



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

Before
Commissioner (CCD/CLD)

In the matter of

M/S. FEDERAL GOVERNMENT EMPLOYEES HOUSING FOUNDATION

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	No.CCD/PSC/100/2015/IAN-38/8/2016-7988 Dated 28-4-2016.
Present:	Mr. M. Javed Panni, Consultant/ Authorized Representative
Date of Hearing:	13-6-2016
Place of Hearing:	Islamabad.

This Order shall dispose of proceedings initiated against the Chief Executive and Directors/ Officers of M/s. FEDERAL GOVERNMENT EMPLOYEES HOUSING FOUNDATION (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 has failed to do so for which a show cause notice dated 28-4-2016 (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 24-5-2016 to clarify the position.

3. In response to the above SCN, the Company's authorized representative, vide letter No. MJP/FGEHF/SCN/2016 dated 13.06.2016 informed that SOC for 2014 has already been filed with the concerned registrar and SOC for 2015 will be filed along-with annual accounts for year 2015. The company has applied to the commission for issuance of direction under section 170 of the Companies ordinance, 1984 for holding outstanding annual general

meeting for laying therein annual accounts for 2015. The authorized representative appeared at hearing and stated the same about SOCs. The company has only filed an incomplete Statement of Compliance (SOC) for the year 2014 of the Company. Schedule II (Explanation for Non-Compliance) and Schedule III (Auditors' Review Report to the Members) have not been filed therewith. The SOC for the year 2015 has also not been filed. This fact was communicated to the company, vide letter dated 27.10.2016 and advised to file complete SOC for year 2014 and 2015. However, the same have not yet been received in this office.

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 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 Schedule II and Schedule III pertaining to SOC for the years 2014 & complete SOC for year 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 fine of Rs.50,000/- (Rupees one hundred thousand only) on the Company. 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 warned to be careful in future to ensure compliance of the mandatory provisions of the Rules.

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/CLD)

Announced:
21.11.2016