

**ORDER SHEET  
IN THE HIGH COURT OF SINDH AT KARACHI**

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Date

Order with Signature of Judge(s)  
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**Present:**

**Mr. Justice Muhammad Ali Mazhar**

**Mr. Justice Agha Faisal**

C.P. No.D-6500 of 2019

Junaid Shahryar Godil.....Petitioner

Versus

Federation of Pakistan & Others.....Respondents

1. For hearing of CMA No.28855/2019.
2. For hearing of main case.

**Date of Hearing 27.11.2019**

Mr. Abdallah Azzaam Naqvi, advocate for the petitioner.

Mr. Furkan Ali, advocate for the respondent Nos.2 & 3.

Mr. Hussain Bohra, Assistant Attorney General.  
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**Muhammad Ali Mazhar, J.:** The petitioner has impugned the order dated 03.10.2019, whereby some restrictions under Section 143 of the Securities Act, 2015 were imposed on him by the Securities and Exchange Commission of Pakistan. The gist of order issued under Section 143 discloses that the petitioner was employee of BMA Capital Management Limited. An investigation was initiated under Section 139 of Securities Act, 2015 in the affairs of BMA Capital Management Limited, which revealed that the petitioner was serving as Senior Vice President and he was responsible for placing the orders of equity investment/disinvestment of high net worth clients. It was further alleged that the petitioner was privy to inside information on potential buying and selling orders from BMA clients, hence he violated the provisions of law as inside informer by tipping

the price sensitive information through use of cell phone to the front runners. The concluding paragraph 8 of the order states as under:

“Therefore, the Commission in exercise of its powers conferred under Section 143 of the Securities Act, 2015 read with Section 20(4)(g) of SECP Act 1997 prohibits you from carrying on any business in financial services market and also restricts trading activity from your trading account until further orders. However, you are allowed to divest your existing holdings during the restriction period as and when desired. The restriction will not be applicable on settlements that are outstanding as of October 03, 2019. Accordingly, necessary instructions are being issued to NCCPL and CDC.”

2. Learned counsel for the petitioner argued that the investigation has been completed but no complaint against the petitioner has been filed so far in terms of Section 163 of the Securities Act, 2015. The petitioner is perturbed by the directions issued in the impugned order that he cannot carry on any business in financial services market. Learned counsel for the petitioner further submits that no account for business in financial services market is operated by him in his own name. Learned counsel for the SECP controverted this argument and states that as per the impugned order, it is clear that the petitioner was operating his trading account, so far as the restrictions imposed in the impugned order are concerned, the petitioner may not be able to carry on any business in the financial services market, the learned counsel for the SECP clarified that it does not mean that the petitioner will not be able to join any financial services in market but primarily it only restricts the petitioner from trading activities in his own accounts, however, he can join any brokerage house and may provide financial services. On this clarification, the petitioner is satisfied and this petition is disposed of accordingly alongwith pending application/s. The Securities and Exchange Commission of Pakistan shall act strictly in accordance with law and the entire proceedings

initiated against the petitioner shall be concluded to decide the fate of order passed under Section 143 of the Securities Act, 2015 within three months.

JUDGE

JUDGE

Khuhro/PA