



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

International Affairs, Communication & Coordination (IACC) Department

PRESS RELEASE

FOR IMMEDIATE RELEASE

40 companies suspended from stock markets

ISLAMABAD – August 15: The Securities and Exchange Commission of Pakistan (SECP) has ordered suspension of trading in the shares of listed companies that are in continual violation/non-compliance of securities market laws, initially for a period of 60 days or till further orders.

The SECP taking cognizance of the fact that such companies not only pose serious threat to the development of a robust capital market but also inhibit investors' confidence due to lack of transparency, in consultation with the stock exchanges, had earlier initiated a comprehensive exercise for reviewing the status of these listed defunct/non-compliant companies. It was established that such companies while giving the impression of a broad-based Pakistani capital market do not fairly reflect depth in the market and distort functioning of the stock exchanges as true barometers of the economy.

While capital markets play a crucial role in efficiently channelling financial resources to productive uses, such non-compliant companies especially under winding-up or liquidation or not holding annual general meetings for the past three years, by remaining listed/available for trading at the stock exchanges prove detrimental to the investors' interest. In the majority of cases, such defunct companies attract uninformed investors, depriving them return on their investment and in some cases even the principal amount.

The SECP, therefore, in the best public interest and for the protection of investors, in addition to ordering suspension of trading in the shares of such companies, has also restricted the transfer of shares of such companies in both physical and book-entry form. The orders by the apex regulator entail that for effectual implementation of trading suspensions, any suspension of trading in the shares of a company shall also be accompanied with automatic restrictions on off-market transactions at the stock exchange on which they are suspended.

Shakil Ahmad Chaudhary
Head, Internal and External Communication
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Islamabad
Tel: 921-4005 or 921-4009 ext. 378
Fax: 920-6459
Cell: 0302-855-2254