

SEC Registers Record Number of Companies in July 2005

Islamabad – August 5, 2005: Registration of new companies with the Securities and Exchange Commission of Pakistan (SEC) reached a record number of 906 during the month of July 2005. This was almost a four-times increase over 239 new companies registered in the same month during last year.

The unprecedented boom in new incorporation is due to the steps taken by the SEC to engender investor confidence and facilitate corporatization.

Of the 906 companies, 901 were limited by shares, comprising three public unlisted companies, 859 private companies and thirty-nine single member companies. Besides one foreign company and four not-for-profit associations were also registered.

The SEC's Company Registration Office (CRO) at Karachi registered the highest number of 302 companies, a record registration during one month by any CRO. Lahore and Islamabad CROs followed with registering 224 and 190 companies respectively, while CROs at Peshawar, Quetta, Multan, Faisalabad and Sukkur registered eighty five, forty two, forty one, twenty one and one company each.

During the month, 582 Haj and Umra operators were registered as companies. A total of 55 companies were registered in trading sector, 29 in communications and 28 in textile sector.

Total authorized capital and paid-up capital of the 901 limited by shares companies amounted to Rs. 5,581.89 million and Rs. 722.8 million, respectively. Furthermore, a total of 39 companies raised their authorized capital during the month with an increment of Rs. 6,431 million.

The new incorporations during July 2005 brought the SEC's total portfolio of registered corporate sector to 46,209 companies. The pace of new incorporation has shown an accelerated growth momentum during the previous months with average monthly incorporation exceeding 200 companies since March 2004.

This is for the first time in the corporate history of the country that such a high number of new companies have been registered during a single month of the year. To draw a comparison, only 968 total companies were registered during the whole of the financial year 1998-99.