



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

Before
Commissioner (Corporatization and Compliance Department)

In the matter of

M/s. SKYROOMS (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/165/2015/IAN-82/52/2016-8129 dated May 10, 2016

This Order shall dispose of proceedings initiated against the Chief Executive of M/s. Skyrooms (Private) 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 May 10, 2016 (the "SCN") was issued calling upon its Chief Executive 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, instead of appearing on the date fixed for hearing, the Chief Executive of the Company, vide letters dated June 03, 2016 and June 15, 2016 requested to reschedule the hearing which was acceded to and hearing was fixed for June 22, 2016 and September 01, 2016 respectively. The Chief Executive of the Company, instead of appearing on the dates fixed for hearing, vide letter dated August 31, 2016 informed that the Company is a wholly owned subsidiary of PIACL and being a subsidiary, the accounts of the Company were compiled/consolidated by parent company together with all the statement of compliance and other financial reports duly published every year in annual reports. The Chief Executive of the Company further informed that the statement of compliance is duly complied with by PIACL and requested to withdraw the SCN. The Company, vide this office letter dated October 13, 2016, was informed that the Company although being wholly owned by PIACL, has separate legal personality separate from its holding company and is required to

ensure compliance with the provisions of the Ordinance and the Rules, including filing of SOC in terms of rule 24(1) of the Rules. However, SOCs for the years ended June 30, 2014 and 2015 have not been filed by the Company till date. The Chief Executive was also reminded this fact vide letter dated December 29, 2016; however, no response has been received.

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 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.

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 SOCs 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 SOCs for the years 2014 and 2015.

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)

Announced:
January 13, 2017