

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

**In the matter of Show Cause Notice dated April 8, 2013 issued to
M/s. Moosa, Noor, Muhammad, Shahzada & Co (Pvt.) Limited under Section 22 of the
Securities and Exchange Ordinance, 1969**

Date of Hearing:	July 17, 2013
Present at the Hearing:	No one appeared on behalf of the Respondent
Representing (MSRD):	Mr. Murtaza Abbas (Deputy Director – MSRD)

ORDER

This Order shall dispose of the proceedings initiated through a Show Cause Notice No. 4/BRK-58/SE/SMD/01 dated April 8, 2013 (“**the SCN**”) issued to M/s. Moosa Noor Muhammad Shahzada & Company (Pvt.) Limited (“**the Respondent**”) under Section 22 of the Securities and Exchange Ordinance, 1969 (“**the Ordinance**”).

2. **WHEREAS**, the Commission in exercise of its powers under Sub-Section (1) of Section 6 of the Securities and Exchange Ordinance, 1969 (“**the Ordinance**”) read with Rule 3 and Rule 4 of the Stock Exchange Members (Inspection of Books and Record) Rules, 2001 (“**the Inspection Rules**”) ordered an inspection vide order No. SMD-MS&CID-C&IW10-1/(178)/2012 dated October 19, 2012 of the books and records required to be maintained by the Respondent. On review of the inspection report various *prima facie* violations of, rule 3 of the Securities and Exchange Rules, 1971 (“**SEC Rules**”), Third Schedule of the 1971 SEC Rules, read with Section 18 of the Ordinance, rule 4 of the SEC Rules, Section 16 of the Ordinance, Regulation 41 (1) (a) of the General Regulations of the exchange, Section 24 of the Central Depositories Act, 1997 and Regulation 9.1.1 (h) of CDC Regulations were observed and accordingly the subject SCN was issued, the contents of which are reproduced below.

“SUBJECT: SHOW CAUSE NOTICE IN THE MATTER OF INSPECTION OF BOOKS AND RECORD OF M/S. MOOSA, NOOR MOHAMMAD, SHAHZADA & CO (PVT.) LIMITED – TREC HOLDER OF KARACHI STOCK EXCHANGE LIMITED.

THAT M/s. Moosa, Noor Mohammad, Shahzada & Co (Pvt.) Limited (“MNS”) is a Trading Right Entitlement Certificate (“TREC”) holder of the Karachi Stock Exchange Limited (“the



Exchange”) and registered as a broker with the Securities and Exchange Commission of Pakistan (“the Commission”) under the Brokers and Agents Registration Rules, 2001 (“the Rules”).

2. **WHEREAS**, the Commission in exercise of its powers under section (1) of section 6 of the Securities and Exchange Ordinance, 1969 (“the Ordinance”) read with Rule 3 and Rule 4 of the Stock Exchange Members (Inspection of Books and Record) Rules, 2001 (“the Inspection Rules”) ordered an inspection vide order No. SMD-MS&CID-C&IW10-1/(178)/2012 dated October 19, 2012 of the books and records required to be maintained by MNS.

3. **WHEREAS**, on review of the inspection report it was revealed to the Commission that the calculation of Net Capital Balance (“NCB”) of MNS as on June 30, 2012 duly verified by M/s. Aslam Malik & Co, Chartered Accountants, has the following irregularities:

i) Trade Debts

Out of total trade receivables of Rs. 274.812 million, MNS has reported under this head a net amount of Rs. 252.722 million after deducting an amount of Rs. 22.09 million being overdue for more than fourteen days. However, as per calculation carried out by inspection team an amount of Rs. 273.909 million should have been deducted from the gross debtors and the remaining amount i.e. Rs. 0.902 million should have been reported under this head. The brokerage house recorded fake sale and purchase transactions in the following two major accounts to include them in the trade receivables for the purpose of NCB:

Sr. No.	NIC	A/c Code	CDC	Account Title	Receivable as on June 30, 2012
1.	42301-8865871-1	5159	4862	Mohammad Hassan	157,571,105.82
2.	42201-7938979-1	SUS	Nil	Faysal	93,937,467.58
Total					251,508,573.40

The analysis of ledgers of Mohammad Hassan and Faysal disclosed that an amount of Rs. 132.839 million and Rs. 81.843 million respectively was receivable on July 1, 2011 which increased to 157.571 million and 93.937 million respectively by June 30, 2012. In order to make these receivables eligible to be included in the receivables generated within 14 days from the date of NCB fake sale and purchase transactions were recorded in these two accounts. For instance, on June 21, 2012 sale transactions of various scrips worth Rs. 153.044 million were recorded in the client account of Mohammad Hassan, the same quantity of shares were recorded as bought back on June 29, 2012 for almost same amount of Rs.153.079 million. Similarly, on June 21, 2012 sale transactions of various scrips worth Rs. 88.964 million were recorded in the client account of Faysal, the same quantity of shares were recorded as bought back on June 29, 2012 for almost same amount of Rs.88.982 million. It is pertinent to mention that no trading activity at the UINs and no movement in the CDC sub account activity report was witnessed in respect of both the above mentioned clients. The brokerage house even did not open a sub account of the client Faysal.

ii) Account Payable

Out of total trade payables of Rs. 77.561 million MNS has reported under this head a net amount of Rs. 11.575 million after deducting an amount of Rs. 65.996 million being overdue for more than thirty days. However, as per calculation carried out by inspection team trade payables of the brokerage house were Rs. 13.967 million and an amount of Rs. 9.808 million

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should have been deducted from the gross payables and the remaining amount i.e Rs.4.158 million should have been reported under this head. The brokerage house excluded following three major accounts from the trade payables for the purpose of net capital balance being overdue for more than 30 days:

Sr. No.	UIN	A/c Code	CDC	Account Title	Payable as on June 30, 2012
1.	42201-6699188-8	1225	5372	Mrs. Razia Amanullah	37,796,224.96
2.	Nil	0398	NIL	Mohammad Jaffer	20,696,932.00
3.	42301-8846575-8	1325	NIL	Roxane Akhtar	5,100,000.00
					63,593,156.96

The analysis of ledger of Mrs. Razia Amanullah disclosed that an amount of Rs. 44.549 million was payable on July 1, 2011 which decreased to Rs. 37.796 million as at June 30, 2012 by recording payments of personal nature in this account. The extract of the ledger is as under:

Date	Particulars	Scr	Vhr #	Debit	Credit
7/7/2011	170272 Razia ag.65000	PVD	1107114	1,537,250	
18/07/2011	173589 Shafi ag.usd fm indo visit	PVD	1107169	172,600	
18/08/2011	5022988 Razia ag.tt 29000 usd @ 87	PVD	1108265	2,541,400	
29/08/2011	5024013 Razia ag.amir khan cousin	PVD	1108328	150,000	
10/10/2011	179784 Razia ag.clearing (amir kh	PVD	1110061	2,800,000	
31/03/2012	Amt Trfd to proper a/c and adj (in	JVD	1203054		3,000,000
16/05/2012	Amnt transfer to proper a/c and ad	JVD	1205029	2,552,000	

The analysis of ledger of Mohammad Jaffer disclosed only one adjusting entry of Rs. 0.7 million and the opening balance of Rs. 21.396 million as on July 1, 2011 was slightly decreased to Rs. 20.696 million. Similarly, the analysis of ledger of Roxane Akhtar disclosed that no entry was recorded in this account and opening and closing balance remained the same i.e. Rs. 5.100 million.

iii) Other Liabilities

The brokerage house reported an amount of Rs. 253.991 million under this head. In light of the observations highlighted above other liabilities of the brokerage house were Rs. 327.594 million.

iv) As per the calculation carried out by Inspection team, adjusted Net Capital Balance is as under.

Moosa, Noor Mohammed, Shahzada & Company (Private) Limited				
Adjusted Net Capital Balance As at June 30, 2012				
Particulars	Amount In Rs.			
	As per MNS		Adjusted by SECP	
Cash In Hand or In Bank				
Cash In Hand	89,531		89,531	
Bank Balances	3,660,371	3,749,902	3,660,371	3,749,902

Trade Receivables				
Book Value	-		274,812,491	
Less: Over Due For More Than 14 Days	-	252,722,702	273,909,593	902,898
Investment In Listed Securities In the name of Broker				
Securities on the exposure list marked to market	-			
Less: 15% Discount	-	-		
Securities Purchased for client		15,744,850		16,549,738
Total Current Assets		272,217,454		21,202,537
Current Liabilities				
Trade Payable				
Book Value	-		13,967,877	
Less: Overdue For More Than 30 Days	-	11,575,225	9,808,892	4,158,985
Other Liabilities		253,991,314		327,594,377
Total Current Liabilities		265,566,539		331,753,362
Net Capital Balance		6,650,915		(310,550,824)

4. **WHEREAS**, in terms of rule 3 of the Securities and Exchange Rules 1971 (“1971 Rules”) it is the duty of every TREC holder of the exchange to maintain at all time an NCB as calculated in accordance with the Third Schedule of the 1971 Rules. As under section 18 of the Ordinance, reproduced below:-

“No person shall, in any document, paper, accounts, information or explanation which he is, by or under this Ordinance, required to furnish , or in any application made under this Ordinance, make any statement or give any information which he knows or has reasonable cause to believe to be false or incorrect in any material particular.”

5. **WHEREAS**, Prima facie, it appears that the NCB as calculated by MNS is not in accordance with the Third Schedule of the 1971 Rules and that the MNS by submission of overstated NCB has prima facie submitted a statement as well as given information which it had reasonable cause to believe false or incorrect in material particularly in violation of Section 18 of the Ordinance.

6. **WHEREAS**, during the course of inspection, it was revealed that MNS failed to transmit the trade confirmations as required under Rule 4 of Securities and Exchange Rules, 1971. As per the said rule every member executing an order of a customer shall, within twenty four hours of the

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execution of the order, transmit to the customer a confirmation. Clause (3) and (4) of Special terms and conditions of SAOF also requires that the Broker shall provide the confirmation of the executed transactions to the Account Holder at the stated address by means of acceptable mode of communication or by hand. In this regard the inspection team has tracked down following transactions wherein MSN did not provide the trade confirmations;

Sr #	Date	Client Code/UIN	Client Name	Symbol	Quantity	Buy/Sell
1	21/06/2012	5159	Mohammad Hassan	HUBC	103,000	Sell
2				PSO	153,000	Sell
3	29/06/2012			UBL	245,000	Buy
4				BYCO	276,000	Buy
5	21/06/2012	SUS	Faysal	SHELL	196,000	Sell
6	29/06/2012			EFUG	600,000	Buy
7	29/06/2012	3210243891279	Farooq Ahmed	NBP	3,000	Sell
8	29/06/2012	6110137314419	Ashiq Ali	BYCO	4,799	Buy

MNS provided Trade Confirmations to the few clients but the Inspection team was not provided with any evidence authenticating that confirmations were actually sent to the respective clients within the stipulated time of 24 hours.

7. **WHEREAS**, As per Regulation 41(1) (a) of the General Regulations of the exchange, the Brokers are required to ensure that the assets belonging to their clients are kept separated from the assets of the Broker. For this purpose, the Brokers are required to maintain a separate bank account which will include the fund deposited/paid to their clients along with record/breakdown of clients' balances. In this connection, MNS has its Client Bank account with Allied Bank Limited ("ABL"); reflecting balance of Rs. 3.04 million whereas, aggregate creditors balance reflecting an amount of Rs. 77.56 million for the period ended June 30, 2012. Further, it has been noted that MNS transferred huge amounts from its client account in ABL to its Running Finance Facility Account # 1106120000 being maintained with Soneri Bank Limited – KSE Branch. Transactions noted in this regard are listed below:

i) **Funds Transferred from Account # 1106080000 Allied Bank Limited, KSE Branch to Account # 1106120000 Soneri Bank Limited, KSE Branch**

S. No	Date	Particulars	Vhr #	Amount
1.	17/11/11	79443 TRANSFER TO SNBL	1111110	1,800,000
2.	23/01/12	5075801 TRANSFER TO SNBL	1201226	600,000
3.	26/01/12	5075802 TRANSFER TO SNBL	1201273	1,000,000
4.	26/01/12	5075803 TRANSFER TO SNBL	1201274	4,500,000
5.	26/01/12	5075805 TRANSFER TO SNBL	1201276	1,150,000
6.	25/04/12	05075814 AMT TRFD TO SONERI BANK	1204279	300,000
7.	8/5/12	5075815 TRANSFER TO SNBL	1205092	500,000
8.	23/05/12	5075819 TRANSFER TO SNBL	1205271	500,000
9.	28/05/12	5075820 TRANSFER TO SNBL	1205308	500,000
10.	4/6/12	5075824 TRANSFER TO SNBL	1206023	200,000

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11.	5/6/2012	5075825 TRANSFER TO SNBL	1206057	500,000
12.	12/6/12	5075830 TRANSFER TO SNBL	1206140	1,000,000
13.	13/06/12	5075831 TRANSFER TO SNBL	1206151	2,000,000
14.	15/06/12	5075834 TRANSFER TO SNBL	1206214	2,000,000
15.	20/06/12	5075836 TRANSFER TO SNBL	1206246	3,000,000
16.	25/06/12	5075837 TRANSFER TO SNBL	1206320	100,000
17.	26/06/12	5075838 TRANSFER TO SNBL	1206321	2,000,000
18.	27/06/12	5075839 TRANSFER TO SNBL	1206343	2,000,000

ii) **Funds Transferred from Account # 1106080000 Allied Bank Limited, KSE Branch to Account # 1106110000 Arif Habib Bank Limited, KSE Branch**

S. No	Date	Particulars	Vhr #	Credit
1.	19/10/11	79439 TRANSFER TO SMBL	1110110	250,000
2.	26/01/12	5075804 TRANSFER TO SMBL	1201275	850,000
3.	13/06/12	5075832 TRANSFER TO SMBL	1206152	50,000

iii) *It has been found that MNS has paid bills from the said client account. Thus MNS has violated the said regulation regarding segregation of assets.*

Sr #	Date	Particulars	Vhr #	Credit
1	19/10/2011	79440 PTC BILL M/O SEP 2011	1110111	24,760
2	19/10/2011	79441 ELECTRIC BILL M/O SEP 2011	1110112	3,945
3	23/12/2011	79450 ELECTRIC BILL M/O DEC 2011	1112185	4,543
4	14/06/2012	5075833 GO CDMA BILL M/O MAY 2012	1206166	228

8. **WHEREAS** MNS has been debiting late payment charges to its clients, who have debit balances and/or do not clear their dues. Charging liquidation damages from the clients makes it identical to in-house badla financing. Following are the few instances of late payment charges:

Sr #	Date	Account Code	Title of Account	Vouh #	Particulars	Amount
1	31/12/2011	5159	Mohammad Hassan	1112061	AMT OF LATE PAYMENT CHGS	10,050,874
2		SUS	Faysal			6,192,737

9. **WHEREAS**, Section 16 of the Ordinance provides that:

"No member or associate shall, in contravention of any rules made under this Ordinance, directly or indirectly,-

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- (a) Extend or maintain credit, or arrange for the extension or maintenance of credit, to or for any person for the purpose of purchasing or carrying any security; or
- (b) Borrow on any security or lend or arrange for the lending of any carried for the account of a customer; or
- (c) Pledge or arrange for the pledging of any security carried for the account of any customer.”

10. **WHEREAS**, Shares of various scrips were being moved/pledged from the sub accounts of Abandoned Properties Organization (“APO”), MNS was advised by the Inspection Team to provide specific authority for pledging the said shares, however, they failed to provide authority from APO. Further it has also been found that shares were being transferred to/from CDC Sub Account # 6511 of APO to CDC House Account # 35 against “OFF Market Trades” and then pledged with various banks. However the inspection team did not find said transaction in Off Market data as well as back office record. Following are the few pledge transactions recorded from July 01, 2011 to June 30, 2012.

i. **47,250 Shares of NRL**

Shares	Dates	Transaction Details		Number of Shares
		ID #	Description	
47,250 Shares of NRL	10/10/2011	2011-354012	Shares transferred into APO account # 6511 from House account # 35 of MNS against off market trade	47,250
		2011-141204	Shares pledged with Soneri Bank Limited from APO account # 6511	32,000
	11/10/2011	2011-155995	Pledged released from Soneri Bank Limited into APO account # 6511	(32,000)
		2011-141653	Shares pledged with Soneri Bank Limited from APO account # 6511	32,000
	12/10/2011	2011-142818	Shares pledged with Soneri Bank Limited from APO account # 6511	4,500
	14/10/2011	2011-361333	Shares transferred from APO account # 6511 to House account # 35 of MNS against off market trade	10,750
		2011-144283	Shares pledged with Bank Alfalah Limited from House account # 35 of MNS	2,000
		2011-144287	Shares pledged with Summit Bank Limited from House account # 35 of MNS	8,050
		2011-144289	Shares pledged with KASB Bank Limited from House account # 35 of MNS	700

ii. 25,100 shares of PSO

Shares	Dates	Transaction Details		
		ID #	Description	Number of Shares
25,100 Shares of PSO	25/08/2011	2011-137274	Pledge released from Soneri Bank Limited into APO account # 6511	25,100
		2011-317857	Shares transferred from APO account # 6511 to House account # 35 of MNS against off market trade	25,100
		2011-126234	Shares pledged with Summit Bank Limited from House account # 35 of MNS	25,100

iii. 25,400 shares of SHEL

Shares	Dates	Transaction Details		
		ID #	Description	Number of Shares
25,400 Shares of SHEL	10/10/2011	2011-353740	Shares transferred from APO account # 6511 to House account # 35 of MNS against off market trade	25,400
		2011-140904	Shares pledged with Bank Alfalah Limited from House account # 35 of MNS	5,400
		2011-140906	Shares pledged with KASB Bank Limited from House account # 35 of MNS	7,500
		2011-140909	Shares pledged with Summit Bank Limited from House account # 35 of MNS	12,500

iv. 54,000 shares of SHEL

Shares	Dates	Transaction Details		
		ID #	Description	Number of Shares
54,000 SHARES OF SHEL	10/10/2011	2011-155077	Pledge released from Soneri Bank Limited APO account # 6511	54,000
		2011-353854	Shares transferred in to House account # 35 of MNS against off market trade from APO account # 6511	54,000
		2011-140917	Shares pledged with Bank Alfalah Limited from House account # 35 of MNS	54,000

11. **WHEREAS** it has also been observed that shares transferred to/from CDC Sub Account # 6511 of APO into House Account # 35 against "OFF Market Trades", however, these transactions

were not found in Off Market data and also not reported in back office reports. The MNS misused the off market code to move shares, thus violated Regulation 9.1.1 (h) of CDC Regulations as detailed below:

Sr #	Date	Scrip	Quantity	Shares Transferred CDC Sub Account # 6511 of APO	Off Market Data	Back Office "General Ledger"	
1	6/10/2011	EFUG	100,000	IN	NIL	NIL	
2	3/11/2011		312,085	IN	NIL	NIL	
3	7/7/2011	NRL	23,600	OUT	NIL	NIL	
4	8/7/2011		7,900	OUT	NIL	NIL	
5	14/7/2011		15,750	OUT	NIL	NIL	
6	10/10/2011		47,250	IN	NIL	NIL	
7	14/10/2011		10,750	OUT	NIL	NIL	
8	27/10/2011		6,700	OUT	NIL	NIL	
9	1/11/2011		3,000	OUT	NIL	NIL	
10	2/11/2011		13,000	OUT	NIL	NIL	
11	2/11/2011		500	OUT	NIL	NIL	
12	3/11/2011		9,500	OUT	NIL	NIL	
13	14/11/2011		3,800	OUT	NIL	NIL	
14	21/7/2011		PSO	28,777	OUT	NIL	NIL
15	22/7/2011			6,000	OUT	NIL	NIL
16	25/7/2011	4,925		OUT	NIL	NIL	
17	27/7/2011	13,600		OUT	NIL	NIL	
18	28/7/2011	5,000		OUT	NIL	NIL	
19	4/8/2011	10,000		OUT	NIL	NIL	
20	4/8/2011	6,500		OUT	NIL	NIL	
21	5/8/2011	11,500		OUT	NIL	NIL	
22	6/8/2011	500		OUT	NIL	NIL	
23	8/8/2011	6,000		OUT	NIL	NIL	
24	24/8/2011	17,000		OUT	NIL	NIL	
25	25/8/2011	25,125		OUT	NIL	NIL	
26	30/8/2011	10,000		OUT	NIL	NIL	
27	30/8/2011	10,000		IN	NIL	NIL	
28	30/8/2011	10,000		OUT	NIL	NIL	
29	30/8/2011	19,900		OUT	NIL	NIL	
30	10/10/2011	SHEL	25,400	OUT	NIL	NIL	
31	10/10/2011		54,000	OUT	NIL	NIL	
32	12/10/2011		20,000	OUT	NIL	NIL	
33	13/10/2011		14,166	OUT	NIL	NIL	

12. **WHEREAS**, Section 24 of the CDC Act, 1997 provides that:

“Handling book-entry securities without authority.---

(1) A participant shall not handle or authorize or permit any handling of book-entry securities entered in the sub-accounts maintained under his account without authority of the sub-account holder.

(2) A participant shall not, except with the authority of his clients, handle or authorize or permit any handling of book-entry securities beneficially owned by such clients and entered in his account.”

13. **WHEREAS**, Section 22 of the Ordinance provides that:

“if any person contravenes or otherwise fails to comply with the provisions of the Ordinance or any rules or regulations made there under; the Commission may, if it is satisfied after giving the person an opportunity of being heard that the refusal, failure or contravention was willful, by order direct that such person shall pay to the Commission by way of penalty such sum not exceeding [fifty million] rupees as may be specified in the order and, in the case of a continuing default, a further sum calculated at the rate of [two hundred] thousand rupees for every day after the issue of such order during which the refusal, failure or contravention continues.

14. **WHEREAS**, Section 28 of the CDC Act, 1997 provides that

Notwithstanding anything contained in sub-section (1), whoever knowingly and wilfully contravenes or attempts to contravene or abets the contravention of the provisions of section 24 shall be punishable with a fine which may extend to one million rupees and to a further fine not exceeding twenty thousand rupees for every day after the first contravention during which the contravention continues or with imprisonment for a term which may extend to five years, or with both.

15. **WHEREAS**, in light of the facts mentioned above, it appears that MNS is prima facie in contravention of, rule 3 of the Securities and Exchange Rules, 1971 (“**SEC Rules**”), Third Schedule of the 1971 SEC Rules, read with Section 18 of the Ordinance, rule 4 of the SEC Rules, Section 16 of the Ordinance, Regulation 41 (1) (a) of the General Regulations of the exchange, Section 24 of the Central Depositories Act, 1997 and Regulation 9.1.1 (h) of CDC Regulations

16. **WHEREAS**, if any person contravenes or otherwise fails to comply with the provisions of the Ordinance or any rules or regulations made thereunder, the Commission may by order direct such person to pay the Commission by way of penalty such sum in accordance with Section 22 of the Ordinance read with Section 28 of the CDC Act 1997.

17. **THEREFORE**, you are hereby called upon to show cause in writing by April 15, 2013, as to why action as provided in Section 22 of the Ordinance may not be initiated against MNS for violation as indicated above. You are further directed to appear in person or through an authorized representative (with documentary proof of such authorization), on April 22, 2012 at 11.00 a.m. at the SECP Headquarters – Islamabad. You are advised to bring all relevant original records, which you may consider necessary for clarification/in defense of your stance. This notice sufficiently discharges the Commission’s obligation to afford MNS an opportunity of hearing in terms of section 22 of the

Ordinance and in case of failure to appear on the above stated date of hearing, it will be deemed that MNS has nothing to say in its defense and the matter will be decided on the basis of available record.

Sd/-

Hasnat Ahmad

Director

3. Pursuant to the said SCN, on the request of Respondent and its legal counsel the said hearing was adjourned thrice and rescheduled for April 29, 2013, May 17, 2013 and June 18, 2013 respectively. Later on this office vide letter dated June 28, 2013 issued final hearing notice to the Respondent to appear before the undersigned on July 17, 2013. In the said hearing notice it was explicitly mentioned that in case of Respondent's failure to appear on the said date the matter will be decided on the basis of available record and ex-party decision will be taken. Despite giving the Respondent four opportunities to appear before the undersigned and plead its case, the Respondent neither appeared for the hearing nor submitted any further request for adjournment. It is pertinent to mention here that the legal counsel of the Respondent earlier made a request to the Commission for granting time till September 2013 for the preparation of the case. Since the legal counsel of the Respondent has failed to make any submission till date and given the fact that Respondent has been suspended by the Exchange and large number of claims are pending against it, therefore, it is deemed appropriate to conclude the matter without any further delay.

4. In view of the facts stated above and particularly the fact that neither Respondent nor his legal counsel has appeared before the undersigned, it is clear that Respondent has nothing to plead against the prima facie violations mentioned in the SCN and hence all the violations stand established. Therefore, in exercise of the powers under Section 22 of the Ordinance through this Order I hereby impose a penalty of Rs. 1,000,000/- (Rupees one million) and under Section 28 (2) of the CDC Act, 1997 a further penalty of Rs. 500,000/- (Five hundred thousand only) on the Respondent to be deposited in the account of the Commission being maintained in the designated branches of MCB Bank Limited not later than thirty (30) days from the date of this Order and furnish copy of the deposit challan to the undersigned.

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




Hasnat Ahmad
Director (MSRD)

**Announced on October 2, 2013
Islamabad.**