

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the, May 3, 2010

NOTIFICATION

S.R.O. 293 (I)/2010.- In exercise of the powers conferred by section 10 of the Securities and Exchange Commission of Pakistan Act, 1997 (the Act) read with section 20(4)(o) thereof, and in partial modification of its notifications No. S.R.O.659(I)/2009 dated 14th July, 2009, S.R.O.1061(I)/2005 dated 18th October, 2005, S.R.O. 971(I)/2006, dated 11th September, 2006 S.R.O. 839(I)/2008, dated 11th August, 2008 and SRO 908(I)/2008, dated 29th August, 2008, the Securities and Exchange Commission of Pakistan (the Commission), subject to such conditions and limitations as it may from time to time impose, hereby delegates the following powers and functions of the Commission, to be exercised concurrently in respect of private companies having paid-up capital of not less than 7.5 million rupees and non-listed public companies, to its officers, namely:-

1. Executive Director (Enforcement Department)

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	231(1)	To authorize an officer to inspect books of accounts of a company other than listed company.
2.	234 A	To order special audit of a private or non-listed private company and appoint auditor to carry out detailed scrutiny of the affairs of such company.
3.	263 & 265	To appoint inspectors to investigate into the affairs of private or non-listed public companies.
4.	264	To require the applicants requesting for investigation of non-listed companies to provide sufficient evidence and deposit security for payment of the costs of investigation.
5.	267	To accord approval to the inspectors for investigation into associated companies, body corporate and any person related to company, whose matter are to be investigated.
6.	269	To direct inspectors to make interim reports and on conclusion of the investigation make a final report to the Commission.

7.	271	To apply to the Court for issue of an appropriate order against management of a private or non-listed public company, on the basis of findings of inspector.
8.	275	To cause making of an application to the Court for winding up a private or non-listed public company and/or for an order under section 290.
9.	277	To defray and reimburse expenses of investigation and to do all acts incidental.
10.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984 which fall within the jurisdiction of Executive Director through delegation of powers.
11.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
12.	484(2)	To review the order originally made by him.
13.	488	To grant relief in cases in which the powers have been delegated by the Commission.
14.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.
15.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

2. Director (Enforcement Department)

<u>S.No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/ function</u>
1.	193(3)	Violation of provisions relating to proceedings of directors.
2.	195(1)	To approve grant of a loan to director of a private company or a non-listed public company, for purposes specified in proviso to section 195(1)(e).
3.	196(4)	Exercise of <i>ultra-vires</i> powers by directors in the case of a private or non-listed public company.
4.	197(2)(i)	To impose penalty for making political contributions.

5.	197A(2)	To impose penalty for distribution of gifts to members in general meetings.
6.	204	Contravention of provisions of sections 198 to 203 in the case of a private or non-listed public company.
7.	206(3)	To accord approval for appointment of a sole purchase, sale or distribution agent of a private or non-listed public company.
8.	208(3)	(i) To impose fine on default in complying with the requirements of section 208 and the regulations made there under in the case of a private company or non-listed public company. (ii) To direct the directors to jointly or severally reimburse to the private or non-listed public company any loss sustained as result of such contravention.
9.	209(9)	Penalty for non-holding of investments of company in its own name.
10.	214(6)	Non-disclosure of interest by a director of a private or non-listed public company.
11.	215(2)	Contract by an interested officer of a private or non-listed public company without approval of directors.
12.	216(3)	Participation of interested director of a private or non-listed public company in proceedings.
13.	218(6)	Non-disclosure of directors interest in contract appointing chief executive, managing agent or secretary in the case of a private or non-listed public company.
14.	229	Contravention of sections 226, 227 or 228 in the case a private or non-listed public company.
15.	235(5)	Contravention of provisions relating to treatment of surplus arising out of revaluation of fixed assets in the case of a private or non-listed public company.
16.	236(2)(b)	To exempt a non-listed public company from the disclosure in the directors' report of the changes concerning the nature of the business of the private or

		non-listed public company during a financial year.
17.	237(8)	To grant exemption from provisions relating to consolidated financial statements.
18.	237(9)	Penalty for contravention of section 237.
19.	241(3)	Default in proper authentication of balance sheet.
20.	244	Improper issue, circulation or publication of balance sheet or profit and loss account in the case of a private or non-listed public company.
21.	246(2)	Default in complying with the order of the Commission issued under sub-section (1) of section 246.
22.	252(6)(8)	To appoint auditors and to fix their remuneration in case they are not appointed by an private or non-listed public company and its directors within the prescribed period.
23.	254(6)	To impose fine on a person who being unqualified or subject to any disqualification act as auditor of a private or non-listed public company.
24.	254(7)	To appoint an auditor in case of a private or non-listed company where appointment of any unqualified person or of a person who is subject to any disqualification has been made by the company.
25.	255(7)	Refusal or failure to provide any information to the auditor or hindrance to auditors in the performance of their duties, in the case of a private or non-listed public company.
26.	259	Default in complying with provisions of sections 252 to 254 or 256 & 257, in the case of a private or non-listed public company.
27.	260(1)	Authentication of a document otherwise than in conformity with section 157 or making of auditors' report in contravention of section 255 or section 257, or failure to bring out material facts about the private or non-listed public company, in the case of a private or non-listed public company.

28.	264	To require the applicants requesting for investigation of a private or non-listed public companies to give security for payment of the cost of investigation.
29.	276	To initiate proceedings for recovery of damages or property.
30.	279	To impose restrictions on transfer of shares and debentures in certain cases.
31.	472(1)	To make an order directing a private or non-listed public company and its officers to make good the default and undo the irregularities.
32.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984 which fall within the jurisdiction of Director (Enforcement) through delegation of powers.
33.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
34.	479	To issue a directive to the chief executive or other officer of the private or non-listed public company to appear before him personally and answer the charges.
35.	481	To direct company prosecutor to present an appeal against the order of acquittal.
36.	482	To order for payment of compensation in cases of frivolous or vexatious prosecutions.
37.	483	To direct that the whole or any part of the fine imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved party.
38.	484(2)	To review the order originally made by him.
39.	488	To grant relief in cases in which the powers have been delegated by the Commission.
40.	492	To impose fine for making false statement.

41.	493	To make necessary orders and to impose penalty for wrongful withholding of property of the private or non-listed public company.
42.	495(1)	Non-compliance of directive of Court, Commission, etc.
43.	496	Carrying on <i>ultra-vires</i> business by a private or non-listed public company.
44.	498	Default of statutory provisions of the Ordinance where no specific penalty is provided.
45.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

In addition to above, powers of the Commission as per rules prescribed or regulations made under a particular section of the Ordinance are also delegated to the Commissioner or the officer concerned, if powers and functions of the Commission provided in the section of the Ordinance relevant to the said rules or regulations have been delegated to him;

In case of vacancy or unavailability of Executive Director (Enforcement Department) the powers and functions delegated to him through this notification shall, as far as may be possible, be exercised by Commissioner, Company Law Division;

In case of vacancy or unavailability of Director (Enforcement Department), the powers and functions delegated to him through this notification shall, as far as may be possible, be exercised by Executive Director (Enforcement Department);

The Chairman shall have the authority to exercise all powers delegated above to the Commissioners and officers, concurrently.

[No.EMD/MISC/71/D-IV/09]


(Abdul Rehman Qureshi)
Advisor/Secretary