



Securities and Exchange Commission of Pakistan

BEFORE APPELLATE BENCH NO. III

In the matter of

Appeal No. 17 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. 17 of 2017 filed under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 against the Order dated February 2, 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 Compliance (the SOC) and Review Report (the Report) of the auditor for the years ended June 30, 2016, under Rule 24 (1)(2) of the Rules. However, it failed to do so, therefore, a Show Cause Notice



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dated January 23, 2017 (the SCN) was issued to the Appellant and its directors/ officers. The Appellant responded to the SCN, vide a letter dated January 24, 2017 wherein it was stated that due to non-appointment of the auditor, the audit was not initiated, therefore, the Appellant was not able to file the SOC and Report. Hearing in the matter was held on January 31, 2017, which was attended by the Appellant's Secretary (the Representative). The Representative reiterated the above stated position. The Respondent, being dissatisfied with the response of the Appellant, imposed a fine of Rs. 50,000/- on the CEO of the Appellant.

3. The Appellant had preferred this Appeal before the Appellate Bench (the Bench) *inter alia* on the ground that the Appellant is going through a restructuring process due to local bodies' election and after election newly elected local bodies' representatives would join the Appellant as directors. It was further contended that the non-compliance of the Rules was not deliberate, rather it was caused due to the circumstances beyond the Appellant's control. The Respondent had rebutted the grounds of Appeal through written comments on the ground that the Appellant had violated the mandatory requirement of the Rules.
4. The Bench has heard the parties (Appellant and Respondent) and perused the record of Appeal. There is no doubt that the Appellant had not filed the SOC and the Report in a timely manner, however, the requirement was partially complied through subsequent filing of the SOC on March 19, 2019. The Bench has considered the subsequent partial compliance and conduct 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 direct the Appellant to file the Report on appointment of auditor and after completion of audit. In the circumstances, 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**