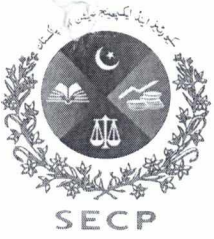


121



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

\*\*\*\*

*Before*  
**Commissioner (Company Law Division)**

*In the matter of*

**M/s. PAKISTAN STEEL MILLS CORPORATION (PVT.) LIMITED**

**ORDER**

**under Rule 25 of the Public Sector Companies (Corporate Governance) Rules 2013 read with Section 506(2) of the Companies Ordinance, 1984 and section 509 of the Companies Ordinance, 2016**

Number and date of show cause notice

CCD/PSC/56/2015/IAN-66/36/2016-7960  
Dated 28-04-2016

This Order shall dispose of proceedings initiated against the Chief Executive and Directors/Officers of M/s. PAKISTAN STEEL MILLS CORPORATION (PVT.) 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) & (2) of rule 24 of the Rules to publish, circulate and file with Commission statements of compliance (SOC) and review report from the auditor for the years ended June 30, 2014 and June 30, 2015, however, it had 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 01-06-2016 to clarify the position, whereas nobody appeared for the hearing.

3. In response to the above SCN, the Company vide its letter No. Sec-SECP/321/2016/1732 dated 05-05-2016 informed that the Company has already filed its SOC for the year ended June 30, 2014 and the financial Statements for the year ended June 30, 2015 are currently in process and expected to be completed in June, 2016. After completing all legal and statutory requirements, the SOC duly certified by the external auditor will be filed. However, the SOC for the year ended June 30, 2015 has not been filed as yet.

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

122

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 statement of compliance for the year ended June, 30 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 and section 509 of the Companies Ordinance, 2016, impose a fine of Rs.50,000/- (Rupees fifty thousand only) on the Company. However, the Company and its directors including its Chief Executive are warned to be careful and ensure compliance of the mandatory provisions of the Rules in future.

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. In case of non-payment of fine within the specified time, the same will be recovered under the provisions of law.

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/CLD)

Announced:  
21-11-2016

---

11<sup>th</sup> Floor, NIC Building, 63-Jinnah Avenue, Islamabad  
PABX: +92-51-9207091-4, Fax: +92-51-9100448,  
E-mail: [webmaster@secp.gov.pk](mailto:webmaster@secp.gov.pk), Website: [www.secp.gov.pk](http://www.secp.gov.pk)