



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- II

Adjudication Division

In the matter of

M/S. SHALIMAR RECORDING & BROADCASTING COMPANY LIMITED

<i>Show Cause Notice</i>	No. Adj-II/301/29/IAN-01/CRO-ISB/2024-25 –707 dated July 08, 2024	
	Date	Attended by
<i>Date of hearings & list of attendees</i>	Aug 22, 2024	<ol style="list-style-type: none">Ms. Tahira Saeeda, Deputy Director General (Press Information Department)Mr. Inam ul Haq, Director, Director Finance (Pakistan Broadcasting Corporation)Mr. M. Nazir Jawad, Consultant Legal (Pakistan Television Corporation Limited)Mr. Sultan Hayat Ranjha, Legal Advisor (Pakistan Television Corporation Limited)Mr. Touseef Ahmed Janjua, Controller Finance/Company Secretary, (Shalimar Recording & Broadcasting Company Limited)Mr. Yasir Khan, Director Admin & Personnel (Shalimar Recording & Broadcasting Company Limited)Mr. Raheel Arif, Manager, M/s. M. Javaid & Co.
	Dec 20, 2024	<ol style="list-style-type: none">Mr. Saeed Ahmed Sheikh, Director General (Pakistan Broadcasting Corporation)Mr. Inam ul Haq, Director Finance (Pakistan Broadcasting Corporation)Mr. Laeeq Ahmad Khan, Director Finance (Pakistan Television Corporation Limited)Mr. Javed Iqbal Bhatti, Director Admin & Personnel (Shalimar Recording & Broadcasting Company Limited) SRBCMr. Ifikhar Mahmood, Assistant to Company Secretary (Shalimar Recording & Broadcasting Company Limited)Mr. Yasir Khan, Director Program (Shalimar Recording & Broadcasting Company Limited)Mr. Sohail Aftab, Director Legal (Ministry of Information & Broadcasting)Ms. Hina Firdous, Director Media (Ministry of Information & Broadcasting)Mr. Ashique Hussain Sheikh, Director General (Ministry of Information & Broadcasting)Mr. Raheel Arif, Manager, M. Javaid & Co.Mr. Sultan Hayat Ranjha, Legal Advisor (Pakistan Television Corporation Limited)Mr. M. Nazir Jawad, Consultant Legal (Pakistan Television Corporation Limited)

SANCTION TO FILE WINDING UP PETITION UNDER CLAUSE (b) OF PROVISO TO SECTION 304 READ WITH SECTION 301(d) OF THE COMPANIES ACT, 2017

This Sanction shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the '*Commission*') vide Show Cause Notice No. Adj-II/301/29/IAN-01/CRO-ISB/2024-25–707 dated July 08, 2024 (the '*SCN*') issued to **M/s. Shalimar Recording & Broadcasting Company Limited** (the '*Company/ SRBC*') having registered office at Plot No. 36, Sector H-9, Islamabad and its **Chief Executive Officer and Directors** (collectively referred to as the '*Respondents*') under clause (b) of proviso to section 304 read with section 301 (d) of the Companies Act, 2017 (the '*Act*') for failing to file annual audited financial statements as required under section 233 of the Act for five consecutive financial years from the year ending on June 30, 2019 till the year ending on June 30, 2023.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

2. The Company, having CUIN 0004641, is a public unlisted company limited by shares, and was incorporated in Pakistan on December 18, 1974, under the repealed Companies Act, 1913 (*now the Companies Act, 2017*). Majority of the Company's shares are held by the Government of Pakistan through Pakistan Television Corporation Limited (the '*PTVC*'), Pakistan Broadcasting Corporation (the '*PBC*') and Pakistan National Council of Arts (the '*PNCA*'). The Company operates under the Ministry of Information and Broadcasting (the '*MoIB*') and is a National Broadcaster of ATV Channel and Shalimar FM Radio Network (94.6 MHz). As per last accepted Form-A made up to December 17, 2018, filed by the Company under the then Companies (General Provisions and Forms) Regulations, 2018 (*now the Companies Regulations, 2024*), the authorized share capital of the Company is Rs. 60,000,000/- divided into 6,000,000 ordinary shares of Rs. 10/- each, whereas, its paid-up share capital is Rs. 54,900,000/- divided into 5,490,000 ordinary shares of Rs. 10/- each. The pattern of shareholding of the Company as stated therein is as under: -

S.No.	Shareholders	No. of Shares Held	Percentage
1.	PTVC	3,894,972	70.95%
2.	PBC	1,080,000	19.67%
3.	PNCA	120,000	2.19%
4.	Individuals	395,028	7.19%
	Total	5,490,000	100%

3. The facts leading to issuance of the SCN are that the Honorable Islamabad High Court (the "*Court*") vide Order dated June 10, 2024, in Writ Petition No. 2565/2022 directed the Commission to issue SCN to the Company as to why it should not be wound up due to non-filing of its annual audited financial statements since 2018, and further directed the Company to submit up-to-date financial information in as near a form as possible to audited financial statements or at least submit up to date management accounts duly certified by the Chief Executive Officer (CEO) or a director of the Company. Moreover, the Court also required a roadmap from the Commission in consultation with MOIB and PTVC (the Respondent No. 1 and Respondent No. 4 of the Writ Petition) as to future direction of the Company and the source of payment of accrued salaries to the petitioners i.e. employees of the Company.

4. Hence, the Registrar at the Company Registration Office, Islamabad (the '*CRO*') examined the record of the Company in conformance with Section 233 of the Act and observed that the Company had not filed copies of its annual audited financial statements from the year ending on June 30, 2019 till the year ending on June 30, 2023 and sought sanction of the Commission to file winding up petition under clause (b) of proviso to section 304 read with section 301 (d) of the Act against the Company through its CEO and the Board of Directors (the '*BOD*').

5. I find it pertinent to put on record that the Company was required to file copies of its annual audited financial statements along with the reports and documents required to be annexed therewith as required under Section 233 of the Act with the Registrar after laying the same before the Company at the Annual General Meetings ('*AGM*'). Relevant provisions of section 233 of the Act are reproduced as under:

“233. Copy of Financial Statements to be forwarded to the registrar. —

(1) Without prejudice to the provisions of sub-section (5) of section 223, after the audited financial statements have been laid before the company at the annual general meeting and duly adopted, a copy of such financial statements together with reports and documents required to be annexed to the same, duly signed in the manner provided by sections 226, 232 and 251, shall be filed by the company with the registrar within

li



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

thirty days from the date of such meeting in case of a listed company and within fifteen days in case of any other company.”

6. Further, the relevant provisions of Section 301(d) and clause (b) of proviso to section 304 of the Act are as stated as under: -

“301. Circumstances in which a company may be wound up by Court. —A company may be wound up by the Court—

.....

(d) if the company has made a default in filing with the registrar its financial statements or annual returns for immediately preceding two consecutive financial years.”

“304. Provisions as to applications for winding up.—An application to the Court for the winding up of a company shall be by petition presented, subject to the provisions of this section, either by the company, or by any creditor or creditors (including any contingent or prospective creditor or creditors), or by any contributory or contributories, or by all or any of the aforesaid parties, together or separately or by the registrar, or by the Commission or by a person authorized by the Commission in that behalf:

Provided that—

.....

(b) the registrar shall not be entitled to present a petition for the winding up of a company unless the previous sanction of the Commission has been obtained to the presentation of the petition:

Provided that no such sanction shall be given unless the company has first been afforded an opportunity of making a representation and of being heard.”

7. In view of the foregoing, the SCN was issued to the Company through its CEO along with its BOD as mentioned below, as to why the sanction to present a petition for winding up of the Company before the Court may not be granted, as required by the Registrar in terms of clause (b) of proviso to section 304 of the Act due to existence of circumstances as envisaged under section 301(d) of the Act.

- i. M/s. Shalimar Recording & Broadcasting Company Limited;
- ii. Mr. Manzoor Ali Memon, Chief Executive Officer and Director;
- iii. Ms. Shahera Shahid, Director;
- iv. Mr. Mubashir Tauqir, Director;
- v. Mr. Syed Ajmal Haider Zaidi, Director;
- vi. Mr. M. Akbar Malik, Director;
- vii. Mr. Saifullah Shahid, Director; and
- viii. Mr. M. Inam Ul Haq, Director.

8. The Company vide its letter dated August 06, 2024, submitted a response to the SCN, whereby, stating that COVID-19 affected the entire media industry including their ATV Channel that caused severe financial constraints making challenging for them to pay salaries, cover operational expenses and hindered their ability to complete and finalize the annual audited financial statements in a timely manner. Moreover, it was submitted that in order to establish the State-of-the-Art English news channel, the office of the Company along with the



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

records and files, was relocated to temporary containers in mid-2021 that caused further delay in accessing and organizing documents essential for audits. It was also informed that the Company has recently been given newly constructed building, and the staff has now moved to the new facility. Having stated this, it was requested to withdraw the SCN and provide reasonable extension to complete the statutory audits and filing of the overdue annual audited financial statements for five years (2019-2023). It was also intimated that the BOD of the Company had duly approved the request for completion of audit and that the Company had engaged an audit firm to complete the process.

9. The Commission, in order to provide an opportunity for personal representation, issued a hearing notice dated August 12, 2024 to the Company and its CEO/ Directors as per the SCN, whereby, hearing in the matter was scheduled on August 22, 2024. The Company and the CEO/Directors were also directed to submit duly signed letter of consent for attending the hearing through video link and duly filled attendance sheet within five days from the date of the hearing notice. Moreover, the Company and its CEO/Directors were also advised to furnish an authorizing instrument along with aforesaid documents (*i.e., Board resolution/ duly executed power of attorney/ duly signed authorization letter*) in favour of the representative, if any, to represent them in the scheduled hearing.

10. On the date of hearing *i.e., August 22, 2024*, Ms. Tahira Saeeda, DDG (Press Information Department) and Mr. M. Inam ul Haq, Director Finance (PBC) appeared in the capacity of being the CEO and Director of the Company, respectively through video link whereas Mr. M. Nazir Jawad, Consultant Legal (PTVC) & Mr. Sultan Hayat Ranjha, Legal Advisor (PTVC) represented another Director of the Company *i.e.* Mr. Mubashir Tauqir, Managing Director (PTVC) through video link. Further, Mr. Touseef Ahmed Janjua, Controller (Finance) / Company Secretary & Mr. Yasir Khan, Director Admin & Personnel from the Company appeared in person to represent the Company along with Mr. Raheel Arif, Manager (M/s. M. Javaid & Co.) who was not included in the list of Respondents. At the outset, it was pointed out by the undersigned that the authorization for Mr. Touseef Ahmed Janjua and Mr. Yasir Khan and to represent the Company in the hearing was invalid being not signed by the CEO or BOD of the Company.

Furthermore, upon being inquired regarding the CEO/Directors of the Company, it was submitted that there have been certain changes in the BOD of the Company arising due to retirement/transfer of ex-officio members, as always have been the case, who, by virtue of holding certain positions in their respective organizations, are appointed as board members of the Company from time to time. It is necessary to mention here that the attendees were advised on the statutory obligation to file Form-9 (previously Form-29), to report whenever there is a change in the directors and officers, including the CEO, company secretary, chief financial officer, auditor, and legal advisor of the Company, along with Form-28 (consent to act as same) to the Registrar. They admitted this oversight with an assurance to comply at the earliest. List of attendees and the respective missing documents (*which remained unsubmitted in the Company's latter submissions as well*) are tabulated as under:

S#	As per the SCN	Status of Appearance on Hearing Held on August 22, 2024	Consent letter	Authorization letter	Attendance sheet
1.	M/s. Shalimar Recording & Broadcasting Company Limited through CEO	Mr. Touseef Ahmed Janjua, Company Secretary, SRBC (Appeared in person)	N/A	Not Submitted	Submitted
		Mr. Yasir Khan, Director Admin & Personnel, SRBC (Appeared in person)	N/A	Not Submitted	Submitted
		Mr. Raheel Arif (Manager, M/s. M. Javaid & Co.) (Appeared in person)	N/A	Not Submitted	Submitted



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

2.	Mr. Manzoor Ali Memon, CEO/Director	Ms. Tahira Saeeda, DDG, Press Information Department (Video Link)	Submitted	Not Submitted	Not Submitted
3.	Ms. Shahera Shahid, Director	Not Appeared (Replaced by Ms. Ambreen Jan, Secretary, MoIB, who also did not appear)	Not Appeared		
4.	Mr. Mubashir Tauqir, Director	Mr. Nazir Jawad, Consultant Legal, PTVC (video link)	Not Submitted	Not Submitted	Submitted
		Mr. Sultan Hayat, Legal Advisor, PTVC (video link)	Not Submitted	Not Submitted	Submitted
5.	Mr. Syed Ajmal Haider Zaidi, Director	Not Appeared (Replaced by Mr. Arshad Mahmood, Director Finance – PTVC, who also did not appear)	Not Appeared		
6.	Mr. M. Akbar Malik, Director	Not Appeared (Replaced by Mr. Aurangzeb Afridi, Director Program – PTVC, who also did not appear)	Not Appeared		
7.	Mr. Saifullah Shahid, Director	Not Appeared (Replaced by Mr. Farhat Abbas Janjua, Director Admin – PTVC, who also did not appear)	Not Appeared		
8.	Mr. M. Inam-ul-Haq, Director (Video Link)	Appeared	Submitted	N/A	Not Submitted

11. Nonetheless, the attendees admitted the alleged default pertaining to non-filing of annual audited financial statements for five years (June 30, 2019 – June 30, 2023) by the Company. However, they reiterated the response of the Company already given vide letter dated August 06, 2024 and made the following additional verbal submissions:

- the annual audited financial statements for the financial year ending on June 30, 2019 have now been submitted to the Registrar,
- the financial statements for the year ending on June 30, 2020 are ready and audit thereof would begin shortly, for which the Company has obtained the consent of the statutory auditors i.e. M/s. J.A.S.B & Associates, Chartered Accountants (the 'Auditor'),
- the Company has plans for early completion of audits of remaining financial years ending on June 30, 2021 – June 30, 2023, and
- the Company has hired consultants namely, M/s. M. Javaid & Co., to assist the Company in completion of accounting records and filings to the Registrar.

12. Pursuant to the submissions as mentioned hereabove, they were advised, during the hearing, to submit the following documents to this office:

- Documentary evidence for submission of annual audited financial statements for the financial year ending on June 30, 2019;
- Comprehensive and time-bound action plan for completion of the financial statements and audits thereof for the remaining financial years ending on June 30, 2020 – June 30, 2023;
- Documentary evidence of the BOD of the Company resolving to complete financial statements and audits;
- Documentary evidence of the submission of overdue statutory returns/forms filed with the Registrar; and;



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

- (e) Comprehensive response mentioning a complete action plan for resolution of all the matters being faced by the Company including the issues of financial constraints and non-payment of salaries to the employees (in line with the directions of the Court).

13. Subsequently, the Company's letter dated August 22, 2024 was received by this office on August 29, 2024, wherein, the Company provided revised list of Company's BOD along with their designations in their respective parent organizations and the addresses. Moreover, certain documents including consent letters and attendance sheets (*some also being unsigned*) were also attached with the aforesaid letter. The directors as per aforesaid letter are listed below:

S#	Directors as per Form-A made up to December 31, 2022	Directors as per Company's letter dated August 22, 2024	Designations in the Parent Organizations
1.	Mr. Manzoor Ali Memon, CEO/ Director	Ms. Tahira Saeeda, CEO/ Director	DDG-PID, MD-SRBC
2.	Ms. Shahera Shahid, Director/ Chairperson	Ms. Ambreen Jan, Director/ Chairperson	Secretary Information, MoIB
3.	Mr. Mubashir Tauqir, Director	Mr. Mubashir Tauqir, Director	MD-PTVC
4.	Mr. Syed Ajmal Haider Zaidi, Director	Mr. Arshad Mahmood, Director	Director Finance, PTVC
5.	Mr. M. Akbar Malik, Director	Mr. Aurangzeb Afridi, Director	Director Program, PTVC
6.	Mr. Saifullah Shahid, Director	Mr. Farhat Abbas Janjua, Director	Director Admin, PTVC
7.	Mr. M. Inam Ul Haq, Director	Mr. M. Inam Ul Haq, Director	Director Finance, PBC
8.	-	Mr. Saeed Ahmed Sheikh, Director	DG-PBC

14. In view of the aforementioned and in order to ascertain the filing status of the annual audited financial statements of the Company for the financial years ending on June 30, 2019 to June 30, 2023, the Registrar at the CRO was requested to provide information in respect thereof along with the status of acceptance, who confirmed that,

- the annual audited financial statements of the Company are still not filed for the financial year ending on June 30, 2019 – June 30, 2023 and the last annual audited financial statements filed with the Registrar by the Company are for the financial year ending on June 30, 2018;
- though the Company has filed the annual returns i.e. Form-As made up to December 31, 2019 to December 31, 2022 but the last accepted Form-A of the Company was made up to December 17, 2018; and
- the last Form-9 filed with and accepted by the Registrar was dated November 04, 2020 only containing change of the Company Secretary.

This clearly indicated that the Company failed to file subsequent changes in the directors and officers, including the CEO, company secretary, chief financial officer, auditor, and legal advisor of the Company to the Registrar despite being advised by the undersigned during the hearing.

15. Thereafter, the Company vide letter dated September 13, 2024, was reminded to provide the information agreed upon during the hearing (*as detailed in para 12 of the order*); along with the remaining authorization letters, consent letters for hearing through video link and the attendance sheets (*as detailed in para 10 of the order*). This reminder also highlighted that the changes in the BOD communicated through the Company's letter dated August 22, 2024, have not been filed with the Registrar through submission of relevant statutory returns/forms.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

16. The Company responded to the aforementioned reminder through its letter dated September 18, 2024, primarily reiterating the reasons previously communicated vide letter dated August 06, 2024, and provided an update on the commencement of audit of the overdue annual financial statements, steps taken by the BOD to address ongoing issues, and initiatives taken for pursuing a Public-Private Partnership ('PPP') model for the Company's revival. It was submitted that the BOD, in its meeting held on August 01, 2024, approved a strategic initiative to pursue a PPP model and explore privatisation for which the MOIB had established a committee to explore the privatisation process and PPP model. Further, it was informed that PTVC would continue transferring Rs. 40 million on monthly basis to the Company for settlement of outstanding salaries of the employees and to ensure financial stability until a more sustainable solution is implemented.

It was also submitted that PTVC and PBC, the major shareholders of the Company, have been classified as strategic entities by the Cabinet Committee on State-owned Enterprises (the 'CCoSOEs/ Cabinet Committee') on May 20, 2024, however, the Company has not been accorded the status of a strategic entity. Lastly, the Company requested for an extension to complete the remaining audits and file the overdue annual audited financial statements and withdrawal of the SCN, citing the challenges it was facing. Following is a brief on the documents annexed to the Company's Response:

S#	Documents/ Annexures	Brief Contents
1.	Minutes of SRBC's BOD meeting held on August 01, 2024	Decisions: <ul style="list-style-type: none">PTVC would continue monthly transfers of Rs. 40 million to SRBC as decided in SRBC's BOD meeting dated April 07, 2023 and PTVC's BOD meeting dated April 12, 2023 that was formalized through an MOU signed between SRBC and PTVC;Immediate commencement of pending statutory audits for the financial years 2019-2024, and PTVC will provide necessary financial support to ensure completion of audits;To proceed with the PPP approach as a strategic initiative for SRBC's way forward;Constitution of a Committee to initiate the PPP process and explore SRBC Privatisation process as well.
2.	MoIB order dated August 16, 2024, approving formation of the Committee	Secretary MoIB approved constitution of the Committee to explore SRBC's privatisation process and PPP model, consisting members from MoIB, PID, PBC, PTVC and SRBC.
3.	MoIB OM dated August 21, 2024, to the Privatisation Commission	MOIB sought clarification from the Privatisation Commission (the 'PC') on whether SRBC could go for PPP model in the given circumstances.
4.	Response from Privatisation Commission dated September 11, 2024	<ul style="list-style-type: none">PC is empowered to undertake privatisation of only those SOEs approved by the Government for inclusion in Privatisation program;As per PM's office U.O. dated May 27, 2024, all commercial SOEs except those categorized by CCoSOEs as strategic, shall be included in Privatisation program. The decision of CCoSOEs is silent about SRBC.MoIB was advised to get clarity from competent forum for adopting PPP or privatisation process in light of PM & Cabinet's directions.
5.	SRBC letter dated August 27, 2024, to PTVC regarding payment of salaries	Requested PTVC to release Rs. 115 million (outstanding as of July 2024).
6.	MoIB letter dated September 13, 2024 to PTVC regarding payment of salaries	Requested PTVC to release funds as the PTVC had not disbursed the payment of Rs. 80 million to SRBC for July-Aug 2024 with a total outstanding amount of Rs. 155 million as per the MOU.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

7.	Annual Audited Financial Statements	<ul style="list-style-type: none">• The copies of annual financial statements for 2019 and 2020 were attached.• Letter from M/s. J.A.S.B. & Associates Chartered Accountants dated September 04, 2024, to the Company, mentioning that the audit for the year 2021 was in progress and remaining audits would be initiated after conclusion of the same.• Audit Engagement letter dated September 04, 2024, in respect of financial statements for the year ending on June 30, 2024.
8.	Letter from M/s. M. Javaid & Co., dated September 04, 2024	M/s. M. Javaid & Co. was engaged as corporate consultant of the Company for filing of statutory returns/Forms for the period from 2019 to 2024 in response to the request made by the Company vide letter dated August 20, 2024.

17. The aforesaid response, with respect to information required from the Company vide Commission's letter dated September 13, 2024, led to below stated observations:

- (a) the certified true copy (CTC) of the Form for filing Annual Audited Financial Statements for the financial year 2019 with the Registrar was not provided;
- (b) the provided copy of annual audited financial statements for the year ending on June 30, 2019 and the auditor's report annexed thereto were neither signed nor dated by the Auditor;
- (c) though the appointment of M/s. J.A.S.B. & Associates, Chartered Accountants as auditors was communicated, however, a detailed time-bound action plan with specific dates for completing and submitting the annual audited financial statements for the remaining financial years i.e., 2020–2023 was not provided;
- (d) CTC of all overdue Form-9/28 for changes in the BOD/officers and the Auditor's appointment were not provided; and
- (e) complete signed authorization letters, consent letters, and attendance sheets for all Respondents or their representatives attending the hearing dated August 22, 2024, were not submitted.

18. Meanwhile the Court vide Order dated December 05, 2024 passed in CM. 3090/2024 directed the Commission to conclude the show cause proceedings after taking in consideration the revival plan suggested by the Company, MoIB and PTVC and by passing a speaking order of whether to proceed with the winding up or not in respect of the Company.

19. In order to meet the ends of justice, a final opportunity to submit complete information to the undersigned and for personal representation on the alleged default as stated in the SCN, a hearing notice dated December 13, 2024, was issued to the Company through its CEO and BOD (*as communicated in the Company's letter dated August 22, 2024*) for hearing scheduled for December 20, 2024. It was instructed in the said hearing notice to provide complete information addressing the observations listed in Paragraph 17 of this Order. They were also directed to submit duly signed consent letters for attending the hearing through video link and duly filled attendance sheets within five days of this hearing notice. Moreover, the Company and its CEO/ directors were also advised to furnish an authorizing instrument along with aforesaid documents (*i.e., Board resolution/ duly executed power of attorney/ duly signed authorization letter*) in favour of the representative, if any, for representation therein.

20. On the date of last hearing conducted on December 20, 2024, following appeared and informed about further changes in the BOD of the Company. List of attendees and the respective missing documents (*which remained unsubmitted in the Company's subsequent submissions as well*) is given below:



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

S#	Respondents as per the Hearing Notice	Status of Appearance on Hearing Held on December 20, 2024	Consent letter	Authorization letter	Attendance sheet
1.	M/s. Shalimar Recording & Broadcasting Company Limited through CEO	Mr. Javed Iqbal Bhatti, Director Admin & Personnel, SRBC (Appeared in person)	N/A	Not submitted	Submitted
		Mr. Iftikhar Mehmood, Assistant to Company Secretary, SRBC (Appeared in person)	N/A	Not submitted	Submitted
		Mr. Yasir Khan, Director Program, SRBC (video link)	Submitted	Not submitted	Not submitted
		Mr. Raheel Arif, Manager, M. Javaid & Co. (Appeared in person)	N/A	Not submitted	Submitted
2.	Ms. Tahira Saeeda, CEO	Mr. Javed Iqbal Bhatti, Director Admin & Personnel, SRBC (Appeared in person)	N/A	Not submitted	Submitted
		Mr. Iftikhar Mehmood, Assistant to Company Secretary, SRBC (Appeared in person)	N/A	Not submitted	Submitted
		Mr. Yasir Khan, Director Program, SRBC (video link)	Submitted	Not submitted	Not submitted
		Mr. Raheel Arif, Manager, M. Javaid & Co. (Appeared in person)	N/A	Not submitted	Submitted
3.	Ms. Ambreen Jan, Director	Mr. Sohail Aftab, Director Legal, MoIB (video link)	Not submitted	Submitted	Submitted
		Ms. Hina Firdous, Director Media, MoIB (video link)	Not submitted	Submitted	Submitted
		Mr. Ashique Hussain Sheikh, Director General, MoIB (video link)	Not submitted	Submitted	Submitted
4.	Mr. Mubashir Tauqir, Director	Not appeared (Replaced by Ms. Ambreen Jan, Secretary, MoIB as MD, PTVC)	Not Appeared		
		Mr. Laeeq Ahmad Khan, Director Finance, PTVC (Appeared in person)	N/A	Not submitted	Submitted
		Mr. Sultan Hayat Ranjha, Legal Advisor, PTVC (Appeared in person)	N/A	Not submitted	Submitted
		Mr. M. Nazir Jawad, Consultant Legal, PTVC (Appeared in person)	N/A	Not submitted	Submitted
5.	Mr. Arshad Mahmood, Director	Not appeared (Replaced by Mr. Laeeq Ahmed Khan, Director Finance, PTVC)	Not Appeared		
6.	Mr. Aurangzeb Afridi, Director	Not appeared (Replaced by Mr. Saif uddin, Director Program, PTVC, who also did not appear)	Not Appeared		
7.	Mr. Farhat Abbas Janjua, Director		Not Appeared		
8.	Mr. Saeed Ahmed Sheikh, Director	Appeared in person	N/A	N/A	submitted
9.	Mr. Inam ul Haq, Director	Appeared in person	N/A	N/A	submitted

21. However, it was instantly observed that no statutory filings for reporting the changes in the BOD were made by the Company this time as well, therefore, the necessity of the statutory requirement to file Form-9 (previously Form-29), to report whenever there is a change in the directors and officers, including the CEO, company secretary, chief financial officer, auditor, and legal advisor of the Company, along with Form-28 (consent to act as the same) to the Registrar was emphasized with an advise to do the needful in this connection



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

without any further delay. The attendees once again stated that the changes in BOD occurred due to retirement/transfer of ex-officio members, as always have been the case, who, by virtue of holding certain positions in their respective organizations, are appointed as board members of the Company from time to time. However, they admitted the oversight with assurance to comply at the earliest. Afterwards, they made the following verbal submissions: -

- (a) The annual audited financial statements for the year ending on June 30, 2019 have been submitted to the Registrar. Copies of the said financial statements were shared during the hearing (identical to those submitted earlier) along with the auditor's report.
 - (b) The attendees were questioned about the non-filing of Form-9 for changes in the CEO/BOD and other officers, including the auditor and company secretary etc. and related consent documents i.e., Form-28 (consent to act as the same). They admitted their obligation to file the statutory forms and informed that the Consultant, Mr. Raheel from M/s. M. Javaid & Co. had been engaged to address this issue.
 - (c) It was again submitted by the attendees that the delay in conducting the audit of the annual financial statements for the years ending on June 30, 2019 onwards was mainly due to outbreak of COVID-19, demolition of the Company's building and subsequent shifting of records to containers.
 - (d) Upon being inquired about the time-bound action plan for submitting annual audited financial statements for 2020-2023, the attendees stated that M/s. J.A.S.B. & Associates, Chartered Accountants, have been appointed to conduct the audits of annual financial statements for these years while admitting that neither the audit of the annual financial statements have been conducted nor proper filing of any statutory forms (Form-A, Form-9/28) has been made for those financial years, so far.
 - (e) Further, when questioned about the consent letter for the auditor's appointment for the financial year 2019 onwards, it was submitted that neither the consent letter had been obtained from the auditor nor submitted to the Registrar.
 - (f) Additionally, upon being questioned specifically, it was informed that no Annual General Meetings ('AGMs') or Extra Ordinary General Meetings ('EOGMs') had been held since 2018.
 - (g) About the Revival plan of the Company, it was submitted that the Company is going towards adopting a PPP model, whereby, 49% of the shareholding would be given to the private sector and 51% would be retained by the Company. It was further submitted that a summary in this connection had been forwarded to the PM's Office and CCoSOEs for approval of PPP model, which they expected to be acknowledged by the CCoSOEs, after which, the matter would be taken to Public Private Partnership Authority (the "PPPA").
 - (h) When inquired about the accrued salaries of the employees, it was submitted that the PTVC had discontinued payments due to their own financial constraints. It was further submitted that the agreement to transfer Rs. 40 million every month to the Company was formalized through an MOU signed between the Company and the PTVC, which as per PTVC representative was not an enforceable contract and was therefore non-binding.
 - (i) Moreover, during the hearing conducted on December 20, 2024, the Company was inquired whether it has any other financial plan (besides the financial support from PTVC) to pay-off its liabilities including the pending salary dues of the employees in near future, to which the Company responded that currently, there is no such other plan in place.
22. Moreover, the attendees also submitted a written response vide Company's cover letter dated December 18, 2024, during the hearing, that contained the following:

- (a) Copies of annual audited financial statements for the financial years 2019 and 2020, as earlier provided vide the Company's response dated September 18, 2024;



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

- (b) Minutes of the Company's BOD meeting held on August 01, 2024 stating immediate commencement of pending statutory audits for the financial years 2019-2024, and PTVC to provide necessary financial support to ensure completion of audits;
- (c) Copy of the Company's response letter dated September 18, 2024 (already submitted earlier to this office);
- (d) Information on the format of unfiled Form-A dated December 18, 2024, wherein the following directors were shown to have replaced the ones communicated vide Company's letter dated August 22, 2024:

S#	Directors as per letter dated August 22, 2024	Directors as per information provided on the format of Form-A dated December 18, 2024	Designations
1.	Ms. Tahira Saeeda, CEO/ Director	Ms. Tahira Saeeda, CEO/ Director	DDG-PID, MD-SRBC
2.	Ms. Ambreen Jan, Director/ Chairperson	Ms. Ambreen Jan, Director/ Chairperson	Secretary, MoIB
3.	Mr. Mubashir Tauqir, Director	Mr. Mubashir Tauqir, Director*	MD-PTVC
4.	Mr. Arshad Mahmood, Director	Mr. Laeeq Ahmed Khan	Director Finance, PTVC
5.	Mr. Aurangzeb Afridi, Director	Mr. Saif ud Din	Director Program, PTVC
6.	Mr. Farhat Abbas Janjua, Director	Mr. Farhat Abbas Janjua, Director	Director (A&P), PTVC
7.	Mr. M. Inam Ul Haq, Director	Mr. M. Inam Ul Haq, Director	Director Finance, PBC
8.	Mr. Saeed Ahmed Sheikh, Director	Mr. Saeed Ahmed Sheikh, Director	DG-PBC

* It was submitted during the hearing that Mr. Mubashir Tauqir is not on the SRBC's BOD, and has been replaced by Ms. Ambreen Jan as MD, PTVC; however, Mr. Mubashir Tauqir appeared to be a director in the information given on the format of Form-A dated December 18, 2024.

- (e) Copy of summary by the Secretary, MoIB dated December 03, 2024, to the Prime Minister seeking his approval to explore viable options and proceed with the PPP model through CCoSOEs;
- (f) Copy of decision conveyed by Secretary to PM dated December 04, 2024, to place the SRBC's privatisation and exploration of PPP model before the CCoSOEs for further deliberation;
- (g) Copy of Company's letter dated December 17, 2024 in response to questions raised in the National Assembly enclosing copy of the MOU and a statement showing receivable amount from PTVC on account of MOU signed between PTVC and the Company; and
- (h) Copy of a statement showing, in summarized manner, unpaid salaries to the employees of the Company.

23. At the end of the hearing, the attendees requested for submission of the following additional documents for which they were directed to provide these by not later than December 23, 2024:

- (a) Cover letter certified from the MOIB communicating all procedures and documents with respect to achieving PPP model including correspondences with the PM office and CCoSOEs;
- (b) Supporting evidence in respect of payments received from PTVC/ PBC/ any other sources, and amount outstanding from PTVC (showing monthly breakup);
- (c) Total outstanding salaries in respect of employees, showing breakup as to each cadre of employees, number of employees, and number of months;
- (d) Letter certified from the PTVC & PBC covering information as to payments made till date to the Company and reasons for which transfers were discontinued including terms not fulfilled by the Company;
- (e) Authority letters, attendance sheets, and consent letters for attending the hearing through video link, which were not provided for the previous hearing held on August 22, 2024, as well as this hearing; and
- (f) Letter communicating further replacements/ changes in BOD after its last intimation regarding the same.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

24. Thus, a final response was received by this office on December 24, 2024 that included the followings:

- (a) A letter from PBC dated December 23, 2024, whereby, it was informed that on the directions of the Secretary, MoIB to DG-PBC, PBC made payments totaling Rs. 67 million to SRBC on behalf of PTVC for payment of salaries to SRBC's staff. These included payments of Rs. 45 million and Rs. 22 million paid on July 30, 2024 and November 08, 2024, respectively, through cheques.
- (b) A letter from PTVC dated December 23, 2024, informing on the arrangement with SRBC under MOU, according to which, PTVC was committed to paying Rs. 40 million on monthly basis to SRBC for sharing airtime, marketing and sales with adjustments made against recoveries from advertisers. Between April 2023 and September 2024, PTVC paid Rs. 527 million to SRBC, while SRBC remitted only Rs. 31.972 million despite earning Rs. 132.53 million during April 2023 to June 2024. PTVC highlighted that Rs. 100.558 million remains recoverable from SRBC, in addition to Rs. 50 million previously given as a loan and Rs. 40 million advanced for the OTT platform (PTV-Flix). The letter further stated that although the MOU was non-binding, PTVC entered into it in good faith as the main shareholder in SRBC. However, due to PTVC's own financial constraints and adverse liquidity/cash flow issues, this arrangement is no longer feasible.
- (c) A letter from MoIB dated December 23, 2024, informing about the steps taken so far with respect to adopting PPP Model in respect of the Company thereby enclosing following additional documents:
 - (i) BOD Resolution dated September 19, 2024, resolving to submit a comprehensive case to CCoSOEs and request to PTVC to release amounts as per the MOU. Moreover, a note dated October 28, 2024, certified by Mr. Laeeq Ahmed Khan, Director Finance, PTVC, was attached to the aforesaid Resolution, stating that PTVC cannot pay Rs. 40 million per month to SRBC for employee salaries due to its own financial constraints, along with outstanding national and international obligations amounting to Rs. 8 billion. The note further highlighted that creditors are aggressively pursuing pending payments and at times, even employee salaries cannot be disbursed;
 - (ii) Summary forwarded by MoIB to the CCoSOEs dated December 04, 2024, requesting to grant approval to SRBC to proceed with PPP model in view of current issues, and the fact that PTVC has regretted to make outstanding/ further payments; and
 - (iii) Cabinet Division's correspondence December 20, 2024, notifying that a meeting of the CCoSOEs would be held on December 24, 2024, to discuss SRBC privatisation and exploration of PPP model.
- (d) A letter from the Company dated December 20, 2024, thereby, providing additional following information:
 - (i) Authorization letter and consent letter to attend hearing through video link (complete documents still not submitted);
 - (ii) Signed and dated annual audited financial statements and auditor's report for the year ending on June 30, 2019 annexed therewith;Details of payments received from PTVC on account of MOU signed between PTVC and SRBC on May 17, 2023, for a period of 3 years, summarized below:

<i>Rs. In million</i>					
Year	Months	Amounts Receivable from PTVC	Amounts Received from PTVC	Amounts Received from PBC	Amounts Pending
2022-2023	May 23 - June 23	80	90	0	-10
2023-2024	July 23 - June 24	480	350	0	130



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

2024-2025	July 24 - Dec 24	240	22	67	151
Total		800	462	67	271

- (iii) A statement showing number of months for which employees' salaries remained outstanding/pending, according to which, out of 65 months in total from July 2019 till November 2024 (in the financial years ending on June 30, 2020-2025), complete salaries for only 37 months were paid to the Company's employees, as follows:

Financial year	Months	No. of Months		
		Total	Complete salary paid	Complete salary not paid
2019 - 2020	July 19 - June 20	12	9	3
2020 - 2021	July 20 - June 21	12	6	6
2021 - 2022	July 21 - June 22	12	2	10
2022 - 2023	July 22 - June 23	12	7	5
2023 - 2024	July 23 - June 24	12	12	0
2024 - 2025	July 24 - Nov 24	5	1	4
Total		65	37	28

- (iv) Details regarding the amounts of total and pending salaries of the Company's employees from July 2019 till November 2024, are summarized below:

Financial year	Months	Amount in Rs.		
		Total Salary	Salary Paid	Accrued Salary
2019-2020	Mar 20 - June 20	74,060,000	56,056,772	18,003,228
2020 - 2021	July 20 - June 21	225,742,753	164,911,022	60,831,731
2021 - 2022	July 21 - June 22	240,045,936	67,391,870	172,654,066
2022 - 2023	July 22 - June 23	230,268,507	169,442,927	60,825,580
2023 - 2024	July 23 - June 24	233,058,332	233,058,332	-
2024 - 2025	July 24 - Nov 24	96,533,228	33,097,331	63,435,897
Total		1,099,708,756	723,958,254	375,750,502

25. This, being a case of a public sector company, is of foremost importance. Thus, I have carefully gone through the facts of the case, submissions made by the Company, its directors, shareholders/stakeholders, records obtained from the Registrar at CRO, documents available with the Commission and input received thereof. It is pertinent to mention here that the SCN was issued based on non-filing of the annual audited financial statements for the financial years ending on June 30, 2019, through June 30, 2023, however, during the course of the instant proceedings, certain other violations [HR1]surfaced that are mentioned hereunder first:-

Non-holding of AGMs/EOGMs

Section 132(1) of the Act obligates the Company to hold an AGM once in every calendar year within a period of one hundred and twenty days following the close of its financial year. However, the Company during hearing conducted on December 20, 2024, confirmed that no AGMs have been held by the Company since the year 2018. Moreover, the available record reveals that the Company has also not even held any EOGM, which at least is essential to be held for obtaining approval from members of the Company, where applicable for example for the purpose of election of directors.

Non-filing of Statutory Forms

As per section 130 of the Act, the Company is required to prepare and file with the registrar an annual return (i.e., Form A) containing the date of the AGM and particulars of the directors, officer & shareholders of the



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

company. In this regard, the Registrar has confirmed that the last accepted Form-A of the Company was made up to December 17, 2018 whereas the subsequently filed Form-As for the years 2019 – 2022 by the Company were not accepted by the Registrar being deficient and without the requisite evidence i.e. Form-9.

Section 197(3) of the Act requires the Company to file a return with the Registrar (as per Form-9) within fifteen days of the appointment or any change in its directors and officers, including the CEO, company secretary, chief financial officer, auditor, and legal advisor. Further, Section 167 of the Act obligates the Company to obtain written consent (as per Form-28) before their appointment or nomination, and file the consent with the Registrar within fifteen days of obtaining it. However, it emerged during the instant proceedings that the Company has also not been filing Form-9 (as well as Form-28) since November 20, 2020 despite multiple changes in the BOD and other officers, thereafter.

Since the last accepted Form-A made up to December 17, 2018 by the Company, the charge assumption/relinquish by the directors of the Company have not only been executed without following the aforementioned due process of the law but also have not been reported through filing of statutory forms (Form-A & Form-9) with the Registrar in proper and correct manner. Likewise, the change of the officers of the Company has also not been reported to the Registrar.

Appointment of the Statutory Auditor

The Company, during the hearing held on August 22, 2024 and through its written response dated September 18, 2024, informed that M/s. J.A.S.B. & Associates Chartered Accountants had been appointed as statutory auditor of the Company and the audits for the years 2019 and 2020 have been conducted while the audits for the subsequent years i.e. 2021 to 2024 were in process. In this connection, it is important to highlight that Section 246(2) of the Act states that an auditor is to be appointed by the Company in AGM after obtaining proposed auditor's consent in writing, and the auditor so appointed to retire on conclusion of the next AGM. Further, Section 246(9) of the Act mandates the Company to submit the auditor's written consent to the Registrar within 14 days of the date of appointment thereof through Form-9.

Perusal of the submissions and record of the company disclosed that M/s. J.A.S.B. & Associates Chartered Accountants, contrary to the requirements set out in Section 246 of the Act, were appointed without approval of the members of the Company through holding any AGM or EOGM as the Company has not held any such general meeting since 2018. Further the Company has also not provided any evidence of having obtained the consent from M/s. J.A.S.B. & Associates Chartered Accountants to act as its statutory auditor and no Form-9 has been filed with the Registrar by the Company in this connection. This exhibits that M/s. J.A.S.B. & Associates, Chartered Accountants were not legally authorized to have access to the Company's books and papers and books of accounts in order to conduct statutory audits of the Company for the financial years 2019 onwards.

26. Furthermore, the important issue of non-payment of salaries to the employees of the company and revival plan of the company has been analyzed in light of the Court's Orders dated June 10, 2024 and December 05, 2024.

Non-payment of Salaries to the Employees

The Company provided details about the outstanding salaries owed to its employees, which have accumulated since March 2020. Further, the documents provided by the Company revealed that salaries for 28 months were either unpaid or partially paid to the employees, with an outstanding amount of Rs. 375,750,502/- as of November, 2024 (that constitutes 34% of the total salary expense since March 2020).



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

Further in this regard, it has been noticed that a BOD Meeting of the company was held on April 07, 2023 wherein it was resolved that PTVC will pay Rs. 40 Million per month to the Company in lieu of managing Company's operations and marketing. Pursuant to this BOD meeting, an MOU was signed between the Company and the PTVC for a period of 3 years, which did not contain any specific amount like Rs. 40 million to be paid by PTVC rather a term 'a certain amount' was used therein for payment by PTVC to the Company on monthly basis for its operations and for payment of salaries to the employees.

Based on the information shared by the Company vide letter dated December 20, 2024, PTVC and PBC have disbursed Rs. 462 million and Rs. 67 million so far. Payment of Rs. 67 million is validated by PBC's letter dated December 23, 2024. However, PTVC vide letter dated December 23, 2024 stated to have disbursed 527 million to the Company (thereby not giving clarity if it included the amount paid by PBC to the Company on behalf of PTVC or not). Moreover, PTVC stated that the Company remitted only Rs. 31.972 million to PTVC against its earning of Rs. 132.530 million during April 2023 to June 2024 and that Rs. 100.558 million remains recoverable from the Company along with Rs. 50 million previously given as a loan and Rs. 40 million advanced for the OTT platform (PTV-Flix). The PTVC categorically has termed the MOU as non-binding and expressed its inability to continue this practice due to its own acute financial crunch and adverse liquidity/cash flow problems.

It is important to note that a BOD Resolution of the Company dated September 19, 2024, was submitted vide MoIB's letter dated December 23, 2024 to this Office. A note certified from the PTVC was attached to the said Resolution, wherein, the PTVC expressed its inability to continue the payment of the agreed amount i.e. Rs. 40 Million per month mentioning the reasons of its own financial distress, including outstanding national and international obligations amounting to Rs. 8 billion.

During the hearing conducted on December 20, 2024, the Company was specifically inquired whether it has any feasible financial plan/option, besides the financial support from PTVC or PBC, to pay-off its liabilities including the pending salaries of the employees, to which it was submitted that the Company has no such alternate plan or option available at the moment.

Analysis of the Company's Revival Plan

The Commission, mandated to assess and scrutinize cases of winding up, provided an evaluation of the revival plan of the Company along with the details of all meetings with the Company and its shareholder/stakeholders in this connection. The relevant department of the Commission, at the outset, stated that the Company has not submitted any revival plan for review except a roadmap for exploring the option to go for PPP model to restore its operations and settle liabilities. As for the meeting details, it was submitted that the first meeting with the Company, PTVC and MoIB was held on July 12, 2024, following which a letter dated July 15, 2024, was written to MoIB for sharing roadmap and Company's business revival plan. The MoIB vide its correspondence dated August 15, 2024 to the relevant department of the Commission, conveyed the Company's future roadmap through grant of principal approval by Company's BOD to proceed with the PPP approach as a strategic initiative as Company's way forward besides information on management issues, audited financial statements and privatisation status & strategic entity that was submitted to the Honorable Court vide CM No. 3090/2024, upon which the Court passed the Order dated December 05, 2024.

Furthermore, upon receipt of the order of the Honorable Court dated December 05, 2024, subsequent to the aforesaid CM, the relevant department of the Commission held another meeting with the Company, PTVC and MOIB on December 12, 2024, wherein it was informed that summary has been forwarded to the CCoSOEs for clarification and seeking approval for revival of the Company while adopting PPP model and the decision upon the same is still awaited. Consequent upon the decision, the Company may be in a position to furnish revival



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

plan for its revival and settlement of outstanding liabilities in particular liabilities towards its employees. The relevant department of the Commission has concluded and informed the undersigned that there is no revival plan on record upon which assessment regarding its viability can be performed.

Moreover, the Company, during the instant proceedings, also informed the undersigned that it has planned to adopt PPP model in order to arrange financial resources to resolve the challenges currently being faced by the Company. For this purpose, it was stated that following steps have been taken by the Company:

- (a) The Company in its BOD meeting held on August 01, 2024, resolved to pursue a PPP model as its strategic initiative to solve the challenges it was facing particularly the settlement of accrued salaries of employees.
- (b) Subsequently, a committee approved by the Secretary MOIB was formed to explore PPP Model for the Company.
- (c) The Ministry further sought clarification from the Privatisation Commission on whether the Company could go for the PPP model or not given its circumstances. The Privatisation Commission advised the MoIB to get clarity from competent forum for adopting PPP or privatisation process in light of PM & CCoSOEs directions in this regard.
- (d) Thereafter, the MoIB, after due approval from the PM's office, forwarded a summary dated December 04, 2024 to the CCoSOEs, requesting to grant approval to the Company to proceed with the PPP model, in view of current issues being faced by the Company.

It is significant to state here that the MOIB vide letter as stated at Para 24 (c) (iii) above had annexed a copy of correspondence from Cabinet Division dated December 20, 2024, notifying that a meeting of the CCoSOEs would be held on December 24, 2024, to discuss SRBC Privatisation and exploration of PPP model, however, no further update on the outcome of such a meeting, if held, has been provided to the undersigned till date. It is evident from the above and confirmed by the attendees in the hearing held on December 20, 2024 that the Company's intent to adopt the PPP model as a strategic initiative is subject to approval of the CCoSOEs, if granted only then the Company will be in a position to develop a detailed, actionable revival plan, including steps to address its liabilities, particularly those owed to employees.

However, it appears in the instant case that even if the PPP model is approved, converting the Company into a functional PPP entity could be a challenging task considering that it would involve navigating several requirements such as identifying/finding potential investor(s), performing due-diligence to evaluate the commercial viability, formulating a comprehensive & actionable plan and finally implementing the same. Whereas, the fact of the matter is that the Company's record with respect to mandatory statutory compliance of the applicable provisions of the law and maintenance of financial information/record keeping is notably non-compliant and unsatisfactory, specifically, the non-availability and non-submission of the annual audited financial statements of the Company since 2019, which is a critical consideration prior to making any such decision. Additionally, the admitted position by the Company of not having any alternate feasible financial plan is also on the record.

27. Without prejudice to the aforementioned observations and while remaining within the parameters of the SCN, the submission made by the Company, its directors, shareholder and stakeholders in context of compliance of Section 233 of the Act regarding non-filing of Company's annual audited financial statements for the financial years ending on June 30, 2019 till June 30, 2023 have been- evaluated in depth with the conclusion as under: -



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

Annual Audited Financial Statements for the Year Ending on June 30, 2019

The Company at multiple times i.e. during the hearing and vide written responses to the SCN stated to have filed the annual audited financial statements for the year ending on June 30, 2019 with the Registrar and also submitted copies of the said financial statements, however, it was observed that these financial statements and the annexed auditor's reports were undated and unsigned therefore were not accepted as valid documents. Further, the Company provided a copy of a form as an evidence of filing of annual audited financial statements for the year ending on June 30, 2019 with the Registrar. Upon being observed that the provided copy of the form was not a certified true copy, the confirmation was sought from the Registrar, who confirmed that no such filing has been made by the Company except the one made on April 19, 2022 that, after giving opportunities to rectify the objections raised therein, was eventually rejected on January 11, 2024 in terms of Section 464 of the Act by the Registrar.

Meanwhile, the Company was informed through written communications dated September 13, 2024 and December 13, 2024 as well as during the hearings held on August 22, 2024 and December 20, 2024 that the annual audited financial statements for 2019 are not filed with the CRO, if otherwise, the evidence needs to be furnished. Later on, the Company submitted a copy of signed & dated annual audited financial statements for the year ending on June 30, 2019 to the undersigned vide letter dated December 20, 2024 (received on December 24, 2024) along with an audit report issued by M/s. J.A.S.B & Associates, Chartered Accountants. However, the observation regarding appointment of statutory auditors of the Company, as stated in para 25/above, establishes that M/s. J.A.S.B & Associates, Chartered Accountants was not legally authorized to conduct the audit of the Company. Nevertheless, the Registrar has also reiterated its stance that no annual audited financial statements of the Company for the year ending on June 30, 2019 have been accepted by the Registrar till date.

Annual Audited Financial Statements for the Years Ending on June 30, 2020 to June 30, 2023

The Company submitted the annual audited financial statements for the year ending on June 30, 2020 vide letters dated September 18, 2024 and December 18, 2024, however, it has been noted that these financial statements and the annexed auditor's report were undated and unsigned, thus, the same cannot be construed as valid documents. The Registrar has also confirmed non-filing of such financial statements.

Moreover, the Company has been persistently giving assurance of completion and filing of the annual audited financial statements for the years ending on June 30, 2020 to June 30, 2023, however, it has been noted with concern that the Company has not made any progress in this connection till date. It is important to mention here that the Company was reminded through a letter dated September 13, 2024, through the hearing notice dated December 13, 2024 as well as during the hearings conducted on August 22, 2024 & December 20, 2024 to submit a detailed time-bound plan for completing and filing of the annual audited financial statements for the years ending on June 30, 2020 to June 30, 2023, however, the Company, despite supra reminders, failed to do so.

The reasons furnished by the Company for non-conduct of statutory audits and subsequent non-filing of the annual audited financial statements for the financial years 2019-2023 are not found to be cogent and plausible. Although the outbreak of Covid-19 had an impact on all walks of life, the Commission had announced relaxations accordingly, availing which the Company could have ensured compliance of its statutory obligations. Moreover, the Company's plea of demolition of its building and the subsequent shifting of records to the containers is unacceptable considering the importance of its statutory obligations to maintain the books of accounts and other relevant books and papers at its registered office in manner that a true and fair view of the state of affairs of the Company could be reflected in its financial statements. In the instant case, the Company being a Public Sector Company, is operated/run on the public funds, thus it was of paramount significance for



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department – II Adjudication Division

the BOD/management of the Company to remain cautious and responsible regarding keeping of proper financial record and books of accounts, which would allow the stakeholders to form a fair view of the Company.

28. Since the issuance of the SCN, the Company and its BOD were granted extensions to submit their response and supporting documents, based on their requests for additional time and in the interest to meet the ends of justice. As a result, they were provided ample opportunities to submit their long-overdue annual audited financial statements for the years ending June 30, 2019, through June 30, 2023, to the Registrar. However, as outlined above, it is evident that the Company has made no progress toward compliance with Section 233 of the Act. Additionally, the Company and its BOD were given sufficient time to present a revival plan and resolve the issue of unpaid salaries to employees, in accordance with the directions of the Honorable Court. Despite this, it was admitted during the hearing on December 20, 2024, that the Company currently has no viable option to pay off its liabilities, including the outstanding salary dues to employees, except for payment from PTVC (which the PTVC has now categorically refused). Furthermore, it was informed in the stated last hearing that a meeting of the CCoSOEs would be held on December 24, 2024, to discuss Company's privatisation and exploration of PPP model, however, no further update on the outcome of such a meeting, if held, has been provided till date. While the Company and its BOD submitted numerous documents—often repetitive in nature—none of these could be considered a feasible or workable restructuring or revival plan. Nevertheless, all written submissions made by the Company, its BOD, stakeholders, and shareholders, along with the verbal submissions presented during the hearings, have been thoroughly reviewed and analyzed to ensure justice is served and a speaking order, addressing all aspects of the instant case, is passed.

29. In view of the established default of Section 233 of the Act, as the Company has persisted with non-filing of the annual audited financial statements for the years ending June 30, 2019, through June 30, 2023, I, in exercise of the powers delegated by S.R.O 1546 (I)/2019, hereby grant sanction under clause (b) of the proviso to section 304, read with section 301(d) of the Act, to the Registrar/Incharge, Company Registration Office, Islamabad, to file a petition for the winding-up of **M/s. Shalimar Recording & Broadcasting Company Limited**.

30. This Sanction is being issued without prejudice to any other proceedings or action that the Commission or National Accountability Bureau or Federal Investigation Agency or any other authority, bureau, agency or institution may initiate, in accordance with relevant provisions of law, against the Respondents and any other officer of the Company.

(Hammad Javed)

Additional Director / Head of Department
Adjudication Department-II

Announced: January 20, 2025
Islamabad