



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

Before
Commissioner (Corporatization and Compliance Department)

In the matter of

M/s. NATIONAL TRANSMISSION AND DESPATCH 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. CLD/CCD/PSC/86/2015/14/2016-7301
dated March 24, 2016.

Present: Mr. Ijaz Ahmad, Company Secretary

Date of Hearing: November 29, 2016

Place of Hearing: Islamabad

This Order shall dispose of proceedings initiated against the Chief Executive and other Directors/ Officers of M/s. National Transmission and Despatch 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 under 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, 2015. However, it has failed to do so for which a show cause notice dated March 24, 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 on April 13, 2016 to clarify the position.

3. In response to the above SCN, the Company's authorized representative, vide letter dated April 12, 2016 requested to reschedule the hearing which was acceded to and hearing was re-fixed on October 24, 2016. Thereafter a letter dated April 12, 2016 was received in the Commission on October 24, 2016 informing that the non-submission of SOC was due to separation of the operations of CPPA as CPPA(G) which created few legal complications and resultantly, the AGM was delayed.

4. The Company vide separate letter dated October 24, 2016 requested for grant of extension till last week of November 2016 for submission of SOC which was acceded to and hearing was re-fixed for November 29, 2016 when the Company Secretary attended the hearing and reiterated the same reasons as stated in para 3 above and also requested for grant of further extension for submission of SOC.

5. 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 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 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.

6. 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 2015. I therefore, in exercise of the powers conferred under rule 25 of the Rules read with section 506(2) of the Companies Ordinance, 1984, impose fine of Rs. 50,000/- (Rupees Fifty thousand only) on 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 SOC for the year 2015 and warned to be careful in compliance with the mandatory provisions of all applicable laws in future.

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 (CCD)

Announced:
December 19, 2016