

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to AKD Securities Limited

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Dates of Hearing

May 27, 2022

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**Order-Redacted Version**

Order dated June 13, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of AKD Securities Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated January 07, 2022.
2. Name of Respondent	AKD Securities Limited (Company and/ or the Respondent)
3. Nature of Offence	<u>Alleged contraventions of regulations 4(2) of the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 (the Takeover Regulations); Section 110 of the Securities Act, 2015 (the Act) read with Section 126 thereof.</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>Keeping in view the above it is stated that the Respondent has mingled two distinct requirements of law requiring disclosure of the same information. It is pointed out that the disclosure requirements as beneficial owners are distinct from those required under Section 110 of the Act. Requirements of disclosing information about beneficial ownerships is aimed to ensure fair and transparent market practices. Whereas, the disclosures in terms of the takeover's provisions are aimed to keep the investors timely informed about the substantial holding/ interest of a group or individual investor in a particular listed company. Therefore, there exist separate provisions for these separate types of disclosures. By not disclosing the aforesaid acquisition, the Respondent has contravened the provision of regulation 4(2) of the Takeover Regulations and Section 110 of the Act and, therefore, attract applicability of the penal provision contained in Section 126(3)(c) of the Act. However, keeping in view the fact that: (a) the aforesaid acquisition was disclosed in compliance</p>

	<p>with another regulatory provision of the law to the Company with the purpose for onward submission to the Commission under sub-section (1) of Section 101 of the Act read with sub-section (3) of Section 102 thereof which indicates that non-disclosing the same under regulation 4(2) of the Takeover Regulations and Section 110 of the Act to the Commission was not an intentional and (b) the Representatives committed timely compliance of the aforesaid provision in future therefore, I hereby, in terms of the power conferred under Section 126(3)(c) of the Act, conclude the proceedings initiated through the SCN without imposing any monetary penalty, restrictions, and cancellation, however, the Respondent is hereby warned to be careful in future about compliance with all the applicable regulatory laws including the ones pertaining to the takeovers and substantial acquisitions.</p>
5. Penalty Imposed	Warning
6. Current Status of Order	No Appeal has been filed by the respondent.