



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

Before
Commissioner (Corporatization and Compliance Department)

In the matter of

M/s. PAKISTAN TOURS (PRIVATE) LIMITED

ORDER

under Rule 25 of the Public Sector Companies (Corporate Governance) Rules 2013 read with Section 506(2) of the Companies Ordinance, 1984

Number and date of show cause notice: No. CCD/PSC/154/2015/IAN-69/39/2016-7957 dated April 28, 2016.

Present: Mr. Muhammad Nadeem, Accounts Executive.

Date of Hearing: June 6, 2016

Place of Hearing: Islamabad.

This Order shall dispose of proceedings initiated against the Chief Executive and Directors/ Officers of M/s. Pakistan Tours (Pvt.) Limited (the "Company") for default made in compliance 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 in terms of sub-rule (1) and (2) of rule 24 of the Rules to publish, circulate and file with the Commission, a 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 April 28, 2016 (the "SCN") was issued calling upon the Company and its directors/ officers to explain in writing and to appear in person or through authorized representative for hearing on June 06, 2016 to clarify the position.

3. In response to the above SCN, the Company vide letter dated June 03, 2016 stated that due to the 18th Constitutional Amendment, the subject "Tourism" was abolished from the concurrent list and the Cabinet Division closed the Ministry of Tourism, relocated its non-devolvable functions to different Federal Ministries/Divisions and placed PTDC Limited alongwith its subsidiaries under IPC division for management in transition and later winding

up/transfer to provinces. It has further been stated that PTDC Limited alongwith its subsidiaries were placed under the administrative control of Cabinet Division and the board was reconstituted in September 2014. It has also been stated that the board of directors of PTDC Limited decided to reverse all the decisions with regard to devolution of PTDC and handing over of PTDC Limited assets to the provinces and also decided to recommend Cabinet Division to review/amend its decision regarding transfer of assets of PTDC Limited and its subsidiaries to the provinces. It has been informed by the Company that the accounts of the Company for the years 2013-14 and 2014-15 were completed in time but could not be approved from shareholders as the meetings of the board of directors and shareholders could not be held due to uncertain situation and the Company requested to withdraw the show cause notice. The Company's representative also appeared on the date fixed for hearing and reiterated the above stated position.

4. The hearing was again fixed for January 12, 2017 to ascertain the latest status regarding filing of SOC's for the years 2014 and 2015. The Chief Executive of the Company, instead of appearing on the date fixed for hearing, vide letter dated January 12, 2017 again reiterated the above stated position. It appears that the Company has not taken necessary steps to regularize by not filing overdue SOC's for the years 2014 and 2015, although, the board of directors of the Company was reconstituted in September 2014, therefore, the default is willful and intentional.

5. 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 SOC along-with its annual report to set out the status of its compliance with the Rules, and shall also file SOC with the Commission and the registrar concerned along-with its annual report. Further, sub-rule (2) of rule 24 of the Rules requires that the company shall ensure that SOC 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 which provide penalty for contravention of the rules.

6. 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 SOC's for the years 2014 and 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, impose a fine of Rs. 50,000/- (Rupees Fifty thousand only) on the Chief Executive of 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 directed to submit the overdue SOC's for the years 2014 and 2015.



7. 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)

Announced:
January 23, 2017