

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Pakistan Telecommunication Company Limited

Date of Hearing

March 10, 2020

Order-Redacted Version

Order dated March 20, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Pakistan Telecommunication Company Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated February 07, 2020
2. Name of Company	Pakistan Telecommunication Company Limited
3. Name of Individual*	Not relevant. The proceedings were initiated against the Company i.e. Pakistan Telecommunication Company Limited
4. Nature of Offence	In view of alleged violations of section 502 of the Companies Act, 2017.
5. Action Taken	Key findings of default were reported in the following manner: I have analyzed that the Company was provided an opportunity of hearing on March 10, 2020 wherein Mr. Ghulam Mustafa, Ms. Saima Akbar Khattak, and M. Fahim ur Rehman appeared as authorized representatives. The written submissions of the respondents were reiterated by the authorized representatives. It was stated that the Company received no objections from any of its shareholders. Authorized representative was inquired about the date of uploading the said disclosure of fixed assets on website of the Company. The authorized representative assured that the same shall be provided. Subsequently, Company Secretary vide email dated March 17, 2020 confirmed that the date of uploading the statement of fixed asset was July 2019.



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2. Before proceeding ahead, it is necessary to advert to the following relevant provisions of the Act:

Clause VI (1) (ii) of the fourth schedule to the Act provides:

“VI. The Following shall be disclosed in the financial statements, namely:

1. General information about the company comprising the following:

ii. Particulars of company’s immovable fixed assets, including location and area of land.”

Section 502 of the Act provides that:

“502. Penalty where no specific penalty is provided.- If a company or any other person contravenes or fails to comply with any provision of this Act or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, for which no punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be liable to a penalty of level 3 on the standard scale.”

3. In terms of the Commission’s notification SRO 1545 (I)/2019 dated December 06, 2019, the powers to adjudicate cases under section 502 have been delegated to the undersigned as Executive Director (Adjudication Department-I).

4. From the above discussion and after careful consideration of all the facts of this case, I have observed that the Commission granted exemption to the Company vide letter dated April 15, 2019. The Company however submitted the said financial with the Commission on April 03, 2019 which was prior to the approval date of the Commission. Further the said financials were published/distributed, owing to the fact that the annual general meeting of the Company was to be held on April 25, 2019. The



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	<p>company subsequently, complied with the condition imposed by the Commission by uploading requisite disclosure on its website in July 2019, which was nevertheless with the delay. I therefore am of the view that the Company had complied with the condition imposed by the Commission, however with the delay of approximately two months.</p> <p>No adverse order dated March, 2020 was passed by Executive Director (Adjudication-I).</p>
2. Penalty Imposed	No penalty imposed
3. Current Status of Order	No Appeal has been filed by the respondents

Redacted version issued on August 28, 2020 for placement of website of the Commission.