



Securities and Exchange Commission of Pakistan

BEFORE APPELLATE BENCH NO. III

In the matter of

Appeal No. 29 of 2017

Pakistan Tourism Development Corporation Limited

Appellant

Versus

The Commissioner (Company Law Division) Corporatization and
Compliance Department, SECP.

Respondent

Dates of hearing:

21/2/19 and 21/3/19

Present:

For Appellant:

- i. Abdul Qadeer.
- ii. Abdul Rehman.

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. 29 of 2017 filed under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 against the Order dated January 25, 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 Pakistan Tourism Development Corporation 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

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ended June 30, 2014 and June 30, 2015 under Rule 24 (1)(2) of the Rules. However, the Appellant failed to do so, therefore, a Show Cause Notice dated April 28, 2016 (the SCN) was issued to the Appellant and its directors/officers.

3. The Appellant replied to the SCN vide a letter dated June 3, 2016 and informed the Respondent that after the eighteenth constitutional amendment, the subject "tourism" had been abolished from the concurrent list and Inter Provincial Coordination Division had suggested the Appellant's winding up and transfer of its assets to the provinces. Hearing in the matter was held on 24/01/17. The Respondent being dissatisfied with the response of the Appellant, imposed a fine of Rs. 50,000/- on the Appellant's chief executive.
4. The Appellant has preferred this Appeal before the Appellate Bench (the Bench) *inter alia* on the grounds that it is facing uncertainty regarding its future due to the constitutional amendment. Furthermore, in March, 2015 the National Accountability Bureau, Rawalpindi has taken into custody Appellant's record, so the audit was delayed. The Respondent had rebutted the grounds of Appeal through written comments and prayed to dismiss the Appeal.
5. 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 for the years ended June 30, 2014 and June 30, 2015. The Bench has considered the subsequent compliance of the Appellant, therefore, we are inclined to take a lenient view in this case. However, a lenient view shall not exonerate the Appellant from established and admitted violations of the Rules. In view thereof, we hereby convert the penalty of fine, into a warning and direct the Appellant and the CEO to ensure strict compliance of the Rules 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**