

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

In the matter of Show Cause Notice issued to Summit Bank Limited

Dates of Hearing

July 07, 2021

Order-Redacted Version

Order dated July 20, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Summit Bank Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated February 23, 2021.
2. Name of Respondent	Summit Bank Limited (Company and/ or the Respondent)
3. Nature of Offence	Alleged contraventions of under <u>Section 96 of the Securities Act, 2015 (the Act) read with Section 159(5) thereof.</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of the case in light of the applicable legal provisions and response of SBL both in writing and verbal and observed that:</p> <p>(i) Regulation 7 of the Takeover Regulations, provides that a public announcement of offer shall be made by the acquirer within one hundred and eighty (180) days of making public announcement of intention to acquire voting share or control of a target company. Provision of the said regulation 7, states that the Commission may upon request by the acquirer and after being satisfied that the request is reasonable, extend the aforementioned time period by a maximum of ninety (90) days;</p> <p>(ii) the above provision, clearly states that after the laps of one hundred and eighty (180) days. the will lapse by operation of law unless extended for a period of not more than ninety (90) days with the approval of Commission on the request of acquirer. In the instant case, expiry of one hundred and eighty (180) days with regards to this PAI was due September 28, 2020 and on the said last day, the Acquirer, under the provision to regulation 7 of the Takeover</p>

	<p>Regulations requested the Commission for extension in time period for validity of the PAI. The Commission vide letter dated September 29, 2020 addressed to SBL intimated that the said request shall be considered after the receive of information the SBL about Its UBO;</p> <p>(iii) The Commission's stance conveyed through the aforesaid letter that request of the acquirer shall be considered only after receipt of the information from SBL about its UBO, was beyond the scope of the applicable law. PAI lapses on the close of business on the one hundred and Eightieth (180th) day of making (first time publication) it, unless the time period of its validity extended by the Commission. The aforesaid extension request by the Acquirer was made on the last day of the validity of the PAI. Making application on the last day for seeking extension in the validity of PAI, shows lack of seriousness on part the Acquirer to comply with the applicable legal provisions.</p> <p>(iv) The SBL's argument that validity of PAI automatically lapsed on September 28, 2020, by operation of law, and that this was already in knowledge of PSX and the public is not tenable, particularly in the situation where the Acquirer had made application for extension in the validity of PAI. Since, making application for seeking extension in validity of PAI was brought in knowledge of SBL through the commission's letter dated September 29, 2020; therefore, fate of the said application i.e. its approval or refusal, as the case may be. being material information as its may have impact on market price of the share of the Target Company, should have been intimated to PSX for public dissemination. Even, the information of making application for seeking extension b) the Acquirer was also required to be instantly intimated to PSX for public dissemination.</p> <p>Therefore, in exercise of the power conferred under sub-section (5) of Section 159 of the Act, I hereby, impose penalty of Rs. 200,000/- (<u>Rupees Two Hundred Thousand Only</u>) on SBL for the aforesaid violation.</p>
5. Penalty Imposed	200,000/-
6. Current Status of Order	Penalty not deposited and No Appeal has been filed by the respondent.

