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**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN****Adjudication Department-I****Adjudication Division**

ORDER	
Name of Company;	Gharibwal Cement Limited
Show Cause Notice No. & Date:	2(465)SMD/Adj-1/2024-106 Dated October 02, 2024
Respondents:	i. Mr. Muhammad Tousif Peracha ii. Mr. Abdur Rafique Khan iii. Mr. Mustafa Tousif Ahmed Peracha iv. Mrs. Habiba Tousif Peracha v. Mr. Daniyal Jawaid Peracha vi. Ms. Amna Khan vii. Mr. Khalid Saddiq Tirmizey viii. Mr. Faisal Aftab Ahmad ix. Mr. Shafqaat Ahmed
Date(s) of Hearing(s):	November 15, 2024
Case represented by:	Mr. Muhammad Shamail Javed, Chief Financial Officer (Authorized Representative)
Provision of law involved:	Sections 103 and 106 of the Securities Act, 2015 read with regulation 3(4) of the Reporting and Disclosure of (Shareholding by Directors, Executive Officers and Substantial Shareholders in Listed Companies) Regulations, 2015

This Order shall dispose of the proceedings initiated against Board of Directors of Gharibwal Cement Limited (**the Company**) through Show Cause Notice No. 2(465)SMD/Adj-1/2024-106 dated October 02, 2024 (**the SCN**) issued under Section 106 of the Securities Act, 2015 (**the Act**) on account of alleged contravention of Section 103 of the Act read with regulation 3(4) of the Reporting and Disclosure (of Shareholding by Directors, Executive Officers and Substantial Shareholders in Listed Companies) Regulations, 2015 (**the Regulations**).

2. Brief facts of the case are that the following individuals (**Collectively, referred hereunder as the Respondents**) were appointed as Directors of the Company on February 28, 2024.

S. No.	Name	Status
1	Mr. Muhammad Tousif Peracha	Director
2	Mr. Abdur Rafique Khan	Director
3	Mr. Mustafa Tousif Ahmed Peracha	Director
4	Mrs. Habiba Tousif Peracha	Director
5	Mr. Daniyal Jawaid Peracha	Director
6	Ms. Amna Khan	Director
7	Mr. Khalid Saddiq Tirmizey	Director
8	Mr. Faisal Aftab Ahmad	Director
9	Mr. Shafqaat Ahmed	Director

*[Handwritten signature]*  
22-01-2025

3. In terms of Section 103 of the Act read with regulation 3(4) of the Regulations, the Respondents were required to file Form 5 with the Commission, within 7 days of becoming the Director of the Company. However, the record available with the Securities and Exchange Commission of Pakistan (the Commission) transpired that no compliance was made by any of the Respondents/Directors.

4. The relevant provisions of the law are reproduced as under:

**Section 103 of the Act:**

***"103 - Notification to the Commission of directors and others' interest***

*(1) Every director, executive officer or substantial shareholder of a listed company shall submit to the Commission in the prescribed form -*

- (a) a statement of beneficial ownership in the listed equity securities of the company or any other nature of securities as may be prescribed by the Commission;*
- (b) the particulars of any change in the interest aforesaid; and*
- (c) any change in his position.*

*(2) The reporting requirement imposed by sub-sections (1) shall be fulfilled before the expiration of a period of seven days beginning with the day on which the requirement first arises."*

**Regulation 3(4) of the Regulations:**

***"3 – Reporting of Beneficial ownership in listed equity securities under Section 101 to Section 103 of the Act ...***

*(4) The directors, executive officers and substantial shareholders of the equity securities in a listed company shall in accordance with section 103 of the Act submit statement of Beneficial ownership in Form 5 and report any subsequent change therein or position to the Commission on Form 6."*

**Section 106 of the Act:**

***106. Directive by the Commission.—(1) ...***

*(2) where any person who contravenes or fails to comply with any provision of sections 101, 102, 103, 104, 105 and 107, the Commission may by order in writing direct,—*

- (a) in the case of an individual, to pay by way of penalty to the Commission such sum which may extend to five hundred thousand rupees and to a further sum which may extend to one thousand rupees per day for every day during which the default continues;"*

5. The Commission vide letter dated July 19, 2024 sought explanation from the Respondents with respect to their alleged failure to file Form 5. The Company vide letter dated August 01, 2024 submitted on behalf of the Respondents that the delay in submission of the Forms 5 was due to an oversight which has subsequently been rectified by the Respondents. As per the record of the Commission the Respondents filed Form 5 on July 29, 2024 with **delay of 145 days**.

6. From the above, the Respondents, *prima facie*, violated Section 103 of the Act read with regulation 3(4) of the Regulations which attracts applicability of the penal provision of Section 106(2)(a) of the Act. Accordingly, the Commission while taking cognizance of the aforementioned non-compliance served the SCN upon the Respondents, requiring them to submit their written reply within 14 days of the date of the SCN.

7. In response to SCN, the Respondents vide letter dated October 29, 2024 submitted their reply as under:

*Handwritten signature and date:*  
27-01-2025

*"....the Directors submitted Form-1 on February 29, 2024 on the very next day of the Election held on February 28, 2024 within the stipulated time of 07 days. However, they could not submit their respective Form-5 due to inadvertent omission. It may be appreciated that the directors and the company remained compliant of the requirements of the law in the past and this omission has taken place for the first time in the history of the company.*

*.....all the Directors realized the mistake at their end and immediately filed the forms and law has been complied with on July 29, 2024.*

*The directors are fully cognizant with the importance of compliance of the law however, it is important to highlight that no public interest has been jeopardized with this omission."*

8. The Respondents were provided opportunity of personal representation and the hearing was fixed in the matter for November 15, 2024. The hearing was attended by Mr. Muhammad Shamail Javed, Chief Financial Officer, as Authorized Representative (**the Representative**) on behalf of the Respondents. During the course of hearing, the Representative was advised to explain the reasons for the alleged non-compliances, as narrated in the SCN. The Representative reiterated the written submissions made in the written reply and admitted occurrence of delay in filing Forms 5. He further submitted that the submission of Forms 5 was overlooked; however, subsequently, Forms 5 have been filed by the Respondents. The Representative requested that a lenient view may be taken in the matter.

9. At this juncture, it is important to discuss the following legal and factual elements:

- (i) In terms of Section 103 of the Act read with Regulation 3(4) of the Regulations, the Respondents were required to file the prescribed Form i.e. Form 5 with the Commission, within seven (07) days of becoming the Director of the Company. This form is critical for disclosure; thereby ensuring transparency, preventing conflicts of interest, mitigating risks of insider trading, and contributing to the integrity of the market.
- (ii) The requirement to file Form 5 within the prescribed timeline is a legal and regulatory obligation. However, the Respondents by filing Form 5 with a substantial delay of 145 days and only after taking up the matter by SECP vide its letter dated July 19, 2024 i.e. on July 29, 2024 has contravened the requirements of the provisions of the Act and Regulations.

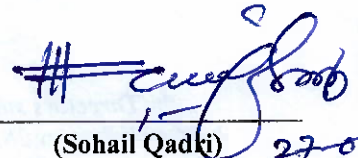
10. I have gone through the facts of the case and considered the submissions of the Representative both written and verbal in light of the applicable provisions mentioned in the preceding paras and the available record and noted that the Respondents were required to file their returns of beneficial ownership on Form 5 within seven (07) days of becoming director of the Company as required under Section 103 of the Act read with regulation 3(4) of the Regulations. Furthermore, the admission made by the Respondents in late filing of the required returns on Form 5 to the Commission, is on the record. As per record of the Commission, the Respondents filed their respective Form 5 after a substantial delay of 145 days i.e. on July 29, 2024.

11. In view of the foregoing and the verbal submissions made by the Representative, non-compliance of the provisions of Section 103 of the Act read with regulation 3(4) of the Regulations has been established beyond doubt. However, considering the facts that the subsequent filing has been made and the Representative has given assurance that the Respondents/Directors would exercise extra vigilance and care in terms of compliance of the law in the future, no monetary penalty is being imposed this time. Therefore, in exercise of the powers conferred upon me under Section 106(2)(a) of the Act read with S.R.O.1545(I)/2019 dated December 06, 2019, I hereby conclude the instant proceedings with

*Handwritten signature and date: 27-01-2025*



a strict warning to the Respondents/Directors to ensure meticulous compliance of the aforesaid provisions of the law in future.

  
(Sohail Qadki) 27-01-2025  
Director/ Head of Department  
Adjudication Department-I

**Announced:**

Dated: January 27, 2025

Islamabad