



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director

In the matter of

Nirala MSR Foods Limited

Number and date of notice: CSD/ARN/134/2015-2770-76 dated January 20, 2016
Date of hearing: March 14, 2016, April 25, 2016 and May 23, 2016

ORDER

UNDER SUB-SECTION (3) OF SECTION 245 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984

This order shall dispose of the proceedings initiated vide show cause notices dated January 20, 2016 issued to following chief executive and directors (“respondents”) of Nirala MSR Foods Limited (“Company”) for default made in complying with the provisions of Sub-section (1) of Section 245 read with Section 476 of the Companies Ordinance, 1984 (“Ordinance”).

S.#	Names of Directors
1	Mr. Farooq Ahmed, Chief Executive
2	Mr. Mehmood Ur Rehman, Director
3	Mr. Muhammad Ishaq Malik, Director
4	Mr. Muhammad Taloot, Director
5	Mr. Naseem Akhtar, Director
6	Mr. Shahzad Salim, Director
7	Mr. Wasif M. Khan

2. The brief facts of the case are that as per record, the Company failed to file interim financial statements (“Quarterly Accounts”) for following period with the Commission within stipulated time, as per requirements of section 245 of the Ordinance.

Period Ended	Due on	Remarks
31-Dec-14	28-Feb-15	Not Filed
31-Mar-15	30-Apr-15	Not Filed
30-Sep-15	31-Oct-15	Not Filed

Consequently, the show cause notice (“SCN”) was issued to the respondents whereof they were called upon to show cause in writing as to why penal action may not be taken against them under

SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN
NIC Building, 63 Jinnah Avenue,
Islamabad, Pakistan



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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sub-section (3) of section 245 of the Ordinance for not filing the aforesaid Quarterly Accounts in a timely manner as stipulated by the law. The respondent failed to respond to SCN.

3. In order to provide opportunity of personal hearing; the case was fixed before the undersigned for March 14, 2016, April 25, 2016 and May 23, 2016 but no one appeared.

4. In terms of the Commission's notification SRO 1003(I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 245 of the Ordinance have been delegated to Director (Corporate Supervision Department).

5. Before proceeding to decide this case, I consider it necessary to highlight the importance of the strict observance of the mandatory requirements of law. The protection of the investors/shareholders is one of the primary objectives of the Ordinance. These are shareholders who provide seed for the capital formation of the Company. It is their lawful right to receive timely, adequate and meaningful information. In the case at hand the respondents had acquired a non-operational listed company with a commitment turn its fortune and bring relief to the shareholders. However, the respondents have acted in an oppressive manner and even denied them basic information about affairs of the Company. Since it is the annual and interim accounts, which provide information to the investors about the affairs of the company. It has unfortunately been noted that the directors of the Company have failed to comply the requirements of law and have not circulated the quarterly accounts to the shareholders nor filed with the Commission within the prescribed time.

6. The Respondents have deprived the shareholders of their statutory right to receive the quarterly accounts of the Company within the prescribed time limit. The responsibility for preparation/circulation of quarterly accounts rests with the directors of the Company who have to take appropriate action within the time stipulated by law. The repetition of defaults clearly demonstrates that the directors of the company are not making any serious efforts to comply with the provisions of the law. For the foregoing reasons, the default under Sub-section (1) of Section 245 of the Ordinance regarding late filing of quarterly accounts for the aforesaid periods; stands established.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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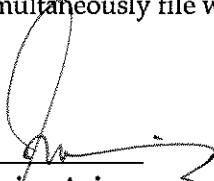
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7. Keeping in view of the above I, hereby, while invoking the provisions of Section 245 of the Ordinance, impose fine amounting to Rs.20,000/- (Rupees twenty thousand only) per director/chief executive for each quarterly default.

Name of Respondents	Amount in Rupees
Mr. Farooq Ahmed, Chief Executive	60,000
Mr. Mehmood Ur Rehman, Director	60,000
Mr. Muhammad Ishaq Malik, Director	60,000
Mr. Muhammad Taloot, Director	60,000
Mr. Naseem Akhtar, Director	60,000
Mr. Shahzad Salim, Director	60,000
Mr. Wasif M. Khan	60,000
Total	420,000

8. The respondents are hereby directed to deposit the aforesaid fine aggregating to Rs.420,000/- (Rupees four hundred and twenty thousand only), in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with MCB Bank Limited within thirty days from the receipt of this Order and furnish evidence in this regard for record of the Commission. Failing which proceedings under the Land Revenue Act,1967 will be initiated which may result in the attachment and sale of movable and immovable property. It may also be noted that the aforesaid fine is imposed on the chief executive and directors, in their personal capacity and he is required to pay the aforesaid amount of fine from personal resources.

9. Moreover, the Respondents are hereby directed under the provision of Section 473 of the Ordinance to prepare overdue quarterly accounts and transmit to the members and simultaneously file with the Registrar and the Commission with in sixty days of this Order.


Amjina Aziz
Director

Announced:
May 30, 2016
Islamabad