



**PRESS RELEASE**

**VISIT OF NAB OFFICIALS TO KSE**

(Karachi, February 16, 2012): A meeting was held today between the National Accountability Bureau [Sindh] and the Karachi Stock Exchange. The NAB team was headed by DG-NAB [Sindh] Maj. [Retd.] Shabbir Ahmed and accompanied by his team members, Mr. Ghulam Farooq-Director [FCIW], Mr. Ahmed Raza Tahir-Deputy Director, Ms. Qudsia Kadri-Consultant [FCIW] and Mr. Rizwan Shah-Investigation Officer. The KSE team was headed by Mr. Muneer Kamal, Chairman-KSE and accompanied by Mr. Nadeem Naqvi, Managing Director-KSE, Mr. Haroon Askari, Deputy Managing Director-KSE and several other members of the KSE Board.

At the outset, DG-NAB [Sindh] briefed the participants of the meeting about broad objectives. He stated that the Chairman-NAB, Admiral [Retd.] Fasih Bukhari has taken a serious note of the misappropriation of funds of the people, who had invested their money with some unscrupulous brokers of KSE and directed NAB [Sindh] to take immediate action against the said brokers and recover the embezzled amounts. He apprised that NAB is conducting criminal inquiries against five former brokerage houses and their accused directors on the charges of cheating public at large. These brokerage houses included Eastern Capital Limited, Clicktrade Limited, Capital One Equities, MKA Securities and Prudential Securities Limited. The main focus of today's meeting was problems being faced by investors and the claimants of Eastern Capital Limited and its absconded directors Mr. Munir M. Ladha and others. The said brokerage house and four others as referred to above were alleged to be involved in embezzlement and fraud activities by cheating the public of their hard earned money through misuse of their securities, held in trust with them. The DG-NAB [Sindh] clarified that it is not the aim of the NAB to disturb and hurt overall business activities of KSE, but to deal with the actual culprits strongly. He, in this regard, desired to have close contact with KSE to address the existing issues and to create deterrence for avoiding any such unfortunate situation in future.

## THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED



# PRESS RELEASE

The Chairman-KSE and other members of its Board explained in detail the structure, role and functioning of the Exchange along with the Articles and Regulations governing the institution and which are required to abide by in letter and spirit. The reasons of 2008 market crisis were also presented. The reasons, procedure and subsequent actions to satisfy the investors' claims against defaulted and expelled members of the Exchange were also explained in detail. It was also informed that the limit of per member Investors' Protection Fund was first increased from Rs. 10 million to Rs. 25 million and it was increased again recently to Rs. 75 million, the benefit of which will be passed on to all claimants against the members defaulted/expelled post 2008 crisis retrospectively. This include the cases being investigated by NAB.

After detailed deliberations, NAB's officials and KSE Board jointly agreed to extend active coordination and support to each other to eradicate corruption and corrupt practices conducted by some of KSE former unscrupulous members. The KSE Board also assured to keep NAB on board for any malpractices, which take place in the sector under their purview as well as to help NAB in recovery of moneys. The DG-NAB appreciated the KSE Board's active cooperation and stated that such measures will help in improving the credibility of the KSE as an institution and its members. He further recommended certain measures to be considered by KSE Board, with particular reference to exercising due caution while admitting someone as member of the Exchange and supporting the NAB's actions for future deterrence. It was resolved by both the institutions to fully collaborate by utilizing available synergies in addressing the grievances of aggrieved investors.

The DG-NAB [Sindh] and his team also held meeting with former Chairman and former Managing Director of KSE of the year 2008, a day earlier.

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