



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 The United Insurance Company of Pakistan Limited, a beneficial owner of more than ten percent equity securities of Apna Microfinance Bank 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(B.O)C.O.222/4(3)14 dated 19/12/2014 ("**Notice**") issued to The United Insurance Company of Pakistan Limited ("**Respondent**"), a beneficial owner of more than ten percent equity securities of Apna Microfinance Bank 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 ordinary shares was required to file return of beneficial ownership on Form 31, within the period stipulated under Section 222 of the Ordinance. However, it failed to discharge the said obligation which attracts penal provision contained in Section 224(4) of the Ordinance.

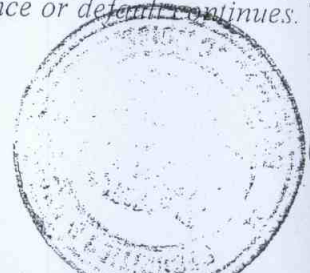
3. Section 222(2)(b) of the Ordinance stipulates the period within which the Form 31 is required to be submitted as under:-

*"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."*

4. The Respondent by its own filed Form 31 with this Commission on 08/08/2014. The said Form 31 showed that the Respondent acquired the aforesaid beneficial ownership of the Company on 14/01/2014 and 28,801,831 shares of the Company were beneficially owned by it. Thus, it was required to file the said return with this Commission latest by 13/02/2014, but the same was filed on 08/08/2014, with delay of 175 days, in contravention of Section 222(2)(b) of the Ordinance. The said contravention *prima facie* attracts penal provision of Section 224(4) of the Ordinance, which provides as under:-

*"Whoever knowingly and willfully 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."*

SECURITIES & EXCHANGE  
COMMISSION OF PAKISTAN  
NIC Building, 63 Jinnah Avenue,  
Islamabad, Pakistan





5. The Commission took cognizance of the aforesaid default and issued Notice to the Respondent under Section 224(4) of the Ordinance, calling upon it to explain through written reply alongwith documentary evidence, if any as to why action may not be taken against it 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 on 05/01/2015 at Commission's Head Office, Islamabad.

6. Mr. Z.H. Zuberi, Company Secretary of the Respondent ("**Representative**") responded the Notice vide letter dated 22/12/2014 followed by a letter dated 02/01/2015 received from Ms. Huma Waheed, a Director of the Respondent, wherein she *inter alia* stated that the Company Secretary is not feeling well, therefore, he is unable to attend personal hearing scheduled for 05/01/2015. She requested to consider the pleas submitted in writing and to waive off the aforesaid personal hearing. The submissions made by the Representative and the above named Director of the Company in their aforesaid letters be summarized as under:-

- a) *There were some typing/printing errors in the return of beneficial ownership on Form 31 submitted by the company. The differences/typing errors may be abridged as under*

Description	Factual date	Date Shown in Form 31
Date of allotment	11/07/2014	14/01/2014
Date of Right Issue	12/06/2014	18/06/2013

- b) *The Respondent filed revised Form 31, showing therein the factual dates of right issue and allotment of shares/acquisition of beneficial ownership.*
- c) *The Respondent apologized for typing mistakes and assured that due care will be paid, in future, at time of inserting necessary information/data in the returns of beneficial ownership.*

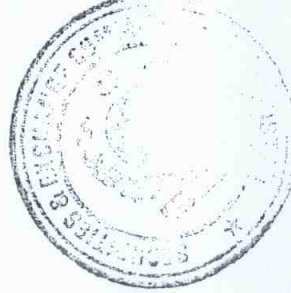
7. I have considered the aforesaid submissions made in writing on behalf of the Respondent. The Respondent has stated that it became more than ten percent beneficial owner of ordinary shares of the Company on 12/06/2014 by way of subscribing to right issue and shares in this regard were allotted in July 2014. In order to arrive at decision, I have reviewed the record of this office and observed that the Respondent in its revised Form 31 has showed date of acquisition of beneficial ownership as 12/06/2014, while in previous Form 31, the same was shown as of 18/06/2013. The hard copy of Statement of Credit of Shares (issued by Central Depository Company of Pakistan Limited), furnished by the Respondent as documentary evidence endorses the claim that 28,801,831 shares of the Company were credited to Respondent's account on 01/07/2014. The delay in filing of the return was calculated on the basis of date of acquisition of beneficial ownership showed in aforesaid Form 31, filed earlier by the Respondent. Considering the submissions made by the Respondent and the aforesaid documentary evidence issued by the CDC, I intend to agree that the date of acquisition of beneficial ownership was 12/06/2014 i.e.

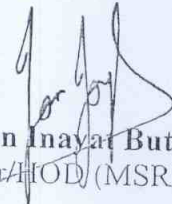




date of right issue/subscription instead of 18/06/2013 (reported by the Respondent on earlier Form 31). Therefore, a lenient view of the matter has been taken and the revised Form 31 is accepted. Furthermore, Respondent is hereby strictly advised to pay due care and attention at the time of inserting necessary information/data in the returns of beneficial ownership, 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 January 26, 2015