



**BEFORE APPELLATE BENCH NO.II**

In the matter of

**Appeal No. 22 of 2004**

Pakistan Industrial Credit & Investment Corporation Limited  
State Life Building No.1  
I.I Chundrigar Road,  
PO Box 5080, Karachi.....Appellant

Versus

1. Assistant Director (Specialized Companies Division) SEC
2. Joint Director (Specialized Companies Division) SEC.....Respondents

Date of Hearing

September 21, 2004

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**Present:**

Mr. Kazim Hassan, Advocate for the Appellant

Ms. Farah Qamar, Joint Director for the Respondents



## **ORDER**

1. This appeal No. 22 of 2004 has been filed under section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 by Pakistan Industrial Credit & Investment Corporation Limited (PICIC). Brief facts of the case are that PICIC was granted an Investment Advisory licence on 23-06-2003 under the Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (NBFC Rules). In early June 2004 PICIC formed a subsidiary known as PICIC Asset Management Company Ltd. which was also granted Investment Advisory licence by the Commission on 24-06-2004. On 07-07-2004 PICIC applied to the Commission for renewal of its own Investment Advisory licence. However, this request for renewal of PICIC's licence was turned down vide a letter dated 26-07-2004 written by Respondent No.1. PICIC has preferred the instant appeal against this decision of refusal to renew the licence.

2. On the hearing date Mr. Kazim Hassan, Advocate appeared on behalf of PICIC and Ms. Farah Qamar appeared for the Respondents. The preliminary arguments by Mr. Hassan revealed that PICIC had not been granted an opportunity of being heard. It also transpires that the power to renew or refuse the renewal of the Investment Advisory licence under Rule 5(5) of the NBFC Rules has been delegated by the Commission to the Executive Director (Specialized Companies Division) under SRO 161(I)/2004 dated 17-03-2004, however there is no decision or order of the competent authority on record which was conveyed to PICIC. Clearly Respondent No.1 does not have the power or authority to refuse the renewal of the licence to PICIC. The decision conveyed by Respondent No.1 is, therefore, not a lawful order. Under the circumstances we have no option except to advise the Specialized Companies Division to place the matter before the Executive Director concerned who is competent and has been duly



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN  
NIC Building, Jinnah Avenue, Blue Area, Islamabad

allowed by the Commission to decide such matters. Since the application of the petitioner is pending before the Commission since June, 2004, it must be disposed off within fourteen days after providing proper opportunity of hearing to the Appellant.

**(ABDUL REHMAN QUERSHI)**  
**Commissioner**

**(SHAHID GHAFAR)**  
**Commissioner**

Announced in Islamabad on September 22, 2004