



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

*Before*

**Mr. Shahzad Afzal Khan, Director/Head of Department (Adjudication-I)**

*In the matter of*

**ENRICHER (PRIVATE) LIMITED**

Show Cause Notice No. & Issue Date:	No. 1(2)SMD/Adj-1/PMEX/2018-1082 dated July 06, 2023
Date of Hearing:	August 03, 2023
Present at the Hearing: Representing the Respondent	(i) Syed Abdullah Bukhari (Shareholder/ Ex-Director) (ii) Mr. Ghayyur Hassan (Legal Advisor) <i>Authorized Representatives</i>

## **ORDER**

### **UNDER SECTION 104(4) OF THE FUTURES MARKET ACT, 2016 READ WITH REGULATION 30(3) OF FUTURES BROKERS (LICENSING AND OPERATIONS) REGULATIONS, 2018**

This Order shall dispose of the proceedings initiated against Enricher (Private) Limited (**the Company and/or the Respondent**) through Show Cause Notice No. 1(2)SMD/Adj-1/PMEX/2018-1082 dated July 06, 2023 (**the SCN**) for its alleged failure to comply with the requirements of Regulation 30(3) of Futures Brokers (Licensing and Operations) Regulations, 2018 (**the Regulations**) read with Section 104(4) of the Futures Market Act, 2016 (**the Act**).

2. Brief facts of the case are that:

(i) it was transpired from the record of the Securities and Exchange Commission of Pakistan (**the Commission**) that the Company had failed to timely submit its annual financial statements for the year ended June 30, 2022 along with audit report with the Commission (**the Annual Audited Accounts 2022**) by October 31, 2022 in accordance with the requirements of Regulation 30(3) of Futures Brokers (Licensing and Operations) Regulations, 2018 (**the Regulations**); and

(ii) in response to the Commission's relevant Department email, the Company vide email dated May 02, 2023 shared a copy of its financial statements for the year ended June 30, 2022, which was not accompanied by independent auditor report thereon.





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(iii) the Respondent by not filing the required Annual Audited Accounts 2022 along with its audit report to the Commission within the specified time frame i.e. *within four months after the end of each financial year, prima facie*, has contravened the provisions of Section 104(4) of the Act read with Regulation 30(3) of the Regulations.

3. From the above, it appeared that the Respondent has contravened Regulation 30(3) of the Regulations. The said contravention attracted applicability of the aforesaid legal provisions. While taking cognizance of the aforesaid contravention, the SCN was served upon the Respondent requiring it to submit written reply within fourteen (14) days of the date of the SCN. In response to the SCN, the Respondent vide letter dated July 11, 2023 inter alia, submitted that the delay in submission of the annual financial statements/audit report due to reason beyond the control of the Company i.e. *appointment issue of Company's auditor*. Moreover, assured to file/submit the regulatory reports and compliance related matter in a prompt and timely manner in future.

4. In order to provide the Respondent opportunity of personal representation, the hearing in the matter was fixed for August 03, 2023. The hearing was attended by Syed Abdullah Bukhari (Shareholder/Ex-Director) and Mr. Ghayyur Hassan (Legal Advisor) as authorized representatives of the Respondent (the Representative). During the hearing proceedings, the Representatives admitted the violation of law and reiterated the written argument earlier submitted in response to the SCN.

5. Before proceeding to decide this case, I consider it necessary to highlight the importance of the strict observance of the mandatory provisions of law. Filing of Annual Audited Financial Statements along with audit report as mentioned in Para 2 above with the Commission is crucial to demonstrate compliance, ensure transparency, facilitate monitoring and oversight, and meet legal obligations. It serves as a vital tool for maintaining regulatory control, promoting accountability, and safeguarding the interests of stakeholders and the public. However, it has been noted that the Respondent had failed to comply with the mandatory requirements of law and had not submitted the above-mentioned Annual Audited Accounts 2022 along with its audit report to the Commission within the prescribed time.

6. I have gone through the facts of the case and considered both written as well as verbal submissions of the Representatives in light of the applicable provisions of the law and the available record and have noted that the Respondent has admitted the violation of the law. Therefore, it is established that the Respondent did not ensure compliance with Regulation 30(3) of the Regulations and during the official correspondence between the Commission's relevant department and the Respondent regarding the subject matter, it has been noted that the Respondent did not communicate the reason as mentioned in reply of the SCN. In fact, the Respondent vide its email dated May 19, 2023 submitted the reason that their finance head was out of country to perform Umra and because of that there was a delay in this. However, considering the fact that as soon as



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the non-submission was realized by the Respondent, the required Annual Audited Accounts 2022 along with its audit report was filed by the Respondent, which reflects rectifying measures undertaken by the Respondent.

7. In view of the above-stated facts and circumstances and submissions made by the Respondent, I, in exercise of the powers conferred upon me under Section 104(4) of the Act, impose penalty of **Rs.25,000/- (Rupees Twenty-Five Thousand Only)** on the Respondent.

8. The Respondent is advised to meticulously adhere to all applicable Laws, Rules, Regulations and Directions etc. notified/issued from time to time in true letter and spirit at all times.

9. The Respondent is hereby directed to deposit the aforesaid fine in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and furnish receipted voucher issued in the name of the Commission for information and record.

10. This Order is issued without prejudice to any other action that the Commission may initiate against the Respondent or its Shareholder(s) / Director(s) in accordance with the law(s) on matter subsequently investigated or otherwise brought to the knowledge of the Commission.



(Shahzad Afzal Khan)  
Director\ Head of Department  
(Adjudication Department-I)

**Announced:**  
September 06, 2023  
Islamabad