



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
LISTED COMPANIES DEPARTMENT
SUPERVISION DIVISION**

No. EMD/233/428/2002 - 248-250

February 14, 2025

1. Mr. Anwar Aziz,
The Company Secretary,
Pakistan Engineering Company Limited,
6/7-Sir Ganga Ram Trust Building,
Shahrah-e-Quaid-e-Azam, Lahore.

2. The Board of Directors,
Pakistan Engineering Company Limited,
6/7-Sir Ganga Ram Trust Building,
Shahrah-e-Quaid-e-Azam, Lahore.

Subject: Appointment of Mr. Muhammad Asad Islam Mahni as Chairman/Director, Mr. Socrat Aman Rana as Managing Director/Director of Pakistan Engineering Company Limited ("PECO/the Company") and Holding of 70th, 71st, 72nd, 73rd and 74th Annual General Meetings of PECO on February 17, 2025

Dear Sir(s),

This is with reference to the subject noted above, wherein the Securities and Exchange Commission of Pakistan ("**the Commission**") received complaint dated February 13, 2025 from Mr. Muhammad Asad Islam Mahni and Mr. Socrat Aman Rana (Directors appointed by State Engineering Corporation) alleging that the Company Secretary of PECO did not endorse the duly filled forms for uploading and onward submission to the Commission.

2. In this regard, the subject complaint was forwarded by the Commission to the Company Secretary of PECO vide email dated February 14, 2025 to provide his comments by 3:00 p.m. today i.e. February 14, 2025 on the non-endorsement of the said forms. The Company Secretary responded to the Commission on the subject complaint vide letter dated February 14, 2025 forwarded through email which was not found cogent owing to the following:

- (i) From the perusal of article 79 and article 85 of Articles of Association ("**AOA**") of PECO, it appears that the Federal Government or the State Engineering Corporation shall appoint Managing Director ("**MD**") and Chairman of the board of PECO. Therefore, the AOA is binding on the Company and as per the AOA of the Company, the shareholders through mutual consent has given the right to State Engineering Corporation to appoint MD and Chairman on the board of PECO.
- (ii) It is also endorsed from the letter dated December 23, 2024 written by the Company Secretary-PECO, Mr. Anwar Aziz addressed to Ministry of Industries and Production which affirms the aforementioned position and the Company Secretary in the said letter itself requested the Federal Government to appoint MD and Chairman on the board of PECO.
- (iii) Moreover, the referred opinion in your response is misplaced as the same was with respect to application of Economic Reform Order, 1972 or the Companies Act, 2017, and that has nothing to do with the instant matter regarding appointment of MD and Chairman on the board of PECO.

**SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN**

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SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

LISTED COMPANIES DEPARTMENT SUPERVISION DIVISION

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- (iv) The aforementioned position remains undisputed to this date and has been consistently followed.
- (v) The practice of ratification by the board in your letter is not provided in the AOA and has no bearing on the appointments made by State Engineering Corporation and therefore cannot be subject to approval from the board as referred in your letter.
- (vi) This office has sufficient proof that you have been approached by the complainant and you have specifically denied to process the subject forms. Hence, the statement at para 2 of your letter is incorrect and mala fide and the entire letter contradicts with your earlier position taken vide letter dated December 23, 2024.
- (vii) Therefore, the Forms submitted by the nominees of State Engineering Corporation should have been endorsed and forwarded without a delay.

3. In view of the aforementioned unambiguous legal position, where your office has failed to perform your duty in accordance with AOA of the Company. Therefore, the concerned Registrar is constrained to accept the relevant Forms in order to ensure that the Company is governed in accordance with the law and terms of the AOA.

4. In view of the above, you are directed to ensure that the MD is able to perform its duties in accordance with the law and no further hinderance is placed. Further, all officers are directed to cooperate and facilitate with the MD and the Chairman of Board to perform their functions and ensure that the planned AGMs dated February 17, 2025 shall be chaired by the newly appointed Chairman of the board in accordance with sub section 5 of section 134 of the Companies Act, 2017 and the relevant articles of the Company.

5. The Commission is also in receipt of complaint from State Engineering Corporation, wherein concerns have been raised with respect to probable alterations in AOA of PECO in the upcoming AGMs. In this regard, you are advised to ensure that no other businesses shall be transacted and no Agenda item shall be discussed, other than the Agenda items disclosed in the notices of AGM dated January 27, 2025 in the upcoming 70th, 71st, 72nd, 73rd and 74th AGMs of PECO to be held on February 17, 2025.

Regards,

Sabeel Ahmed
Deputy Director

Cc: Managing Director, Pakistan Stock Exchange Stock Exchange Building Stock Exchange Road
Karachi.

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