



Securities and Exchange Commission of Pakistan

BEFORE THE APPELLATE BENCH

In the matter of

Appeal No. 06 of 2025

Karishma Sahar, Proposed Promoter of Global Rehabilitation Assistance Organization.

Appellant

Versus

Commissioner, LRD, SECP

Respondent

Date of Hearing:

May 08, 2025

Present:

For the Appellant:

1. Ms. Karishma Sahar, Appellant
2. Mr. Ali Khan

For the Respondent:

Ms. Najia Ubaid, Additional Director, Licensing Department, SECP

ORDER

1. This Order shall dispose of Appeal No. 6 of 2025 filed by Ms. Karishma Sahar, the proposed promoter of Global Rehabilitation Assistance Organization (the "Appellant") against the Order dated April 4, 2024 (the "Impugned Order") passed by the Commissioner, Licensing and Registration Division, Securities and Exchange Commission of Pakistan (the "Respondent"), under Regulation 6(1) of the Associations with Charitable and Not for Profit



Securities and Exchange Commission of Pakistan

Objects Regulations, 2018 (the “Regulations, 2018”), read with Section 42 of the Companies Act, 2017 (the “Act, 2017”).

2. The brief facts of the case are that the Appellant was granted a license for the Appellant under Section 42 of the Companies Act, 2017 on February 06, 2023, as an association not-for-profit, subject to compliance with Regulation 6(1) of the Regulations, which required the Appellant Organization to be incorporated within sixty days of the grant of license. The Appellant failed to incorporate the Appellant Organization by the deadline i.e. April 08, 2023, and subsequently submitted an application dated December 18, 2023, seeking an extension on the grounds of lack of awareness regarding the statutory timeframe. An online ‘Zoom’ meeting was held on January 12, 2024, between the Head of Department, Licensing & Regulatory Department, and the proposed promoters of the Appellant Organization; however, the proposed promoters failed to substantiate their credentials with respect to experience and were unable to provide any credible justification for the delay.
3. Subsequently, a hearing notice dated February 16, 2024 was issued to the proposed promoters, and a hearing was held on February 29, 2024. Thereafter, documents were submitted by the Appellant via email on March 11, 2024, however, upon examination, one of the certificates provided in support of a Ms. Salma Begum’s profile was found to be undated and requiring verification. The Respondent found that the Appellant was in breach of the regulatory timeline and had failed to provide sufficient justification for the non-compliance. Furthermore, the Respondent observed a lack of seriousness and preparedness on the part of the Appellant in proceeding with incorporation. Accordingly, the license earlier granted under Section 42 of the Companies Act, 2017 was revoked through the Impugned Order.
4. The Appellants preferred an Appeal inter alia on the grounds that the instant appeal had been preferred within the limitation period prescribed under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997. The Appellant contended that the delay in the incorporation of the Appellant Organization within the 60-day timeframe, as required under Regulation 6(1) of the Regulations, 2018, occurred due to unforeseen and genuine circumstances, including the death of the legal counsel who was handling the incorporation process. The Appellants further submitted that the promoters were unaware of the statutory

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38



Securities and Exchange Commission of Pakistan

deadline, and due to the lack of communication from their previous legal representative, they did not receive any formal notice regarding the lapse in time.

5. It was further submitted that upon realizing the omission, the Appellants proactively applied for an extension through an application dated December 18, 2023 and in response, they received an email from SECP official, Zohaib Kaleem, on behalf of Mr. Ikram Qureshi, directing them to deposit a balance fee of Rs. 500 for processing the extension request. The Appellants stated that they complied with the instructions by depositing the remaining amount along with the incorporation fee of Rs. 28,925 through their legal counsel, Zuaar Law Firm, and submitted the requisite documentation in good faith.
6. Regarding the issue of unverified experience certificates, the Appellants argued that the concerns raised by the Respondent regarding the certificate submitted by Ms. Salma Begum are unfounded and biased. They submitted that the certificate in question bore the official stamp of the issuing organization and the signature of its authorized officer. Furthermore, they submitted that a sample trade certificate from the same organization had also been provided for verification. The Appellants asserted that the certificate was authentic and issued in good faith, and that Ms. Salma Begum is also in possession of a second experience certificate from Pakistan Autism Health Sciences & Research Foundation (PAHSRF), which they submitted as further evidence of her relevant background.
7. The Appellants further alleged that the certificate was unfairly discredited. The Appellants submitted that if there had been any intention to fabricate documentation, they could have produced multiple certificates, which was not the case. The Appellants further argued that the SECP, being a federal regulator with access to various government verification channels, had issued the original license only after due diligence and assessment of the promoters' qualifications and it was contradictory, in their view, for the Respondent to later question the eligibility of the promoters after having issued the license. The Appellants further alleged that, during a meeting with the Chairman, SECP, they were advised to provide the experience certificates, which were duly collected and submitted, yet were not given due consideration in the Impugned Order.



Securities and Exchange Commission of Pakistan

8. The Respondent, at the outset, vehemently objected to the maintainability of the Appeal on the ground that it was not filed within the statutory limitation period of 30 days as required under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997. It was submitted that the Impugned Order was passed on April 4, 2024, and no appeal was filed within the stipulated timeframe.
9. On merits, the Respondent iterated that after being granted a license under Section 42 of the Act, 2017, the Appellants failed to incorporate the Appellant Organisation, within the mandatory 60-day period, as required under sub-regulation (1) of Regulation 6 of the Regulations, 2018. Furthermore, the Respondent reiterated that no formal application for an extension of the incorporation period was submitted within the statutory timeframe.
10. It was further emphasised by the Respondent that the SECP cannot be expected to endorse documents that the purported issuing entity refuses to authenticate, regardless of any explanations or allegations of motive offered by the Appellants. Moreover, the Respondent contended that the argument that fabrication would have involved the submission of multiple certificates is speculative and does not negate the fact that the single certificate submitted failed the essential test of verifiability. The integrity of the application process depends not on the quantity of documents submitted, but on their authenticity and verifiability. With respect to the Appellants' contention that the SECP had previously granted a license after conducting due diligence, it was submitted that any prior assessment does not preclude the Respondent from assessing the basis of that license especially since the Appellant Organization was not even incorporated yet.
11. Finally, the Respondent submitted that Appellants' claim that the experience certificates were submitted on the advice of the Chairman, SECP, and were not duly considered is also misplaced. He submitted that the submitted documents were given full and fair consideration. However, the rejection of the particular certificate in question was not a result of oversight, but of a concrete and material inconsistency; namely, its denial by the institution purported to have issued it. This calls into question not only the authenticity of that document but also undermines the credibility of the application as a whole.



Securities and Exchange Commission of Pakistan

12. The Respondent reiterated that the failure to incorporate within the prescribed period, combined with the inability to verify a key supporting document, the Respondent submitted, indicated a lack of diligence and seriousness on the part of the promoters, therefore, the decision to revoke the license was in full compliance with the regulatory framework and the licensing conditions under the applicable laws and regulations.
13. The Appellate Bench carefully considered the record of the proceedings, the contents of the Impugned Order, and the arguments advanced by both the Appellants and the Respondent. The Bench noted that it is an undisputed fact that the license granted to the proposed promoters under Section 42 of the Act, 2017 was subject to compliance with Regulation 6(1) of the Regulations, which mandatorily required incorporation of the Organisation within sixty (60) days of the license. The Appellants admittedly failed to incorporate the proposed company within the prescribed statutory period and did not seek an extension within a reasonable timeframe. The Bench further notes that the Appeal is also grossly time-barred, having been filed more than nine months after the issuance of the Impugned Order. The Appellants' plea of ignorance of regulatory timelines cannot be accepted as a valid justification.
14. Furthermore, Appellants' explanation for the delay, citing the death of legal counsel and internal miscommunication, does not meet the threshold of reasonable cause under the law. The promoters had ample opportunity to seek clarification or guidance from the SECP during the incorporation window, but failed to do so.
15. As regards the veracity of the experience certificate submitted by Ms. Salma Begum, the Bench notes that the PAHSRF, the purported issuing entity, explicitly denied the issuance of such a certificate when approached for verification. The submission of unverifiable documentation, casts serious doubt on the bona fides and preparedness of the promoters to carry out the intended not-for-profit objectives and as the regulatory framework relies heavily on the credibility and competence of the promoters, the inability to substantiate foundational credentials undermines the trust required for granting and maintaining a Section 42 license.



Securities and Exchange Commission of Pakistan

16. In view of the foregoing, this Bench is satisfied that the Respondent acted within its jurisdiction and in accordance with law in revoking the license granted to the proposed promoters of the Appellant Organization. The non-compliance with Regulation 6(1) of the Regulations, 2018 coupled with the submission of an unverifiable experience certificate, constitutes sufficient grounds for regulatory action.

17. Accordingly, the Impugned Order is hereby upheld, and the Appeal is hereby dismissed with no order as to costs.

(Abdul Rehman Warriach)

Commissioner

(Mujtaba Ahmed Lodhi)

Commissioner

Announced on: **04 JUL 2025**