



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Adjudication Department –II
Lahore.

Through Courier

NO. ADJ-II/LHR/4058

April 24, 2024

The Chief Executive/ Director,
M/S. SABA AIR INTERNATIONAL (PRIVATE)
LIMITED
8-IQBAL COMPLEX, TOWN HALL, RAHIM YAR
KHAN.

SUBJECT: ORDER IN RESPECT OF SHOW CAUSE NOTICE SCN NO./AO-LHR/782
DATED JANUARY 30, 2024 IN THE MATTER OF M/S. SABA AIR
INTERNATIONAL (PRIVATE) LIMITED

Dear Sir/ Madam,

Please find enclosed herewith copy of the final "Order", in the title matter for proceedings under Section(s) 130 read with section 479 of the Companies Act, 2017, for your record and necessary action.

Mohsin Syed
Additional Registrar/Adjudication Officer,
Adjudication Department-II, Lahore.

Cc: Incharge Corporate Registry Department, Multan.



Securities and Exchange Commission of Pakistan

Adjudication Department –II, Adjudication Division, 3rd & 4th Floor,
7- Edgerton Road, Lahore. www.secp.gov.pk



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
ADJUDICATION DEPARTMENT -II

LAHORE

Through Courier

BEFORE THE ADDITIONAL REGISTRAR /ADJUDICATION OFFICER,
ADJUDICATION DEPARTMENT -II, LAHORE.

In the Matter of

M/S. SABA AIR INTERNATIONAL (PRIVATE) LIMITED

Number and date of SCN: SCN NO./AO-LHR/782 dated January 30, 2024
Dates of Hearing/s: February 08, 2024; February 16, 2024 and February 28, 2024;
Present: None, appeared for personal hearing.

ORDER
UNDER SECTION 130 READ WITH SECTION 479 OF
THE COMPANIES ACT, 2017

This Order shall dispose of the proceedings against M/S. Saba Air International (Private) Limited (*"the Company"*) and its directors including the chief executive (*"the Respondents"*), initiated through Show Cause Notice (*"the SCN"*) dated January 30, 2024 issued under the provisions of Section 130 read with Section 479 of the Companies Act, 2017 (*"the Act"*).

2. Brief facts of the case are, that *"the company"* had failed to file its annual return for the year(s) 2022 to 2023 within the stipulated time with the registrar, pursuant to Section(s) 130 of *"the Act"*. Without any prejudice, the Company, has contravened the aforesaid provisions of *"the Act"* and rendered the company liable to a penalty of level-1 on the standard scale, as provided under Section 130 read with Section 479 of *"the Act"*.

3. Consequently, the aforesaid SCN dated January 30, 2024 was issued to *"the Respondents"* to show cause in writing as to why penal action as contained in section 130(6) read with Section 479 may not be taken against *"the company"* for failing to conform to the provisions of Section 130 of *"the Act"*, *ibid*.

4. In the matter of aforesaid SCN, initial opportunity of hearing was provided to the company and its Directors/Chief Executive by fixing hearing on February 08, 2024 through serving the Show Cause Notice on January 30, 2024 at the registered office of the company. However, both the company and its chief executive/ director(s) had failed to appear personally or through an authorized representative on the scheduled date and time of the said hearing. Thereafter, another opportunity of hearing was provided to the company, through its chief executive/director(s), vide hearing notice bearing NO. AO-LHR/1174 sent at the registered office of the company, however, both the company and its chief executive/director(s) had again failed to appear personally or through an authorized representative on the scheduled date and time. Considering the persistent non-appearance, a final opportunity of hearing was provided to the company through its chief executive



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and director(s) by serving the notice dated February 19, 2024 sent at the registered office of the company, however, both the company and its chief executive/ director(s) had again failed to appear personally or through an authorized representative on the scheduled date and time, but it was noted that a reply was received from company dated March 04, 2024 informing that the company had filled all the pending requisite return(s), as stipulated under the Section 130 of "the Act" and the same fact was also verified by the Registrar, CRO, Multan.

5. Let us first have deliberation on the entreaty taken by the learned representative of the company regarding interpretation of Section 130 of the Companies Act, 2017 ("the Act") and before proceeding any further, it is necessary to advert to the relevant provisions of the law that unambiguously stipulates:

130 (1) " Every company having a share capital shall, once in each year, prepare and file with the registrar an annual return containing the particulars in a specified form as on the date of the annual general meeting or, where no such meeting is held or if held is not concluded, on the last day of the calendar year":

130(3) The return referred to in sub-section (1) or sub-section (2) shall be filed with the registrar within thirty days from the date of the annual general meeting held in the year or, when no such meeting is held or if held is not concluded, from the last day of the calendar year to which it relates:

Provided that, in the case of a listed company, the registrar may for special reasons extend the period of filing of such return by a period not exceeding fifteen days.

130(6) Any contravention or default in complying with requirement of this section shall be an offence liable—

- (a) in case of a listed company, to a penalty of level 2 on the standard scale;*
- (b) in case of any other company, to a penalty of level 1 on the standard scale.*

6. It is evident from the abovementioned scripts of the law that the company is in default of Section 130 (3) of "the Act" as it has failed to file the aforesaid annual return for the year(s) ended 2022 to 2023 within the stipulated time *i-e* within thirty days of the annual general meeting(s) as provided in section 130(6) of "the Act". The nature, seriousness and impact of the breach shows that the act of the company was deliberate and moreover the default, duration and the extent of the violation has raised serious concerns over the systemic weaknesses of the management systems and internal controls of the company and can't be ignored being a public interest /listed company, in the instant case.

7. In terms of the Commission's Notification S.R.O. 1546 (I)/2019 dated December 06, 2019, the powers to adjudicate cases under Section 130 of "the Act" have been delegated to the undersigned as Adjudication Officer, Adjudication Department- II, Lahore.



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8. Considering the facts of the case, and other record presented before the undersigned, I am compelled to infer and decide that the case as the company has complied with mandatory requirements of Section 130 of "the Act" during the pendency of the adjudication proceedings and the same fact has also been verified by the Registrar, Multan. Before proceeding with the decision, I would also like to highlight that directors of the company are required to exercise the utmost care in making business decisions in order to fulfill their fiduciary duties. Duty of care requires directors to make business decision after considering all available information, requirements of laws/regulations with regard to operations of the company and then act in a judicious manner while promoting the company's best interest. However, as the company has complied with the requirements of Section 130 of "the Act", therefore, I, while exercising the powers delegated vide S.R.O. 1546 (I)/2019 dated December 06, 2019, hereby condone penalty, with a "warning" to "the company" for future adherence to the law, in letter and spirit, to conclude "the SCN" proceedings.

Mohsin Syed
Additional Registrar/ Adjudication Officer,
Adjudication Department-II, Lahore.

Announced:
April 24, 2024,
Lahore.

The Chief Executive,
M/S. Saba Air International (Private) Limited,
8-Iqbal Complex, Town Hall,
Rahim Yar Khan.

