



Securities and Exchange Commission of Pakistan

Securities Market Division
Licensing and Capital Issue Department

Before Director/HOD (LCID)

In the matter of Show Cause Notice issued under Section 159(5) of the Securities Act, 2015, to Mr. Muhammad Humair

Date of Hearing:

November 3, 2015

Present at Hearing:

Representing the Respondent:

Mr. Muhammad Humair

Assisting the Director/HOD(LCID)

Mr. Muhammad Farooq, Joint Director, SECP

ORDER

This Order will dispose of the proceedings initiated under 159(5) of the Securities Act, 2015 (**Securities Act**) by the Securities and Exchange Commission of Pakistan (**"Commission"**) through Show Cause Notice No. No. 1(39)SMD/LCID/2015 dated September 16, 2015 (**"Notice"**) issued to Mr. Muhammad Asif (**"Respondent"**).

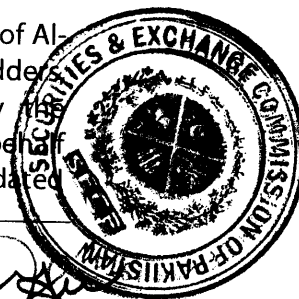
2. The facts of the matter leading up to aforesaid Notice are that Al Shaheer Corporation Limited (**"Al Shaheer Limited"**) pursuant to Prospectus approved by the Commission, offered 18,750,000 Ordinary Shares through Book Building process to Institutional Investors and High Net worth Individuals at the floor price of Rs 43 per share. The Prospectus was published in Daily Business Recorder on June 05, 2015, June 09, 2015 and Daily Dunya on June 09, 2015, for the information of all concerned/general public. The term High Net worth Individual was defined in the Prospectus as **"individual investor who applies or bids for shares of the values of PKR 1,000,000 or above in the book building process"**.

3. The Commission at the time of approval of the prospectus *inter alia* imposed a condition, which was published in the Prospectus that **"the eligible investors shall not place consolidated bids. A bid application which is fully or partially beneficially owned by persons other than the one named therein is considered as a Consolidated Bid"**.

4. The Book Building process was held on June 10 and 11, 2015 and strike price of Rs. 95.00 per share (as per Dutch Auction Method) was determined. 702 bidders participated in the book building process, out of which 384 bidders were notified as successful by the book runners. The Respondent also participated in the Book Building process and placed bid and placed bids in the following manner:

Date	Time	Order Type	Order #	Price	Volume	Value	Activity
10-Jun-15	11:45:53	Limit Order	8856	70.00	170,000	11,900,000	New
11-Jun-15	16:49:25	Limit Order	8856	100.00	119,000	11,900,000	Change
11-Jun-15	18:57:16	Limit Order	8856	105.01	113,000	11,866,130	Change

5. The Commission carried out an investigation into the Book Building process of Al Shaheer Limited. The Investigation Team recorded statements of some of the bidders including the Respondent. During the process of recording of statement by the investigation Team, it was admitted by the Respondent that he placed the bid on behalf of himself, and friends. Thus, it appeared that the Respondent has placed a consolidated





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bid on behalf of himself and brothers, in violation of Section 87 of the Securities Act, which attracts penal provisions of Section 159(5) of the Securities Act, which provides as under:-

159 (5) Notwithstanding sub-sections (1), (2), (3) and (4), any person who

- (a) contravenes or fails to comply with any provision of this Act, or of any rules or of any regulations made under this Act;*
- (b) furnishes or produces any return, document or statement for the purposes of this Act or any requirement imposed under the provisions of this Act or of any rules or regulations made under this Act, the contents of which, to his acknowledge, are untrue, incorrect or misleading; or*
- (c) obstructs or contravenes or does not comply with any order or direction of the Commission, including an employee of the Commission, or an authorized person or investigator, in the performance of his duties under this Act,*

shall be liable to pay by way of penalty—

- (i) in the case of an individual, such sum which may extend to one hundred million rupees; and
- (ii) -----

6. The Commission took cognizance of the matter and issued the Notice to the Respondent under Section 159(5) of the Act calling upon him to explain through written reply along with documentary evidence, if any, as to why penalty may not be imposed upon him under section 159(5) of the Securities Act for aforesaid violation. Moreover, the matter was scheduled for hearing on November 3, 2015 at Commission head office, Islamabad. However, the Respondent was allowed to attend the hearing through video link facility available at Commission's regional office, Karachi.

7. On the given date, the Respondent appeared before me and contended that money was contributed by him and his friends and he placed the bid. The Respondent further stated that the violation was committed due to lack of knowledge. During the course of hearing he has assured that this violation will not be repeated in future.

8. I have considered submissions made by the Respondent in writing. The Respondent has admitted the default with the contention that it was committed unintentionally. Considering the submissions made by the Respondent and the facts stated above, I am taking a lenient view of the matter and not imposing any monetary penalty on the Respondent. However, the Respondent is hereby strictly warned to ensure compliance of regulatory framework, 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.

Islamabad.

Announced on December 08, 2015



Nasir Askar
Director/HOD(LCID) 8/12