



Securities and Exchange Commission of Pakistan  
Securities Market Division  
Market Supervision and Registration Department  
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**Before the Director (MSRD)**

**In the matter of Hearing Notice issued to M/s Highlink Capital (Pvt.) Limited**

**Dates of Hearing:**

- i. February 7, 2014
- ii. February 17, 2014

**Present at the Hearings:**

Mr. Owais Waheed

Authorized Representative of Highlink Capital  
(Pvt.) Ltd.

**Assisting the Director (MSRD):**

Ms. Asima Wajid

Deputy Director (MSRD)

**ORDER**

1. This Order shall dispose of the proceedings initiated through Hearing Notice No. 4(BRL-138)SE/SMD/2006 dated January 31, 2014 (the "HN") under Rule 8 of the Brokers and Agents Registration Rules, 2001 (the "Rules") issued to M/s. Highlink Capital (Pvt.) Ltd. (the "Respondent"), Trading Right Entitlement Certificate Holder of Lahore Stock Exchange Limited (the "LSE") and a broker registered with the Securities & Exchange Commission of Pakistan (the "Commission") under the Rules.

2. Brief facts of the case are that the Commission received a number of investors' complaints regarding unauthorized trading, non-transfer of shares and non-payment of funds to the clients against the Respondent which were forwarded to the Respondent for resolution. However, despite lapse of more than one month time period, the Respondent failed to resolve the complaints. Therefore, the HN dated January 31, 2014 was issued, the contents of which are reproduced below:-

**SUBJECT: HEARING NOTICE UNDER RULE 8 OF THE BROKERS AND AGENTS REGISTRATION RULES, 2001**

*This is with reference to your application duly forwarded by Lahore Stock Exchange Limited for renewal of Certificate of Registration of Highlink Capital (Pvt.) Limited ("HCPL") as broker under the Brokers and Agents Registration Rules, 2001 ("the Rules").*

2. *Whereas, a number of investor complaints regarding unauthorized trading, non-transfer of shares and non-payments to the clients have been received in the Commission against HCPL which were forwarded to the HCPL for resolution.*

*Handwritten signature*

*However, despite giving a reasonable time, not a single complaint has been resolved by HCPL.*

*3. In light of the above, it appears that HCPL has failed to settle investor complaints as specified under Rule 8(ix) of the Rules. Therefore, you are called upon to explain in writing by February 4, 2014, as to why action in terms of Rule 8 of the Rules may not be initiated against HCPL for apparent violations as indicated above. You are further directed to appear in person or through an authorized representative (with documentary proof of such authorization) before the undersigned, on **February 7, 2014 at 11:00 a.m.** at the Commission's Head Office at 9<sup>th</sup> Floor, NIC Building, Jinnah Avenue, Blue Area, Islamabad. You are advised to bring all relevant record in original, which you may consider necessary for your defense/clarification.*

Sd/-

**Hasnat Ahmad**  
Director (MSRD)

3. Pursuant to the said HN, the Respondent vide letter dated February 4, 2014 intimated the Commission that it is in the process of settling the investors' complaints and requested the Commission to allow relaxation in time in order to resolve the said complaints.

4. On the date of first hearing, Mr. Owais Waheed (the "**Authorized Representative**") appeared on behalf of the Respondent and conveyed commitment of the Respondent that all pending complaints would be settled at the earliest. He requested for adjournment of the hearing. To give more time to the Respondent to settle the complaints, his request was acceded to and accordingly the hearing was rescheduled for February 17, 2014.

5. It is pertinent to mention here that the number of complaints against the Respondent kept on increasing and the amount of claims against the Respondent which was around Rs. 6 million on February 7, 2014 increased to Rs.18 million on February 17, 2014. All 18 complaints received during this period were forwarded to the Respondent as and when received.

6. The Authorized Representative of the Respondent appeared for second hearing on February 17, 2014 and intimated that the Respondent is still in the process of settling the investors' complaints and so far no complaint has been settled. The Authorized Representative of the Respondent requested the Commission to take lenient view and allow some more time for resolution of the investors' complaints. The Authorized Representative of the Respondent was informed regarding Commission's serious concerns over the increasing number of investor complaints and the amount of claims against the Respondent.

7. I have examined the facts and documents on record, in addition to the written and verbal submissions made on behalf of the Respondents. It is disappointing that despite lapse of more than two months, no serious effort has been made by the Respondent to settle the investors' complaints. It is quite alarming that the number of complaints /amount of investors' claims against the Respondent is continuously increasing.






8. Non-settlement of investors' claims is serious matter because of which I am of the considered opinion that continuance of the Respondent in the securities business is detrimental to the interest of public in general and capital market in particular. Therefore, in exercise of powers under Rule 8 of the Rules; I hereby **suspend** the registration of M/s. Highlink Capital (Pvt.) Limited as a Broker of LSE with immediate effect and till settlement of all legitimate investors' claims to the satisfaction of the Commission.

9. I strongly advise the Respondent to take immediate measures to resolve all investors' complaints. I also strongly direct the Respondent to fully cooperate and comply with the directions of the Commission in letter and spirit.

10. This Order is issued without prejudice to any other action that the Commission may initiate against the Respondents in accordance with the law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.

  
**Hasnat Ahmad**  
Director (MSRD)



**Announced on** February 17, 2014  
Islamabad.