



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

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*Before*

*Director*

*(Corporatization and Compliance Department)*

*In the matter of*

***NATIONAL ICT R&D FUND***

***ORDER***

***Under Rule 25 of the Public Sector Companies (Corporate Governance) Rules 2013 read with Section 506(2) of the Companies Act, 2017***

Number and date of show cause notice: No.CLD/CCD/PSC/96/2015/IAN-142/2017-4061  
dated February 13, 2017.

This Order shall dispose of proceedings initiated against the Chief Executive and Directors/Officers of M/s. National ICT R&D Fund (the "Company") for the default made in compliance with 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 in terms of sub-rule (1) and (2) of rule 24 of the Rules to publish, circulate and file with the Commission, a Statements of Compliance (SOC) and review report from the auditor for the year ended June 30, 2016. However, it has failed to do so for which a show cause notice dated February 13, 2017 (the "SCN") was issued calling upon the Company and its directors/officers to explain in writing and to appear in person or through authorized representative for hearing on March 01, 2017 to clarify the position.

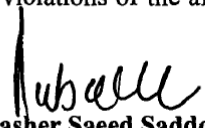
3. In response to the above SCN, no one appeared on the date fixed for hearing, for which the hearing was re-scheduled for March 16, 2017, on which date the authorized representative of the Company appeared and informed that the delay in submission of SOC for the year ended June 30, 2016 is due to delay in finalization of audit of accounts for the year ended June 30, 2015. He further informed that audit of the accounts of the Company for the year ended June 30, 2016 will start in the current month and assured that the SOC shall be filed on its completion. Thereafter, the Commission vide its Order dated March 17, 2017 while taking a lenient view did not impose any penalty on the Company and its management

and directed to submit its overdue SOC within the extended time limit. Subsequently, the Company vide its letter dated June 02, 2017 sought further extension in time for submission of SOC which was accepted and extension was allowed upto August 15, 2017. However, the Company again vide its letter dated September 08, 2017 has requested for further extension for submission of SOC which was also accepted by the Commission and the Company was allowed to submit its overdue SOC upto October 30, 2017 positively. Subsequently, the record of the Company has been perused and observed that the required SOC has not been filed as required under rule 24 of the rules. From the above, it appears that the Company has not taken timely steps to regularize the default and has not filed its overdue SOC for the year 2016, therefore, the default is considered willful and deliberate.

4. I have gone through the relevant provisions of the Rules, and other record of the Company and observed that sub-section (1) of Rule 24 of the Rules required that every public sector company shall publish and circulate a SOC along-with its annual report to set out the status of its compliance with the rules, and shall also file SOC with the Commission and the registrar concerned along-with its annual report. Further, sub-rule (2) of rule 24 of the rules requires that the company shall ensure that SOC 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, which provide penalty for contravention of the 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 SOC for the year 2016. I, therefore, in exercise of the powers conferred under rule 25 of the rules read with section 508(2) of the Companies Act, 2017 impose a fine of Rs. 50,000/- (Rupees Fifty thousand only) on the Chief Executive of the Company. The Chief Executive is, hereby, directed to deposit the amount of penalty 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. In case of non-payment of penalty within the specified time, the same will be recovered under the provisions of law. The Company and its directors including its Chief Executive are also directed to submit the overdue SOC for the year 2016 forthwith.

6. 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.

  
(Mubasher Saeed Saddozai)  
Director (CCD)

Announced:  
January 11, 2018.