



Securities and Exchange Commission of Pakistan

BEFORE THE APPELLATE BENCH

Appeal No. 9 of 2019

In the matter of

1. Council of Pakistan Newspaper Editors (the Company)
2. Syed Nayab Naqvi, Director Council of Pakistan Newspaper Editors

...Appellant

Versus

1. Mr. Liaqat Ali Dolla, Registrar of Companies
2. Additional Registrar of Companies, Securities and Exchange Commission of Pakistan
3. Council of Pakistan Newspaper Editors (the Society)

...Respondents

Date of hearings:

December 30, 2024,
January 08, 2025 & March 20, 2025

Present:

For the Appellants:

Nemo

For the Respondents:

1. Mr. Shahazad Afzal Khan, Registrar of Companies, SECP
2. Mr. Zubair Ahmed, Assistant Director, Corporate Registry Department, SECP
3. Amar Naseer, Respondent-3
4. Amer Mahmood, Respondent-3
5. Ajaz ul Haq, Respondent-3
6. Ghulam Nabi Chandio, Respondent-3



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ORDER

1. This Order shall dispose of Appeal No. 9 of 2019 filed by the Company "Council of Pakistan Newspaper Editors" (the "Appellant Company") against the Order dated January 22, 2019 (the "Second Impugned Order") passed by the Director/HOD Adjudication-I, Securities and Exchange Commission of Pakistan (the "Respondent") under Regulations 4(a), 6(3)(a), 9(4)(c), and 20(b) of the Securities and Exchange Commission of Pakistan (Anti-Money Laundering and Countering Financing of Terrorism) Regulations, 2018 (the "Regulations"), read with Section 40A of the Securities and Exchange Commission of Pakistan Act, 1997 (the "Act").
2. The brief facts of the case are that the Appellant Company was incorporated on December 30, 2016, under Section 42 of the Companies Ordinance, 1984 (now repealed), based on an application filed by Mr. Khushnood Ali Khan. The name was approved by the Securities and Exchange Commission of Pakistan (SECP), and a licence was granted without disclosure of the existence of a similarly named and long-established body i.e. *Council of Pakistan Newspaper Editors* (the "CPNE Society"), which had been operational since 1957 as a registered Society under the Societies Registration Act, 1860 in Sindh. It later emerged that Mr. Khushnood Ali Khan, a promoter of the Appellate Company, had previously served as both President and Secretary General of the existing CPNE Society, yet failed to disclose this affiliation or the Society's existence in his application,
3. Upon receiving a formal complaint from the existing CPNE Society, the SECP conducted an inquiry and found that the promoters of the Appellant Company had furnished false and incomplete information to secure registration. After providing the Appellant Company an opportunity to respond and appear for hearings, the Respondent no. 1, through an Order dated **28 June 2018** (the "First Impugned Order"), concluded that the Appellant Company had obtained its name and licence through concealment of material facts. Acting under Section 11(1)(b) of the Companies Act, 2017, the SECP directed the Appellant Company to change its name within 30 days, failing which the Registrar would unilaterally assign a new name.
4. Following the First Impugned Order, an Appeal under Section 480 of the Companies Act, 2017 was filed by the Appellant Company, and one of its directors raised objections concerning bias and procedural irregularity, particularly that then the Director of the Corporatization and Compliance Department (CCD), allegedly acting as the Appellate Authority, had previously participated in the adjudication stage, thereby compromising the principles of natural justice. Upon considering the preliminary arguments and hearing all parties, the Authorized Officer concluded that the original decision-making process was potentially compromised. Accordingly, the Appeal was disposed of with a Second Impugned Order dated 22 January 2019 (Second Impugned Order), remanding the case to the Additional Registrar of Companies, Islamabad for fresh proceedings and a new, unbiased decision. All



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records related to the First impugned order were directed to be forwarded to the new adjudicating authority.

5. Following the Second Impugned Order dated January 22, 2019, granting the very relief the Appellant had sought through remand, the Appellant proceeded to file a fresh appeal with the SECP Appellate Bench Registry (the "Bench") through which the Appellant contended that the entire proceedings culminating in the First Impugned Order dated June 28, 2018 and subsequently remanded by the Second Impugned Order dated January 22, 2019 were illegal, without jurisdiction, and vitiated by malafide, procedural impropriety, and violation of fundamental rights. The Appellant contended that the genesis of the dispute lay in a miscellaneous representation filed by Respondent No. 3 i.e. CPNE Society which, the Appellant claimed, was an entity registered as a provincial society only in 2004 but were falsely claiming national status and existence since 1957 which the Appellants duly rebutted in their reply dated March 26, 2018, clearly challenging the *locus standi* and legitimacy of Respondent No. 3. The Appellant maintained that despite this, and without affording an opportunity for proper adjudication or production of evidence by both parties as required under Section 10 and 11 of the Companies Act, 2017, the Impugned Show-cause Notice dated April 24, 2018 (the "SCN") was issued and that this SCN was issued with preconceived conclusions, bypassing due process and denying the Appellant its right to a fair hearing under Article 10A of the Constitution. The Appellant argued that the impugned proceedings were *coram non judice*, having been conducted by an authority lacking impartiality and independence, as evidenced by the simultaneous participation of the appellate authority in trial-level proceedings. The Appellant contended that its multiple preliminary objections; including the bar under Section 509 of the Companies Act, lack of jurisdiction, and the distinction between societies and companies under federal and provincial frameworks, were overlooked in favor of a predetermined outcome based on unverified photocopies and newspaper clippings rather than legal evidence. Furthermore, the Appellant submitted that civil litigation, asserting their legitimate status as the CPNE Society, remains pending before competent civil courts under Section 42 of the Specific Relief Act. The Appellant reiterated that Respondent No. 1 lacked the statutory mandate to determine the lawful identity of CPNE Society under the Press Council of Pakistan Ordinance, 2002 and the Associated Press of Pakistan Corporation Ordinance, 2002. In light of the foregoing, the Appellant prayed that the First and Second Impugned Orders were liable to be set aside for being *ultra vires*, arbitrary, and violative of the principles of natural justice, as well as the Appellant's constitutionally protected rights under Articles 8, 10A, 17, 18, 19, and 19A of the Constitution of Pakistan, 1973.
6. In rebuttal thereof, Respondents No. 1 and 2 contended that the Appellant Company was duly incorporated on December 30, 2016, under Section 42 of the Companies Ordinance, 1984 (now repealed), and that the name and license were granted in compliance with applicable laws and based on the incomplete facts provided to them. Respondents No. 1 and 2 submitted that the failure of Mr. Khushnood Ali Khan, a promoter of the Appellant Company, to disclose his prior affiliation with the



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existing CPNE Society, as well as the existence of this long-established society operational since 1957, was a material omission that led to the wrongful registration of the Appellant Company. They further submitted that, upon receipt of a formal complaint from the existing CPNE Society, the SECP conducted a thorough inquiry, which concluded that the promoters had secured the Appellant Company's registration through the concealment of material facts, thereby justifying SECP's subsequent action.

7. Respondents No. 1 and 2 reiterated that, acting within its legal powers under Section 11 of the Companies Act, 2017, the Respondent No.1 issued the First Impugned Order on 28 June 2018, directing the Appellant Company to change its name within 30 days, failing which the Registrar would unilaterally assign a new name and maintained that the SECP's actions were lawful and consistent with its statutory responsibilities, aiming to prevent confusion or misrepresentation in the marketplace.
8. It was further submitted by Respondents No. 1 and 2 that the Appellant's additional claims regarding the legitimacy of the existing CPNE Society, and its alleged false presentation as a national body, were irrelevant to the Respondents' decision-making process and maintained that they acted within its jurisdiction and authority, and that the SCN issued on April 24, 2018 was consistent with the Companies Act, 2017. Additionally, the Respondents No. 1 and 2 reiterated that the appellants' assertions of mala fide intent and jurisdictional overreach are unfounded, and that the Respondents' actions were both lawful and necessary to preserve corporate integrity and public interest.
9. Furthermore, the Respondents No. 1 and 2 contended that the Second Impugned Order dated 22 January 2019, passed by then the Director SECP, reflected the bona fide intention to ensure impartiality and procedural fairness by directing a *de novo* consideration of the matter by a different adjudicating officer. They submitted that this remand provided the Appellant Company with a full and fair opportunity to present its case afresh in a neutral forum, an opportunity which, by the Appellant's own contention, was not availed. The Respondents further argued that this deliberate non-compliance with the lawful process and repeated absences from adjudicatory proceedings not only amounted to a waiver of the Appellant's right to be reheard but also reveal a pattern of procedural abuse, aimed solely at stalling the matter, frustrating lawful regulatory enforcement, and continuing to benefit from the use of the CPNE Society's name and long-standing reputation. They further submitted that the mala fide is further evidenced by the suppression of material information by the promoters of the Appellant Company, who were previously associated with the CPNE Society.
10. Respondents No. 1 and 2 reiterated that a party that fails to avail itself of repeated and fair opportunities extended under the law cannot thereafter invoke the doctrine of natural justice to its advantage. They emphasized that such conduct by the Appellant undermines its own position and reflects an intent to misuse appellate mechanisms merely as a dilatory tactic, rather than to seek genuine redress and



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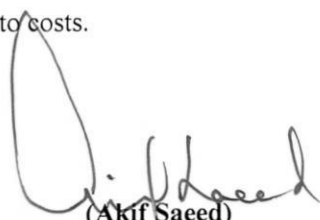
submitted that consequently, the Appeal is not only devoid of merit but also barred by laches and procedural impropriety, and is therefore liable to be dismissed *in limine*.


11. Additionally, Respondent No. 3 contended that it, the CPNE Society was duly registered in 1957 under the Societies Registration Act, 1860, and continues to operate as the sole and legitimate representative body of the editors' community across Pakistan. It was further submitted that the CPNE Society is officially recognized under the Press Council of Pakistan Ordinance, 2002, actively engaged with federal institutions, and has represented the media community before the Honourable Supreme Court in *Suo Moto* Case No. 4 of 2018; facts that unequivocally establish its legal and constitutional standing. Respondent No. 3 further argued that the Appellant Company, a recently established Company registered only in 2016, by concealing material facts, had no such recognition under federal law and is engaged in a deliberate and malicious effort to run a parallel and misleading entity under the same name without disclosing important facts to disrupt, divide, and create confusion among the editorial and print media circles for purely self-serving purposes.
12. It was further reiterated by the Respondent No. 3 that its complaint to the SECP was lawfully filed and properly investigated, leading to the Registrar's well-founded and jurisdictionally valid directive for the Appellant Company to change its name under Sections 10 and 11 of the Companies Act, 2017 and further contended that the Appeal filed against the Second Order dated 22 January 2019, passed after remand in light of procedural fairness, falls outside the scope of a valid appellate challenge under Sections 481(a) and (c) of the Companies Act, 2017, and is therefore legally untenable.
13. Moreover, it was submitted by the Respondent No. 3 that the affidavit annexed with the present Appeal is defective, as it claimed to be signed by Mr. Muhammad Umar Din Butt, is in fact signed and sworn by Syed Nayab Naqvi, an individual unauthorized to affirm on behalf of Mr. Butt. It was contended that this critical procedural flaw renders the entire appeal defective and in violation of Rule 4(2) of the SECP (Appellate Bench Procedure) Rules, 2003 and that consequently, the Appeal is liable to be dismissed *in limine* for want of proper verification and on account of being instituted by unauthorized persons.
14. In conclusion, Respondent No. 3 maintained that the subject matter of the present appeal pertains to pending proceedings before the Additional Registrar of Companies pursuant to the SECP's remand order. By express operation of Section 481(c) of the Companies Act, 2017, no appeal lies against such an interlocutory directive. Accordingly, Respondent No. 3 respectfully prayed for the instant appeal to be dismissed *in limine* as misconceived, incompetent, and an abuse of the appellate jurisdiction of this Honourable Forum.



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15. In view of the foregoing and upon careful consideration of the record, the Bench finds that the Appellant was granted the precise relief it had initially sought—namely, a remand for de novo adjudication before a different officer, ensuring procedural fairness. However, rather than availing this opportunity, the Appellant chose to file the present appeal and, subsequently, engaged in a sustained pattern of non-cooperation. The Appellant either sought repeated adjournments, failed to appear, or ceased responding altogether to notices issued for hearings scheduled on September 17, 2020; April 29, 2021; May 26, 2021; October 14, 2021; December 30, 2024; January 8, 2025; and March 20, 2025. Despite reminders and final opportunity notices from the Registry, no response or justification was provided. This continued abstention from proceedings, especially after being granted a fair opportunity for fresh adjudication, amounts to a waiver of the right to rehearing. It reflects a pattern of procedural abuse aimed at frustrating lawful adjudication and evading regulatory scrutiny, rather than a bona fide attempt to seek redress.
16. Furthermore, the Bench is of the view that the material non-disclosure by Mr. Khushnood Ali Khan, one of the Appellant's key promoters, of his longstanding and leading role in the CPNE Society at the time of incorporating the Appellant Company, amounts to a deliberate concealment of facts. The Bench finds that this omission cannot be dismissed as inadvertent; rather, it demonstrates a clear intent to mislead the regulator and improperly benefit from the reputation and goodwill associated with the CPNE name.
17. In light of the above, and to protect the integrity of the corporate framework and avoid public confusion, the Bench hereby directs that the Appellant must change its name within thirty (30) days from the date of this order, in accordance with Section 10 of the Companies Act, 2017. Failure to comply within this period shall result in appropriate regulatory action, including potential striking off or name rectification by the Registrar.
18. Accordingly, and for reasons detailed above, the present appeal is found to be devoid of merit. It is dismissed on grounds of lack of substance. The Appeal is therefore dismissed in limine, with no order as to costs.


(Akif Saeed)
Chairman/Commissioner


(Zeeshan Rehman Khattak)
Commissioner

Announced on:

08 JUL 2025