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SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s. Leiner Pak Gelatine Limited
Number and Date of Show Cause Notice (SCN):	2(481)SMD/Adj-1/2025-767 dated August 28, 2025.
Date of Hearing:	September 25, 2025
Case represented by:	Mr. Asad Ali FCA, Director Finance, M/s Leiner Pak Gelatine Limited
Provisions of law involved:	Section 102(3) of the Securities Act, 2015 and Regulation 3(3) of the Reporting and Disclosure (of Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015 read with Section 106 of the Act
Date of the Order:	October 07, 2025

This Order shall dispose of the proceedings initiated through the Show Cause Notice No. 2(481)SMD/Adj-1/2025-767 dated August 28, 2025 (the "SCN") by the Securities and Exchange Commission of Pakistan (the "Commission") against M/s. Leiner Pak Gelatine Limited (the "Company" or the "Respondent") under Section 102(3) of the Securities Act, 2015 (the "Act") and Regulation 3(3) of the Reporting and Disclosure (of Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015 (the "Regulations") read with Section 106 of the Act.

2. Section 102(3) of the Act read with Regulation 3(3) of the Regulations *inter alia* requires that whenever a listed company is notified of any matter in consequence of requirement imposed by sub-section (1) of section 101 of the Act, the company shall notify it to the Commission, within seven (07) days of the receipt of the information (as per Form-1), on the prescribed Form-4, showing therein the name of director, executive officer or shareholder, date of appointment or acquisition of beneficial ownership and number of shares held by him. As per the clarification dated April 20, 2022 issued by the Commission through Pakistan Stock Exchange (PSX) to all listed companies, the filing of Form-4 by the listed companies is applicable in case of every director who is appointed afresh, re-appointed or a nominee director (holding any shareholding in his/her name or not).

3. Section 106(2) of the Act *inter alia* stipulates that any person who contravenes or fails to comply with, amongst other provisions, section 102 of the Act, the Commission may by order in writing direct, in the case of a company, 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 hundred thousand rupees per day for every day during which the default continues.

4. The brief facts of the case are that as per the announcement dated January 20, 2025 made by the Company to PSX, the Company elected seven (07) Directors on its Board of Directors (BoD) on January 18, 2025. On January 20, 2025, the elected directors submitted their respective Form-1 with the Company pursuant to the requirements of Section 101(1) of the Act read with Regulation 3(1) of the Regulations. Pursuant to the requirements of Section 102(3) of the Act read with Regulation 3(3) of the Regulations, the Company was required to submit Form-4 to the Commission within seven (07)

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days of submission of Form-1 by the said directors. However, the record available with the Commission revealed that the Company had, *prima facie*, failed to comply with the aforesaid requirements of the Act and the Regulations within the given timeframe. A summary of filing of Forms by the Company is tabulate hereinbelow for ready reference:

S. No.	Name of Director(s)	Date of Submission of Form-1	Due Date for Submission of Form-4	Date of Submission of Form-4	Delay in Filing of Form-4 (Days)
1.	Khwaja Imtiaz Ahmed	20/01/2025	27/01/2025	28/06/2025	152
2.	Mr. Ijaz Ahmed Khawaja	20/01/2025	27/01/2025	28/06/2025	152
3.	Mr. Ibrar Ahmed Khawaja	20/01/2025	27/01/2025	28/06/2025	152
4.	Mr. Ahmed Ali Riaz	20/01/2025	27/01/2025	28/06/2025	152
5.	Mr. Rashid Minhas	20/01/2025	27/01/2025	28/06/2025	152
6.	Syed Rizwan Haider	20/01/2025	27/01/2025	28/06/2025	152
7.	Ms. Ayesha Ahmed	20/01/2025	27/01/2025	28/06/2025	152

5. In order to probe the matter, the Commission vide letter dated June 26, 2025 (*erroneously referred to as June 25, 2025 in the SCN*) sought explanation from the Respondent vis-à-vis the aforesaid non-compliance of the Act and the Regulations. In response, the Company Secretary vide letter dated July 01, 2025 *inter alia* submitted that the requisite Forms have now been filed; however, certain upgradation of the filing system of the SECP website/portal could not be followed properly by the Respondent. The Company Secretary further assured that no such delay will occur in the future with regards to the filing/dissemination of information.

6. To take cognizance in the matter, a SCN was served upon the Respondent on August 28, 2025 to show the cause in writing as to why a penal action may not be taken against it for non-compliance of the requirements of the Act and Regulations. In response to the SCN, the Respondent vide letter dated September 08, 2025 *inter alia* submitted that:

"...In the past, the official website of Securities and Exchange Commission of Pakistan was not fully responsive, due to some maintenance issues and transition from e-Services to e-Z file. The concerned person of our corporate office was also not fully conversant with e-file (newly introduced filing system) and could not find the requisite Form (Form-4) from e-file system within the stipulated time period. However, we sincerely regret the delay and wish to affirm that there was no willful default or intention to evade the compliance of statutory obligations. We are committed to adhere to all compliance requirements diligently in the future and have taken necessary steps to avoid any such delay...It is pertinent to mention that all other formalities including the filing of Form-9 was made within the stipulated time after holding the election of Directors on January 18, 2025.

We humbly request your good office to kindly take a lenient view of the delay and consider waiving the associated penalties under section 106 of the Securities Act, 2015...[it] would be against the principles of natural justice as reiterated by recent decisions of the Supreme Court (2025 SCMR 267 Government of Balochistan vs Muhammad Yasir in which a 3 member bench has held that the principles of natural justice and fair mindedness are

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grounded in the philosophy of affording a right of audience before any detrimental action is taken, in tandem with its ensuing constituent that the foundation of any adjudication or order of a quasi-judicial authority, statutory body, or any departmental authority regulated under some law, must be rational and impartial. ... Therefore, it is incumbent that all judicial, quasi - judicial and administrative authorities should carry out their powers with a judicious and even-handed approach to ensure justice according to the tenor of law and without the violation of any of the principles of natural justice."

We would also refer to a decision of the Supreme Court that has held that "all judicial, quasi - judicial and administrative authorities must exercise power in a reasonable manner and must also ensure justice as per the spirit of law and established instruments regarding the exercise of discretion. (In the Case of Tariq Aziz - ud - Din Case (2011 PLC (C.S) 1130)). Considering this, we would urge SECP, being an administrative body exercising quasi-judicial functions to take into consideration mitigating circumstances that led to a delay in filing, with no willful default on my part..."

7. In order to provide an opportunity for personal representation and to meet the ends of justice, a hearing in the matter was fixed for September 25, 2025; which was attended by Mr. Asad Ali FCA, Director Finance of the Company, being the Authorized Representative of the Respondent (the "Authorized Representative"). During the course of the hearing, the Authorized Representative reiterated the written submissions made earlier vide letters dated September 08, 2025, and maintained the stance that the questioned non-compliance was not a willful negligence on part of the Respondent. The Authorized Representative requested for a lenient view in the matter and placed reliance on the Order dated November 14, 2023 passed in the matter of M/s Pakistan Paper Products Limited and the Orders both dated January 27, 2025 passed in the matter of M/s Gharibwal Cement Limited and its Board of Directors.

8. I have gone through the relevant provisions of Section 102(3) of the Act and the requirements of Regulation 3(3) of the Regulations, and considered the facts of the case and available record of the Respondent. I have also perused Section 106(2)(b) of the Act, which stipulates penal provisions for contravention of the afore-referred provisions of law. It is pertinent to note that Section 102(3) of the Act read with Regulation 3(3) of the Regulations clearly mandate fulfilment of the reporting requirement within seven (07) days of the receipt of the information from the directors of the Company. Additionally, a clarification issued by the Commission through PSX to all listed companies on April 20, 2022 clearly pronounced that the requirement of filing of Form-4 is applicable on every director, who is appointed afresh, re-appointed and a nominee director. However, as per the record available with the Commission, the Respondent has evidently failed to comply with the mandatory requirements of law within the stipulated timeline and submitted the said information with a considerable delay of 152 days and that too, only after the non-compliance was taken up by the Commission through its letter dated June 26, 2025. The filing of prescribed Form-4 is critical in disclosing the beneficial ownership of securities by directors and substantial shareholders, thereby ensuring transparency, preventing conflicts of interest, mitigating risks of insider trading, and contributing to the integrity of the market. Accurate and timely disclosures enable investors to access crucial information for informed decision-making.

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9. The foremost contention put forward by the Respondent is that it was not well-conversant with the recently introduced eZfile system/portal of the Commission, owing to which it could not file the requisite forms within the given timeframe. However, the same or any intermittent system downtime cannot solely be used as the grounds by the Respondent to absolve it from its statutory obligation to submit the prescribed forms – and that too, after a lapse of more than 150 days. Furthermore, although past compliance history as argued by the Authorized Representative may be considered for leniency in punitive action, it cannot entirely vindicate the Respondent from the committed violation of a mandatory requirement of law.

10. The Respondent has also referred to the principles of justice and fairness laid down under 2025 SCMR 267 and 2011 PLC (C.S) 1130 to request a leniency in the matter. It is pinpointed here that the instant proceedings have been initiated well within the four corners of the law as applicable on the Respondent and innately embed the principles of fairness and natural justice. Moreover, during the course of hearing held on September 25, 2025, the Respondent quoted case laws of M/s Pakistan Paper Products Limited and Gharibwal Cement Limited, which are analyzed below vis-à-vis their relevance & significance to the proceedings at hand:

- (i) Order dated November 14, 2023 passed in the matter of M/s Pakistan Paper Products Limited – the proceedings have been initiated and concluded against the company for filing its Form-4 (as required under section 102 of the Act) with the Commission with a delay of 104 days, and a penalty of Rs.10,000 was yet imposed on the company for the established default. In the instant case, the delay in filing tantamount to be more than 150 days.
- (ii) Order dated January 27, 2025 passed in the matter of M/s Gharibwal Cement Limited – the proceedings have been initiated and concluded against the company for filing its Form-4 (as required under section 102 of the Act) with the Commission with a delay of 146 days. It is highlighted that in the said case, a penalty of Rs.50,000 was still imposed on the company for the established default.
- (iii) Order dated January 27, 2025 passed in the matter of Board of Directors of M/s Gharibwal Cement Limited – the proceedings concluded with an established default on part of the directors for filing of requisite Form-5 with a delay of 145 days. In the instant case, the proceedings revolve around default committed on part of the Company in filing of Form-4.

11. Nevertheless, it is pertinent to note that every case has distinct facts and circumstances, and decision taken in one case is not necessarily required to be treated as a binding precedent for another case. In a recent case cited as 2024 CLC 593 (titled *Saleem Ahmed Jan vs. Deputy Commissioner Islamabad*), it was held that “...in the event that the [cases] are settled by quasi-judicial bodies, the decisions of such bodies are not legal precedents and have no binding character...their decisions are not covered by doctrine of stare decisis.” Similarly, in a judgement passed by the Honorable Islamabad High Court in the case of *PKP Exploration Limited vs Federal Board of Revenue* (PTD 2021, 1644), it was held that “Given that it is an adjudicatory forum of a quasi-judicial nature established by statute, it is vested with no inherent power...The consequences of the decision of the Tribunal are limited to the case it decides and do not travel beyond the four corners of the subject-matter before it in appeal.

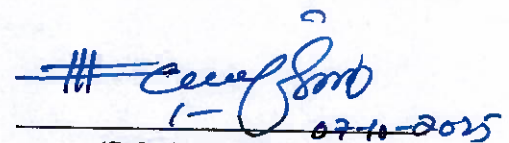
Handwritten signature and date:
07-10-2025

In other words, neither the Constitution nor any statute envisages a law-declaring function for the Tribunal. Its decisions do not become binding precedents... ”

12. In view of the above, it is established beyond doubt that the Respondent, by failing to file the requisite forms within the stipulated time, has contravened the mandatory provisions of Section 102(3) of the Act read with Regulation 3(3) of the Regulations, which attracts a penal action in terms of Section 106(2)(b) of the Act. I, therefore, in terms of powers conferred under Section 106(2)(b) of the Act read with S.R.O.1545(I)/2019 dated December 06, 2019, hereby conclude the instant proceedings by imposing a penalty of **Rs.50,000/- (Rupees Fifty Thousand only)** on the Respondent on account of the established default.

13. The Respondent is, hereby, directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 162 of the Act will be initiated for recovery of the penalty/fines as arrears of land revenue pursuant to provision of Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997(the “SECP Act”).

14. Without prejudice to the above, in case the Respondent is aggrieved by this Order, it may, within thirty (30) days of the Order, prefer to file review application in terms of Section 32B of the SECP Act or may file an appeal before the Appellate Bench of the Commission in terms of Section 33 of the SECP Act in accordance with the procedure for filing an appeal as laid down under the Securities and Exchange Commission of Pakistan (Appellate Bench Procedure) Rules, 2003.



(Sohail Qadri)
Director / Head of Department
Adjudication Department-I

Announced:
October 07, 2025
Islamabad

