



Securities and Exchange Commission of Pakistan

BEFORE APPELLATE BENCH NO. III

In the matter of

Appeal No. 11 of 2017

Lahore Parking Company Limited

Appellant

Versus

Corporatization and Compliance department

Respondent

Dates of hearing:

27/04/17, 21/2/19 and 21/3/19

Present:

For Appellant:

- i. Wasim Ahmed, Advocate.
- ii. Rai Asad Hussain Kharal, Advocate High Court.
- iii. Lubna Latif, Company Secretary/Law Officer.

For Respondent:

- i. Jawed Hussain, Executive Director (CLD-CCD).
- ii. Sidney Custodio Pereira, Additional Registrar (CLD-CCD).
- iii. Sumaira Siddiqui, Additional Director (CLD-CCD).
- iv. Abdul Qayyum, Joint Director (CLD-CCD).
- v. Abdul Rehman Khan Tareen, Deputy Director (CLD-CCD).

ORDER

1. This Order shall dispose of Appeal No. 11 of 2017 filed under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 against the Order dated January 12, 2017, passed by the Commissioner (CCD) under Rule 25 of the Public Sector Companies (Corporate Governance) Rules 2013 (the Rules) read with Section 506(2) of the Companies Ordinance, 1984.
2. Brief facts of the case are that Lahore Parking Company Limited (the Appellant) was required to publish, circulate and file with the Securities and Exchange Commission of Pakistan, a Statement of

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Compliance (the SOC) and Review Report (the Report) of the auditor for the year ended June 30, 2015 under Rule 24 (1)(2) of the Rules. However, the Appellant failed to do so, therefore, a Show Cause Notice dated March 24, 2016 (the SCN) was issued to the Appellant and its directors/officers. Hearing in the matter was held on April 12, 2016, which was attended by the Appellant's secretary (the Representative). The Representative contended that the delay in filing of SOC and Report was caused due to non-completion of the audit for the year 2014-15 and non-appointment of the auditor. The Respondent being dissatisfied with the response of the Appellant imposed a fine of Rs. 50,000/- on the chief executive officer (the CEO) of the Appellant.

3. The Appellant had preferred this Appeal before the Appellate Bench (the Bench) *inter alia* on the ground that non-compliance of the Rules was not a deliberate act, rather it was caused due to circumstances beyond the control of the Appellant and CEO. The Appellant further stated that the SOC and Report were subsequently filed on 13/01/17. The Respondent had rebutted the grounds of Appeal through written comments and prayed to dismiss the Appeal.
4. The Bench has heard the parties (Appellant and Respondent) and perused the record of Appeal. There is no doubt that the Appellant had failed to file the SOC and the Report in a timely manner, however, the requirement was complied through subsequent filing. The Respondent has also confirmed that the Appellant had filed the SOC and Report on January 13, 2107. The Bench has considered the subsequent compliance of the Appellant towards the fulfilment of mandatory requirement, therefore, we are inclined to take a lenient view in this case. However, a lenient view does not exonerate the Appellant from established and admitted violations of the Rules. In view thereof, we hereby convert the penalty of fine imposed on the CEO, into a warning and direct the Appellant and the CEO to ensure strict compliance of the relevant provisions of law in future. The Appeal is disposed of, without any order as to cost.

(Farrukh H. Sabzwari)

Chairman/Commissioner (AML)

(Aamir Ali Khan)

Commissioner (CLD-CSD)

Announced on: **19 APR 2019**