

### **SEC Penalises 168 Companies during June 2005**

**Islamabad – July 12, 2005:** The Securities and Exchange Commission of Pakistan (SEC) maintained strict vigilance on the corporate sector and penalized 168 companies during June on account of violation of different legal provisions.

The Companies Ordinance, 1984 empowers the Registrars of Companies of the SEC to initiate actions against companies and their management for violations of the law. The violations observed by the Registrars during the month of June mainly pertained to delay in filing of statutory returns, including late filing of annual returns, Forms A/B, Form 29 indicating the particulars of directors and officers of the company or any change therein, circular for further issue of capital under Section 86 of the Ordinance, return as to allotments, annual accounts, statements of beneficial ownership of listed securities and special resolutions passed by companies. A total of 114 cases pertained to late filing of Form 29 by the corporate entities.

Of the 168 cases, the Registrar at the SEC head office adjudicated twenty cases while the remaining 148 cases were handled by the Company Registration Offices (CROs) in eight cities of the country. The Karachi CRO adjudicated 32 companies while CROs at Lahore and Islamabad adjudicated 89 and 15 companies, respectively. Remaining CROs adjudicated 22 cases in total. The aggregate penalty imposed by the Registrars during the month amounted to Rs. 434,100.

The monitoring and enforcement by the SEC infuse a sense of discipline in the corporate sector and promote compliance with the statutory requirements and transparency and disclosure in the affairs of companies.