



Government of Pakistan
Ministry of Commerce,
Directorate General of Trade Organizations
(Office of Regulator of Trade Organizations)
State Life Building No. 7, 2nd Floor, Blue Area,



F. No. 7(4)/2020-TO

Islamabad, the 4th September, 2020

ORDER IN ORIGINAL NO.50/2020

Passed by Mr. Riaz Ahmed, Regulator of Trade Organizations

Azaad Group, through its convener Mr. Waheed Gul and others

Versus

Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM)

Present in the hearing.

1. Mr. Usama Usman
2. Mr. Waheed Gul
3. Mr. Nasrullah Khan
4. Mr. Tariq Awan
5. Mr. Muhammad Faisal (Advocate)

Appellant/ Complainant

1. Mr. Muhammad Akram (Chairman)
2. Mr. RazzakAhme (M.C Member)
3. Mr. Azhar Ali
4. Mr. AnasHaroon (Acting Secretary General)
5. Mr. Khalid Ishaq (Advocate)

..Respondents

Date of Hearing: 25-08-2020

Place of Hearing: OFFICE OF REGULATOR OF TRADE ORGANIZATIONS
DIRECTORATE GENERAL OF TRADE ORGANIZATIONS,
STATE LIFE BUILDING NO.7, 2ND FLOOR, BLUE AREA,
ISLAMABAD.

Date of issuance of Order: 04-09-2020


RIAZ AHMAD
Regulator of Trade Organizations
Directorate General of Trade Organization
Ministry of Commerce, Islamabad

By this order the undersigned intends to dispose of complaint filed by Azad Group through its convener Mr. Waheed Gul and others against Pakistan Automotive Parts and Accessories Manufacturers (PAAPAM) regarding illegal various matters relating to Elections of the Association, charges of financial embezzlement/misappropriations and appointment of Administrator. The case was fixed for hearing on 25-08-2020, which was attended by both sides.

2. The counsel of the appellant contended that the Complainant is contesting upcoming elections as an "Azad" group in upcoming elections of PAAPAM 2020. The Complainant has already filed several complaints before the DGTO. Summarily, the background of instant complaint is that the Complainant claims to be striving for free and fair elections at PAAPAM. The Complainant has alleged that since the last 22 years, free and fair elections have not been held and the current Chairman, to extend his control on the Association, has manipulated the record and dismissed the Secretary General, M. Muhammad Arshad. Without due process, a new acting Secretary General has been appointed and constituted an illegal Election Commission by picking and choosing their representatives in violation of law. The Complainants are of the view that these violations are being committed to protect an independent audit of the Association.

FINDINGS

Although the Respondents have attempted to substantiate that "Azad" Group, not being a legal entity, cannot sue or be sued, it is a fact that the group is essentially a collection of members of PAAPAM who have all the rights and obligations as members of PAAPAM under the Trade Organization Act and Rules, 2013. The Respondents have submitted documents that show that the Secretary General was removed according to procedure laid down in M&AoA of the Association. The Management Committee in a resolution dated 28-04-2020 approved the termination of Mr. Muhammad Arshad. The notification of appointment of acting Secretary General was also sent to the office of DGTO.

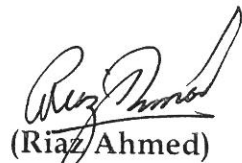
2. Furthermore, regarding the illegal appointment of the Election Commission, the Respondent has submitted documents that show that PAAPAM convened a meeting on 06-06-2020 in accordance with Rules 16 and 14 of Trade Organization Rules, 2013 in which the Election Commission was appointed. The only maintainable objection of the Complainant to the Election Commission is that Mr. Muhammad Ashraf Sheikh had served as the ex-officio Executive Committee and has not completed the stipulated time laid down in rule 16 (c) of Trade Organization Rules, 2013. However, Mr. Muhammad Ashraf Sheikh has already submitted his resignation due to health reasons and another member, Mr. Mohammad Siddique Misri has been appointed as member of Election Commission in a meeting convened on 13-08-2020.

3. The Complainants have argued that the Respondents are clearly involved in financial misappropriations and embezzlements. They have alleged that 35 million PKR have been transferred into the account of Mr. Nabeel-bin-Tariq and the case is pending adjudication of revenue courts of the FBR, and this fact has been admitted by the Respondent. However, the Complainant has failed to provide sufficient evidence to substantiate their claims that financial embezzlement has occurred. On the other hand, the Respondent has also failed to provide satisfactory documents leading to a clear acquittal including Tax Returns or Audited reports signed by reputable firms of Chartered Accountants. Hence the matter requires further notice.

ORDER

Arguments heard, record perused and relevant provisions of law examined. In light of the above, the following order is made.

1. Regarding the allegation of financial embezzlement, the Association is directed to submit a duly audited forensic report on the financial matters of the Association by a reputed a Chartered Accountant Firm.
2. Regarding the matter of illegal removal of Secretary General and Election Commission, the Association is directed to appoint a permanent Secretary General as per Rule 24 of Trade Organization Rules, 2013. The Election Commission may continue to conduct the elections in a free and transparent manner.


(Riaz Ahmed)

RIAZ AHMED (TO)
Regulator of Trade Organizations
Directorate General of Trade Organization
Ministry of Commerce, Islamabad

Announced Dated:-04-09-2020.