



Securities and Exchange Commission of Pakistan

BEFORE THE APPELLATE BENCH

In the matter of

Appeal No. 04 (12)/Misc/ABR/ 2021 (Objection Case)

Redco Textiles Limited

...Appellant

versus

Corporate Supervision Department (HOD)

...Respondent

Date of hearing:

October 12, 2023

Present:

For the Appellant:

1. Mr. Nazir Ahmed Shaheen
2. Mr. Momin ul Haq
3. Mr. Muhammad Amir

ORDER

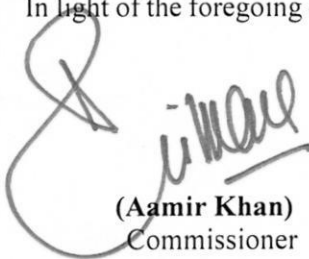
1. This Order is in Appeal No. 04 (12)/Misc/ABR/ 2021 (Objection Case) filed by M/s. Redco Textiles Limited (the "Appellant") under section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 (the "SECP Act").
2. Brief facts of the case are that the Appellant is aggrieved of the investigation order passed by the Director/ HOD Corporate Supervision Department dated March 24, 2021 (the "Impugned Order") under section 257 of the Companies Act 2017 (the "Act"). The Appellant filed an appeal against the Impugned Order. However, the Appellant was informed by the Registry vide letter dated April 23, 2021 that the appeal is not maintainable under section 33 of the SECP Act. The Appellant vide letter




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dated April 29, 2021 requested for hearing on the issue of maintainability of the appeal before the Appellant Bench (the "Bench"). Therefore, the appeal was fixed today for a preliminary hearing on the issue of maintainability before the Bench.

3. The Bench has confronted the Appellant with a question of maintainability in response to which the Appellant contended that the appeal is maintainable under section 33 of the SECP Act as the order is passed by an officer of the Commission. The Appellant has strongly contended that justice should not be withheld merely on account of procedural technicalities and has urged the Bench to exercise leniency in this regard. Additionally, the Appellant has stated that the Securities and Exchange Commission of Pakistan (the "Commission") has no basis for initiating investigation of the Appellant and the Impugned Order is merely a fishing inquiry. Furthermore, the Appellant underscored the deleterious impact of such unwarranted inquiries, suggesting that they cast an unwarranted stigma on the Appellant. In conclusion, the Appellant has prayed for the dismissal of the Impugned Order.
4. The Bench has heard the arguments and perused the record. The Bench is of the view that order passed under section 257 of the Act is an administrative order as the same does not result in determination of rights and liabilities and is also not penal in nature *per se*. Therefore, the same is not appealable and falls within the proviso to sub-section (1) of the section 33 of the SECP Act. Furthermore, the Bench maintains the view that an investigation is a fact-finding exercise conducted with the aim of ascertaining the accurate state of affairs pertaining to companies, hence the same is not appealable in view of an express bar contained in section 33 of the SECP Act.
5. In light of the foregoing discussion, the instant Appeal is hereby **dismissed** for being non-maintainable.


(Aamir Khan)
Commissioner


(Abdul Rehman Warraich)
Commissioner

Announced on: 18 OCT 2023