



Securities and Exchange Commission of Pakistan

Adjudication Division
Adjudication Department-I

Before

Amir M. Khan Afridi – Director/Head of Department

In the matter of Show Cause Notice issued to Pakistan International Airlines

Corporation Limited

Dates of Hearings

November 11, 2021 and November 25, 2021

Order-Redacted Version

Order dated December 22, 2021 was passed by Head of Department (Adjudication-I) in the matter of Pakistan International Airlines Corporation Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated October 27, 2021
2. Name of Company	Pakistan International Airlines Corporation Limited
3. Name of Individual	The proceedings were initiated against the Company and its Directors.
4. Nature of Offence	<p>Proceedings were initiated in terms of the Sections 106 and 107 of the Securities Act, 2015 (the Act) and regulation 5 of the Reporting and Disclosure of (Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015 (the Regulations).</p> <p>Brief facts of the case are that the Annual General Meeting (AGM) of the Company for the year ended December 31, 2020 was held on April 30, 2021. The record available with the Securities and Exchange Commission of Pakistan (the Commission) transpired that the Company had failed to file its annual return as required under Section 107 of the Act read with regulation 5 of the Regulations for the year ended December 31, 2020. The Commission vide letter dated July 7, 2021 inquired regarding non-filing of aforesaid annual return, however, no reply was received from the Company. The Company by not filing the aforesaid return, <i>prima facie</i>, has contravened the provisions of Section 107 of the Act read with regulation 5 of the Regulations.</p>
5. Action Taken	Key findings were reported in the following manner:



Securities and Exchange Commission of Pakistan

Adjudication Division Adjudication Department-I

	<p>I have gone through the facts of the case, written submissions by the Respondents and arguments made during the hearing proceedings. As per available information, AGM of the Company for the year ended December 31, 2020 was held on April 30, 2021 and the requisite return i.e. SMD-BO-107 (form of beneficial ownerships) was filed with the Commission with the delay on November 12, 2021. It is hereby pointed out that filing of annual return under Section 107 of the Act read with regulation 5 of the Regulations, within the given time, is a statutory requirement. Moreover, the aforesaid annual return is essential to determine, amongst others, particulars and summary of shareholding of each director, executive officer and substantial shareholder, their beneficial ownership and associated companies. Taking cognizance of submissions of the Respondents and in terms of powers conferred under Section 106 of the Act, I hereby impose a penalty of Rs. 25,000/- (Rupees twenty five thousand only) on the **** and also warn the directors to be careful in future.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission or violation of the Act.</p>
6. Penalty Imposed	Rs. 25,000/- (Rupees twenty five thousand only)
7. Current Status of Order	Penalty was deposited.