



Securities and Exchange Commission of Pakistan
Company Law Division
Corporatization & Compliance Department

Before

Director (Corporatization and Compliance Department)

In the matter of

M/S. PROGRESSIVE FRIENDS FOUNDATION

ORDER

**under Rule 35 of the Companies (General Provision and Forms) Rules, 1985 read with
Section 506(2) of the Companies Ordinance, 1984**

Number and date of show cause notice	No. CLD/CCD/Co.42/RN/35/2016-3745/ IAN-109/2017-3842 dated January 31, 2017.
Present:	Agha Mujeeb Ahmed Khan.
Date of Hearing:	February 13, 2017
Place of Hearing:	Islamabad.

This Order shall dispose of proceedings initiated against the Chief Executive and Directors/ Officers of M/s. Progressive Friends Foundation (the "Company") for default made in complying with the requirements of rule 6 of the Companies (General Provision and Forms) Rules, 1985 (the "Rules").

2. The brief facts leading to the show cause notice are that one of the condition of licence imposed under rule 6(4) of the Rules upon which the licence was granted to the Company was that "the subscribers to the Memorandum and Articles of Association of the Company shall continue to be the members of the Company unless allowed by the Commission, on application to quit as member". However, during scrutiny of Form B and 29 for the year 2012, it was observed that Agha Mujeeb Ahmed Khan has quitted as member of the Company without obtaining prior approval of the Commission for which a show cause notice dated January 31, 2017 (the "SCN") was issued calling upon the Company and its directors/ officers to explain in writing and also to appear in person or through authorized representative on February 13, 2017 to clarify the position.

3. In response to the above SCN, Agha Mujeeb Ahmed Khan appeared on the date fixed for hearing and informed that he was not well aware of the Rules and requirements and assured the compliance of the Rules in future.

4. I have gone through the relevant provisions of the Rules, and other record of the Company and observed that it was one of the condition of licence imposed under rule 6(4) of the Rules that the Company must obtain prior approval from the Commission for a member to quit as a member of the Company. I have also perused rule 35 of the Rules and section 506(2) of the Companies Ordinance, 1984 which provide penalty for contravention of the rules.

5. Based on the above, it is apparent that the Company and its directors have violated the mandatory requirements of rule 6 of the Rules by not obtaining prior approval of the Commission quitting of Mr. Agha Mujeeb Ahmed Khan from the membership of the Company. I therefore, in exercise of the powers conferred under rule 35 of the Rules read with section 506(2) of the Companies Ordinance, 1984, impose fine of Rs. 50,000/- (Rupees Fifty thousand only) on the Company. The Chief Executive is, hereby, directed to deposit the amount of penalty in the Commission's account within 30 days of the receipt of this Order and furnish original receipt/ challan of the same to this office for record. In case of non-payment of penalty within the specified time, the same will be recovered under the provisions of law. The Company and its directors including its Chief Executive are however, warned to be careful in compliance with the mandatory provisions of all applicable laws in future.

6. This order is issued without prejudice to any other action(s) that may be initiated against the Company and its directors/officers responsible for the violations of the aforesaid provisions of the Rules and the Ordinance.



(Mubasher Saeed Saddozai)
Director (CCD)

Announced:
March 6, 2017