



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

International Affairs, Communication & Coordination (IACC) Department

PRESS RELEASE

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Second modaraba tribunal formed in Karachi

ISLAMABAD, July 30: The federal government, in exercise of the powers conferred by Section 24 of the 1980 Modaraba Companies and Modaraba (Floatation and Control) Ordinance, has constituted another modaraba tribunal for Sindh.

Earlier, only one modaraba tribunal, consisting of the Judge Banking Court-1, Karachi, was trying all classes of cases in the entire Sindh. Apart from modaraba cases, it also adjudicates on the civil and criminal cases filed by other financial institutions such as banks, NBFCs and DFIs etc.

In both civil and criminal jurisdictions, the tribunal was severely overburdened. Consequently, various civil, criminal and winding-up petitions filed by the SECP against non-performing modarabas and delinquent management companies had been pending for long.

Out of 40 registered modaraba management companies, the registered offices of 36 are located in Karachi and they all were restricted to file their litigation cases pertaining to their business transactions, such as non-payments and defaults by their clients and recovery cases etc in the same tribunal. The decisions on such cases were being announced with considerable delay, adversely affecting modarabas and their certificate holders. It may be added that modaraba tribunals are also working in Lahore and Peshawar.

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