



Securities and Exchange Commission of Pakistan
Company Law Division
Corporatization & Compliance Department

Before
Commissioner (Company Law Division)

In the matter of

M/s. Balochistan Energy Company Limited

ORDER

under Rule 25 of the Public Sector Companies (Corporate Governance) Rules 2013 read with Section 506(2) of the Companies Ordinance, 1984

Number and date of show cause notice

No.CCD/PSC/115/2015/IAN-33/3/2016-7993 Dated 28-04-2016.

This Order shall dispose of proceedings initiated against the Chief Executive and Directors/Officers of M/s. Balochistan Energy Company Limited (the "Company") for default made in complying with the requirements of rule 24 of the Public Sector Companies (Corporate Governance) Rules, 2013 (the "Rules").

2. The brief facts leading to the show cause notice are that the Company being a public sector company was required to publish, circulate and file statements of compliance and review report from the auditor for the year ended June 30, 2014 & 2015 as required under sub-rule (1) & (2) of rule 24 of the Rules, however, it has failed to do so for which a show cause notice dated 28.04.2016 (the "SCN") was issued calling upon the Company and its directors / officers to explain in writing and also to appear in person or through authorized representative for hearing on 23.5.2016 to clarify the position.

3. In response to the above SCN, the Company has neither submitted any response nor appeared for hearing. I, therefore, am left with no option except to proceed ex-parte in the matter.

4. I have gone through the relevant provisions of the Rules, and other record of the Company and observed that sub-rule (1) of rule 24 of the Rules requires that every public sector company

shall publish and circulate a statement along-with its annual report to set out the status of its compliance with the Rules, and shall also file with the Commission and the registrar concerned such statement along-with its annual report. Further, sub-rule (2) of rule 24 of the Rules requires that the company shall ensure that statement of compliance with the rules is reviewed and certified by the external auditors, where such compliance can be objectively verified, before its publication. I have also perused rule 25 of the Rules providing penalty for contravention of these rules.

5. Based on the above, it is apparent that the Company and its directors have violated the mandatory requirements of rule 24 of the Rules by not filing the statements of compliance for the year 2014 & 2015. I therefore, in exercise of the powers conferred under rule 25 of the Rules read with 506 (2) of the Companies Ordinance, 1984 impose fine of Rs.100,000/- (Rupees one hundred thousand only/-) on the Company. However, the Company and its directors including its Chief Executive are warned to be careful in future to ensure compliance of the mandatory provisions of the Rules.

6. The Company is, hereby, directed to deposit the amount of fine in the Commission's account within 30 days of the receipt of this Order and furnish original receipt/ challan of the same to this office for record.

7. This order is issued without prejudice to any other action(s) that may be initiated against the Company and its directors/officers responsible for the violations of the aforesaid provisions of the Rules and the Ordinance.


(Tahir Mahmood)
Commissioner (CLD)

Announced:
11.08.2016

11th Floor, NIC Building, 63-Jinnah Avenue, Islamabad
PABX: +92-51-9207091-4, Fax: +92-51-9100448,
E-mail: webmaster@secp.gov.pk, Website: www.secp.gov.pk