



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

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*Before*  
*Commissioner (Corporatization and Compliance Department)*

*In the matter of*

***M/s. NORTHERN POWER GENERATION 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/146/2015/IAN-54/24/2016-7972 dated April 28, 2016.

Present: Mr. Masood Ahmad, Company Secretary.

Date of Hearing: January 25, 2017

Place of Hearing: Islamabad.

This Order shall dispose of proceedings initiated against the Chief Executive of M/s. Northern Power Generation 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 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 years ended June 30, 2014 and June 30, 2015. However, it has failed to do so for which a show cause notice dated April 28, 2016 (the "SCN") was issued calling upon its Chief Executive to explain in writing and to appear in person or through authorized representative for hearing on May 30, 2016 to clarify the position. The SCN was returned undelivered which was sent back on May 24, 2016 for Company's response.

3. In response to the above SCN, no one appeared on the date fixed for hearing for which the hearing was re-scheduled for August 29, 2016 and January 02, 2017. Later on, the Company Secretary vide letters dated December 30, 2016 and January 18, 2017 requested to

reschedule the hearing which was acceded to and hearing opportunities were provided on January 03, 2017, January 11, 2017 and January 27, 2017; however, the Company Secretary appeared on January 25, 2017 and stated that the audit of the Company are under finalization and the overdue SOC will be filed when the audit is completed.

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 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 SOCs for the years 2014 and 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 a fine of Rs. 50,000/- (Rupees Fifty thousand only) on the Chief Executive of the Company only. 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 SOCs for the years 2014 and 2015 without any further delay.

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 and the Ordinance.

  
(Tahir Mahmood)  
Commissioner (CCD)

Announced:  
January 27, 2017