



## SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

**Press Release**  
**March 7, 2016**  
*For immediate release*

### **SECP initiated 38 show cause proceedings.**

ISLAMABAD, March 7: The Securities and Exchange Commission of Pakistan (SECP) has initiated 38 show cause proceedings against companies, their auditors and directors for various alleged violations of provisions of the Companies Ordinance, 1984. The notices were issued by the Corporate Supervision Department (CSD) of the SECP in February 2016.

The violations include failure to comply with legal provisions in respect of holding annual general meetings, filing of interim accounts and delay in deposit of provident fund amount, discharge of duties by auditors, incorrect false statement in the accounts and non-compliance with Commission's directions etc.

The supervision department continued the strategy to focus on the quality of audits being performed by the statutory auditors and concluded 6 proceedings through orders against the auditor for not discharging their duties in line with applicable provisions and their failure to bring out material facts about affairs of companies as per Section 255 of the Ordinance.

Further new proceedings were also initiated against 2 auditors. Proceedings against 3 companies for apparently failing to deposit or invest employees' provident fund amounts as per the requirements Companies Ordinance, 1984 were concluded through order and 2 new proceedings were initiated. The department initiated 3 fresh proceeding against 3 companies for misstatements and omission of material facts in their respective financial statements while 1 such proceeding was concluded through order. The department also issued 3 orders authorizing filing of winding up petition in courts by the registrar against three non-operating companies while proceedings against one non operative company were initiated. In two instances of misuse of powers by directors and unauthorized investments in associated companies, proceedings under section 196 and 208 of the Ordinance were also started.

Moreover, notices were also issued to companies for non-maintenance of website and non-filing or late filing of annual and interim accounts. The CSD also issued 6 directions to companies advising them to ensure compliance with the requirements of the Ordinance as well as applicable accounting standards. Besides, 69 warning letters were issued to companies to ensure meticulous compliance of corporate and allied laws and applicable relevant accounting standards.

During the month under review the CSD of the SECP processed 88 complaints and resolved 66 matters with the entire satisfaction to the complainants. Moreover, 29 proceedings were also concluded through orders for various violations of the Ordinance.

کمپنیز آرڈیننس کی خلاف ورزی: ایس ای سی پی نے 38 کمپنیوں کے خلاف کارروائی کا آغاز کر دیا

اسلام آباد، (۷ مارچ) سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے کمپنیز آرڈیننس مجریہ 1984 اور دیگر انضباطی قواعد کی خلاف ورزی کرنے پر اٹھتیس (38) کمپنیوں، ان کے آڈیٹرز اور ڈائریکٹرز کو اظہار وجوہ کے نوٹس جاری کرتے ہوئے انضباطی کارروائی کا آغاز کر دیا ہے۔ گزشتہ مہینے کے دوران ایس ای سی پی نے کمپنیز آرڈیننس کی خلاف ورزی کے حوالے سے اٹھاسی (88) شکایات پر کارروائی کی جس میں سے چھیاسٹھ (66) شکایات کو مکمل طور پر حل کر لیا گیا ہے۔

ایس ای سی پی کے جانب سے انضباطی قواعد کی خلاف ورزی پر دیگر 29 کمپنیوں کے خلاف کارروائی مکمل کر لی ہے۔ ایس ای سی پی کے کارپوریٹ سپر ویزن ڈیپارٹمنٹ نے سالانہ اجلاس طلب نہ کرنے اور کمپنیوں کے سالانہ اور سہ ماہی فنانشل سٹیٹمنٹ جمع نہ کروانے، ڈائریکٹرز کی جانب سے مفادات کے ٹکراؤ کا اظہار نہ کرنے، ہولڈنگ کمپنیوں کی جانب سے اشتعالی گوشوارے جمع نہ کروانے اور اپنی ہی کمپنی کے حصص میں سرمایہ کاری کرنے اور ایس ای سی پی کی دیگر ریگولیشن کی خلاف ورزیوں پر کارروائی کی ہے۔

اس دوران ایس ای سی پی کی جانب سے تئیس (23) کمپنیوں کے ڈائریکٹرز اور آڈیٹرز پر جرمانے عائد کرنے اور انتباہ کے نوٹس جاری کرتے ہوئے کارروائی مکمل کی گئی۔