondent are that the shares were pledged with the brokerage house, which executed the aforementioned transactions without her knowledge. Moreover, two transactions were made by the brokerage house mistakenly. In order to evaluate the aforesaid submissions made by the Authorized Representatives, I have gone through the record of this office, which reveals as under:-

- a) The purchase and sale of 567,647 shares made on 01/07/2010 mentioned at serial number 3 and 4 of the Table-I given in para 4 of this Order are Off Market transactions. A copy

NIC Building, Jinnah Avenue, Blue Area, Islamabad  
Tel. No. 051-9225224, Fax No. 051-9218595



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
Securities Market Division  
Market Supervision and Registration Department (MSRD)  
\*\*\*

of letter presented by the Authorized Representatives during the course of hearing shows that the brokerage house apprised the Respondent that the said purchase and sale transactions were made erroneously. Thus, the plea of the Respondent in respect of said transactions is accepted.

- b) The remaining transactions mentioned at serial number 1 and from serial number 5 to 10 of the aforesaid Table-I are Ready Market Transactions except Off Market purchase of 100,000 shares included in 470,000 shares mentioned at serial number 9 of the table. The Respondent did not present any document in support of the claim that the said transactions were made by the broker house for its internal issues.
- c) Commission informed the Respondent for the aforementioned changes in her beneficial ownership on 08/03/2012, but after continuous follow up, the Respondent reported the said changes to the Commission on 18/12/2012. Moreover, the Notice was issued to the Respondent on 30/04/2013, with the advice to file written reply within 10 days of the issue of said Notice, but reply to the Notice was filed during the course of hearing held on 10/09/2013 Besides, hearing in the matter was adjourned three times either due to nonappearance or on the requests made on behalf of the Respondent.

9. In view of the foregoing, it is evident that the aforementioned arguments submitted on behalf of the Respondent do not have substance and in the light of aforesaid discussion, I am of the view that the Respondent has committed the violation. Therefore, in exercise of powers conferred under Section 224 (4) of the Ordinance, I hereby impose a fine of Rs. 30,000 (thirty thousand rupees only) on the Respondent and no further fine for continuous default is imposed.

10. The Respondent is directed to deposit the fine in the account of the Commission being maintained in the designated branches of MCB Bank Limited, within 30 days of the date of this order and furnish Original Deposit Challan to this office.

11. 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 November 19, 2013