



Securities and Exchange Commission of Pakistan

BEFORE THE APPELLATE BENCH

In the matter of

Appeal No. 81 of 2021

M/s. Printing Corporation of Pakistan (Pvt.) Limited

Appellant

Versus

Executive Director/HOD, Adjudication-II SECP, Islamabad

Respondent

Dates of hearing:

October 14, 2021

March 30, 2023

Present:

For the Appellant:

Mr. Waqar-ul-Haq Sheikh, Advocate Supreme Court

For the Respondent:

1. Mr. Muhammad Farooq Bhatti, Additional Director (Adjudication-II)
2. Mr. Hassnain Raza, Management Executive (Adjudication-II)

ORDER

1. This Order shall dispose of Appeal No. 81 of 2021 filed by M/s. Printing Corporation of Pakistan (Pvt.) Limited (the Appellant) against the Order dated April 20, 2020 (Impugned Order) passed by the Executive Director, Adjudication-II, SECP (Respondent) for violations of the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) read with section 508(2) of the Companies Act, 2017 (Act).
2. The brief facts of the case are that the Appellant is a public sector company and was required to file a statement of compliance (SOC) for the year ended June 30, 2018, along with the annual report, under Rule 24(1) of the Rules. The Respondent issued a show-cause notice dated November 29, 2019 (the SCN) to the Appellant, its chief executive officer other directors for failing to comply with the requirement. The Appellant submitted a written reply to the SCN vide letter



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dated December 9, 2019 and a hearing in the matter was held on February 24, 2020. The Respondent concluded the SCN proceedings and imposed a penalty of Rs. 175,000/- (Rupees one hundred and seventy Fifty thousand) on the Appellant.

3. The Appellant filed this Appeal *inter alia* on the grounds that the Impugned Order has been passed during the pendency of an exemption application, which was filed to seek exemption of certain rules due to the sensitive and classified nature of work (the Application). While answering the query of the Bench, the Appellant's representative apprised that exemptions of rules 3, 5, 13, 14, and 19 were sought.
4. The Respondent has rebutted the Appellant's grounds of appeal and stated that as per the S.R.O. 715(1)/2019 dated July 01, 2019, the power to grant relaxation from any of the requirements of the Rules is delegated to and exercised by the Federal Government, therefore, the Respondent had no authority to decide the Application. The Respondent prayed to maintain the Impugned Order and dismiss the Appeal.
5. The Appellate Bench (the Bench) has heard the parties and perused the record. The Bench is of the view that the Rules are applicable to all public sector companies, hence, the Appellant was required to file the requisite SOC. However, the Bench has noted with concern that, to date, no SOC has ever been filed by the Company. Therefore, keeping in view the conduct of the Appellant, we are not inclined to proceed for any leniency in this case. In view of the foregoing, we find no reason to interfere with the merits of the Impugned Order, therefore, the Appeal is dismissed, without any order as to cost.

(Abdul Rehman Warriach)

Commissioner

(Akif Saeed)

Chairman/Commissioner

Announced on:

12 APR 2023