

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Sayya Microfinance Company

Date of Hearing	June 16, 2020
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Order-Redacted Version

Order dated October 28, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Sayya Microfinance Company. Relevant details are given as hereunder:

Nature	Details
<ul style="list-style-type: none">• Date of Action	Show Cause notice dated May 12, 2020.
<ul style="list-style-type: none">• Name of Company	Sayya Microfinance Company.
<ul style="list-style-type: none">• Name of Individual	The proceedings were initiated against the Company i.e. Sayya Microfinance Company.
<ul style="list-style-type: none">• Nature of Offence	Proceedings under Section 282J (1) read with 282M (1) of the Companies Ordinance, 1984.
<ul style="list-style-type: none">• Action Taken	<p>Key findings of default of Regulations were reported in the following manner:</p> <p>I have examined the facts of the case, considered the written response along with the arguments put forth by the Respondent Company. I am of the view that the arguments submitted by the Respondent Company are not tenable. I am of the firm opinion that such a crucial matter should not have been completely ignored. It was the responsibility of the management or compliance department to follow up with the Legal Counsel for obtaining timely approval of the incumbent Director and to ensure the addition of the name in Form 29 within the specified timeline. It should be borne in mind that the Respondent is performing a licensed activity and such a lax attitude vis-à-vis regulatory compliance depicts a disregard for the regulatory framework which is an unbecoming behavior. The occurrence of delay in terms of completing the formalities for timely appointment of the directors raises questions about the effectiveness of the compliance function and the internal audit department. This leads me to believe that there were weaknesses in both the functions.</p> <p>In view of the foregoing and admission made by the Representatives, , I am of the considered view that leniency on non-compliance of the NBFC Regulatory framework, is not possible since SECP is responsible for ensuring implementation and enforcement of the applicable regulatory framework by the entities that fall under its regulatory ambit. Therefore, I hereby conclude the proceedings initiated under Section 282J (1) read with Section 282M (1) of the Companies Ordinance, 1984 by imposing an aggregate fine of Rs. 200,000/- (Rupees Two Hundred Thousand only) on the Respondent</p> <p>Penalty Order dated October 28, 2020 was passed by Executive Director (Adjudication-I).</p>

• Penalty Imposed	Penalty of Rs.200, 000/- (<u>Rupees Two Hundred Thousand only</u>) was imposed.
• Current Status of Order	Review Application has been submitted against the Order.

Redacted version issued for placement on the website of the Commission.