



Securities and Exchange Commission of Pakistan

Adjudication Division
Adjudication Department-I

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

In the matter of Show Cause Notice issued to Pervez Ahmed Consultancy Services Limited

Dates of Hearing

September 18, 2020, October 06, 2020

Order-Redacted Version

Order dated February 24, 2021 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Pervez Ahmed Consultancy Services Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated November 27, 2019
2. Name of Company	Pervez Ahmed Consultancy Services Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Pervez Ahmed Consultancy Services Limited
4. Nature of Offence	In view of alleged violations of section 171, section 175 and section 189 read with section 153, section 193 and section 479 of the Companies Act, 2017 through SCN dated November 27, 2019 and order dated February 24, 2021 was passed.
5. Action Taken	Key findings were reported in the following manner: I have gone through the facts of case, relevant provisions of the law and the record placed before me. Based on the aforesaid, following is noted: i) PACPL is brokerage house and appearing in the list of Trading Rights Entitlement Certificate ("TREC") holders of Pakistan Stock Exchange ("PSX"). The order of SECP dated June 18, 2019 cancelling license of PACPL as securities broker was provided by Authorized representative. Moreover, it is noted that as per announcement of PSX dated October 07, 2019, the trading terminals were switched off with effect from the stated date. Considering the preconditions for corporate brokerage house of holding TREC and registration as broker with the Commission; the



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	<p>bar on appointment of director of a corporate brokerage house on board of a listed company in terms of clause (k) of Section 153 of the Act was applicable till cancellation of license of PACPL i.e. June 18, 2019.</p> <p>ii) It is undisputed fact that the Respondents namely Ms. Ayesha Ahmed Manzoor and Mr. Ali Pervez are common directors of the Company and PACPL. Moreover, Mr. Ali Pervez Ahmed was also chief Executive of PACPL. Thus, in view of the provisions of clause (k) of Section 153 of the Act, Mr. Ali Pervez and Ms. Ayesha Ahmed Manzoor were ineligible to act as director of the Company till June 18, 2019 as they are directors in a brokerage house i.e. PACPL.</p> <p>iii) With regard to directorship of Mr. Pervez Ahmed in PACPL, it is stated by Authorized Representative that Mr. Pervez Ahmed resigned from PACPL w.e.f February 28, 2018 and NOC of PSX dated April 25, 2018 was provided. However, no statutory forms filed with the Commission were provided. Nonetheless, considering the aforesaid stance of the Company, Mr. Pervez Ahmed, Chief Executive of the Company held directorship in PACPL till February 28, 2018. Therefore, Mr. Pervez Ahmed was ineligible to be appointed as director and ineligible to continue as Chief Executive of the Company till February 28, 2018 in terms of clause (k) of Section 153 of the Act and Section 189 of the Act.</p> <p>2. Considering the aforementioned, I am of the considered view that by virtue of common directorship of Mr. Pervez Ahmed in the Company and PACPL till February 28, 2018 and common directorship of Ms. Ayesha Ahmed Manzoor and Mr. Ali Pervez till June 18, 2019, the provisions of Clause (k) of Section 153 of the Act have been attracted and the Respondents were not eligible to be directors of the Company. Moreover, Mr. Pervez Ahmed was not eligible to continue as Chief Executive of the Company till February 2018 in terms of Section 189 of the Act. It is however noted that in view of cancellation of license of the PACPL on June 18, 2019, provisions of clause (a) to subsection (1) of Section 171 of the Act are not liable to be invoked through this Order.</p> <p>3. From the aforementioned discussion and after careful consideration of all the facts of this case, I am of the view that the Respondents have contravened the requirements of clause (k) of</p>
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	<p>Section 153 of the Act and are therefore liable under Section 175 of the Act. Moreover, Respondent namely Mr. Pervez Ahmed contravened the requirements of Section 189 of the Act till February 28, 2018 and therefore also liable under Section 193 of the Act. Taking cognizance of the submissions of the Respondents and in exercise of the powers conferred under aforesaid provisions of the Act, I hereby impose penalty on Respondents as follows:</p> <table border="1"><thead><tr><th>S.N.</th><th>Name of Respondent</th><th>Amount of Penalty (Rs.)</th></tr></thead><tbody><tr><td>1.</td><td>Mr. Pervez Ahmed</td><td>162,750</td></tr><tr><td>2.</td><td>Ms. Ayesha Ahmed Manzoor</td><td>7,750</td></tr><tr><td>3.</td><td>Mr. Ali Pervez Ahmed</td><td>7,750</td></tr></tbody></table> <p>The aforesaid fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the <i>Securities and Exchange Commission of Pakistan</i> within thirty days from the receipt of this order and furnish receipted bank vouchers to the Commission. In case of non-deposit of the penalties, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the said fines are imposed on Respondents in their personal capacity, therefore, they are required to pay the said amount from personal resources.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission or violation of the Act.</p> <p>Penalty order dated February 24, 2021 was passed by Executive Director (Adjudication-I).</p>	S.N.	Name of Respondent	Amount of Penalty (Rs.)	1.	Mr. Pervez Ahmed	162,750	2.	Ms. Ayesha Ahmed Manzoor	7,750	3.	Mr. Ali Pervez Ahmed	7,750
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3.	Mr. Ali Pervez Ahmed	7,750											
6. Penalty Imposed	A Penalty of Rs.178,250/- (Rupees one hundred seventy eight thousand and two fifty only) was imposed on common directors.												
7. Current Status of Order	Appeal has been filed by the respondents.												

Redacted version issued on June 08, 2021 for placement of website of the Commission.