



Securities and Exchange Commission of Pakistan

BEFORE APPELLATE BENCH NO. I

In the matter of

Appeal No. 93 of 2017

A.S. Securities (Pvt.) Limited

Appellant

Versus

The Commissioner (SMD), SECP, Islamabad.

Respondent

Date of hearing: 20/04/18

Present:

For Appellant:

- i. Mr. Izhar-ul- Haq (ACA)
- ii. Mr. Javaid Iqbal

For Respondent:

- i. Mr. Asif Khan- Deputy Director (SMD)
- ii. Salman Arshad- Deputy Director (SMD)

ORDER

1. This Order is in the matter of Appeal No. 93 of 2017 filed by A.S. Securities (Pvt.) Limited (the Appellant) against the Order dated 30/05/17 (the Impugned Order) passed by the Commissioner (SMD) under Section 150 of the Securities Act, 2015 (the Act).
2. Brief facts of the case are that the Appellant in contravention of the Securities and Exchange Commission of Pakistan (the Commission) circular No.4/2013 dated 16/04/13 failed to file quarterly financial returns through online Financial Reporting System (the FRS) for the following periods;

<u>S.No</u>	<u>Quarter Ended</u>
1.	30 June 2016
2.	30 September 2016
3.	31 December 2016

3. The Appellant also did not send the details of all its bank accounts and failed to submit a hard copy of its half-yearly accounts for the period ended 31/12/16 to the Commission, as required through the



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Pakistan Stock Exchange (the PSX) notice no. PSX/N-798 dated 08/02/17. In this regard, a reminder dated 17/03/17 was also sent to the Appellant, however, compliance was not observed.

4. A Show Cause Notice dated 10/04/17 (the SCN) was issued to the Appellant for the non-compliance. The Appellant filed its reply vide a letter dated 14/04/17. Hearing in the matter was held on 19/04/17, which was attended by Mr. Muhammad Yousaf Shehzad Khan, who stated that; *"all required quarterly and half-yearly accounts and bank details as mentioned in the SCN are being filed now ."* The Respondent, being dissatisfied with the response of the Appellant imposed a penalty of Rs. 400,000/- due to failure to discharge regulatory requirements.
5. The Appellant preferred this appeal and reiterated the submissions whereas, the Respondent has rebutted the grounds of appeal and stated that the Impugned Order has been passed in accordance with the law and non-compliance of the regulatory obligations is a serious offence which cannot be ignored.
6. The Appellate Bench (the Bench) has heard the parties and perused the record. Non-compliance with regard to quarterly accounts, half-yearly accounts and bank details are apparent and established, therefore, the Appellant cannot be exonerated. However, subsequent compliance signify Appellants' intention to comply with the regulatory requirements. The Bench is inclined to take a lenient view in the matter. Therefore, while maintaining the Impugned Order we, hereby, reduce the amount of penalty to Rs.200,000/- (Two Hundred Thousand Rupees).
7. The Appeal is disposed of accordingly, without any order as to cost.



(Shaukat Hussain)

Commissioner (CCD-CLD)



(Tahir Mahmood)

Commissioner (CSD-CLD)

Announced on: **08 MAY 2018**