



Securities and Exchange Commission of Pakistan

BEFORE APPELLATE BENCH

In the matter of

Appeal No. 45 of 2018

Wasif M. Khan

...Appellant

Versus

Executive Director, Corporate & Supervision Department, SECP

...Respondent

Date of Hearing: 28/11/19

Present:

For the Appellant:

Mr. Muhammad Saqlain Arshad, Advocate High Court

For the Respondent:

- i. Mr. Tariq Ahmed, Additional Director (CSD)
- ii. Mr. Amir Saleem, Joint Director (CSD)

INTERIM ORDER

1. This Order is passed in Appeal No.45 of 2018 filed by Mr. Wasif M. Khan (Appellant) under section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 (SECP Act) against the order (Impugned Order/Letter) dated 04/10/18 passed by the Executive Director, Corporate Supervision Department (Respondent).
2. The brief facts of the case are that Nirala MSR Foods Limited (Company) was required to hold its Annual General Meeting (AGM) for the year ended 30/06/16 on or before 31/12/16, pursuant to Section 158(1) of the Companies Ordinance, 1984 (Ordinance). However, records of the Company revealed that it failed to convene the AGM as prescribed under the law. Furthermore, the Company failed to file its interim financial statements pursuant to section 245 of the Ordinance with the Securities and Exchange Commission of Pakistan (the Commission) within the time stipulated for the following quarters:



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Quarter ended	Filing due on
December 31, 2015	February 29, 2016
March 31, 2016	April 30, 2016
September 30, 2016	October 31, 2016

3. It was alleged that the chief executive and the directors of the Company had, contravened the requirements of Section 158 and Section 245(3) of the Ordinance, therefore, a Show Cause Notice dated 24/02/17 (SCN) was issued which was not responded to. Hearing in the matter was fixed for 21/03/17, 16/01/18, and 2/07/18, however, no one appeared. In the circumstances, the Respondent proceeded to issue an ex-parte Order. Therefore, in exercise of powers conferred under section 158(4) of the Ordinance, a fine of Rs 50,000 (aggregate 350,000), whereas, under Section 245(3) of the Ordinance, a fine of Rs 10,000 (aggregate 70,000) was imposed on each of the directors of the Company in the following manner:

Under Section 158(4):

S. No.	Names of Directors	Amount in Rupees
1.	Mr. Farooq Ahmed	50,000
2.	Mr. Mehmood ur Rehman	50,000
3.	Mr. Muhammad Ishaq Malik	50,000
4.	Mr. Muhammad Taloot	50,000
5.	Mr. Naseem Akhtar	50,000
6.	Mr. Shahzad Salim	50,000
7.	Mr. Wasif M.Khan	50,000
	TOTAL	350,000

Under Section 245(3):

S. No.	Names of Directors	Amount in Rupees
1.	Mr. Farooq Ahmed	10,000
2.	Mr. Mehmood ur Rehman	10,000
3.	Mr. Muhammad Ishaq Malik	10,000
4.	Mr. Muhammad Taloot	10,000
5.	Mr. Naseem Akhtar	10,000
6.	Mr. Shahzad Salim	10,000
7.	Mr. Wasif M.Khan	10,000
	TOTAL	70,000

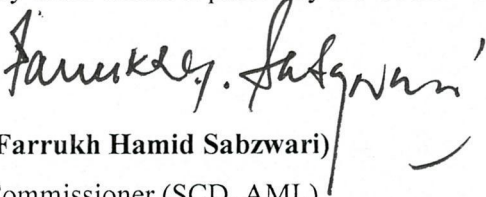
4. The Appellant had *inter alia* prayed that he was not the director of the Company, therefore, his name should be removed from the Impugned Order. The Appeal was fixed for hearing before the Appellate Bench (the Bench) on 28/11/19, wherein, the Appellant's Counsel argued that Civil Petition No. 155942/2018 (Civil Petition) pertaining to the deletion of name of the Appellant as director is pending

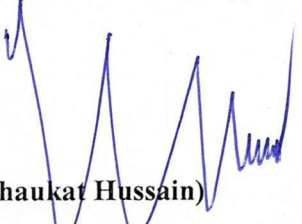


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adjudication before the Honorable Lahore High Court (Court), therefore, proceedings in this Appeal may be adjourned till the decision of the Court.

5. The Bench has examined the record. Although there is no restraining order with respect to the proceedings before us, however, a decision by the Court in Civil Petition would resolve the controversy pending through this Appeal. In view of the foregoing, we are of the view that the matter is *subjudice* before the Court and the Bench cannot proceed in the matter until such time proceedings pertaining to the Civil Petition have concluded. The Appellant and Respondent are directed to intimate to the Appellate Bench any order which is passed by the Court in the matter of Civil Petition.


(Farrukh Hamid Sabzwari)
Commissioner (SCD, AML)


(Shaukat Hussain)
Commissioner (Insurance, C&CD)

Announced on: **30 DEC 2019**