



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s. Fast REIT Management Company Limited
Show Cause Notice No. & Date:	No. SECP/SCD/Adj-I/FRMCL/150/2024-363 dated February 11, 2025
Respondents:	(i) M/s. Fast REIT Management Company Limited (ii) Mr. Muhammad Zahir ul Islam, Director/CEO (iii) Ms. Samia Manzoor, Director (iv) Mr. Akhtar Nawaz Janjua, Director (v) Mr. Muhammad Arslan Asghar, Director
Date(s) of Hearing(s):	(i) 07 March, 2025 (ii) 17 March, 2025 (iii) 27 March, 2025 (iv) 21 April, 2025
Case represented by:	No one Appeared
Provision of law involved:	Section 282J (1) of the Companies Ordinance, 1984 for Contravention of Rule 7(1)(da) read with Schedule-I of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003
Date of Order:	April 25, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through the Show Cause Notice No. SECP/SCD/Adj-I/FRMCL/150/2024-363 dated February 11, 2025 (the "SCN") against M/s. Fast REIT Management Company Limited (the "Company") and its Board of Directors ("BoD"), hereinafter collectively referred to as the "Respondents", for contravention of the requirements of rule 7(1)(da) and Schedule I of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the "NBFC Rules") read with Section 282J (1) of the Companies Ordinance, 1984 (the "Ordinance").

2. The provisions of rule 7(1)(da) read with Clause 7 of Schedule I of the NBFC Rules provide that a NBFC shall furnish to the Commission its annual financial statements in accordance with requirements of Schedule I of the NBFC Rules which in turn refer to the requirements of the Ordinance; now the . The corresponding provisions of the Act set forth the following requirements for the submission of annual audited financial statements:

- (i) Section 223(2) of the Act requires that; "(2) The financial statements must be laid within a period of one hundred and twenty days following the close of financial year of a company".
- (ii) Section 233(1) of the Act requires that; "(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 section 226, 232 and 251, shall be filed by the company with the registrar within thirty days from the date of such meeting in case of a listed company and within fifteen days in case of any other company."
- (iii) Section 132(1) of the Act requires that; "(1) Every Company shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year."

3. Brief facts of the case are that the Company was incorporated on November 19, 2021, as a public limited company under the Companies Act, 2017(the "Act") and licensed by the Commission on July 7, 2022 to operate as a REIT Management Company ("RMC") under the NBFC Rules and the Real Estate Investment Trust Regulations, 2022 (the "REIT Regulations"). In terms of aforesaid provisions of the NBFC Rules read with the relevant provisions of the Act, the Company was required to hold its Annual General Meeting (AGM) within one hundred and twenty days following the close of its financial year and the Company was further required to

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submit its annual audited financial statements. However, the Company failed to file its annual audited financial statements for the year 2023-2024 as well as for the previous financial years, with the Commission/Registrar to date.

4. In order to probe the matter, the Commission vide email dated December 20, 2024 and subsequent reminders vide emails dated December 27, 2024, January 03, 2025 and January 09, 2025 sought justification from the Company for non-submission of Accounts. However, no reply/ submissions were made by the Company.

5. The aforesaid contraventions indicate that the Respondents, *prima facie*, failed to comply with the requirements of rule 7(1)(da) read with Schedule I of the NBFC Rules, which attracts penal actions under Section 282J (1) of the Ordinance. The relevant provisions of law as applicable are reproduced hereunder:

Rule 7(1)(da) of the NBFC Rules:

"(1) A NBFC shall

(da) furnish to the Commission its quarterly and annual financial statements in accordance with Schedule I"

Section 282J (1) of the Ordinance:

"Penalty for failure, refusal to comply with, or contravention of any provision of this Part.-

(1) Notwithstanding anything contained in any other provision of this Ordinance, if a NBFC or the notified entity or its officers (including auditors) fails or refuses to comply with, or contravenes any provision contained in this Part or of any of the provisions of the rules or regulations made under section 282 B or regulation, circular or directive or any direction or order passed by the Commission under the provisions contained in this Part or knowingly and willfully authorizes or permits such failure, refusal or contravention, shall, in addition to any other liability under this Ordinance, be also punishable with fine the amount of which shall not exceed fifty million rupees:

Provided that if the failure, refusal, default, contravention is committed by NBFC or the notified entity, every director, manager, or other officer or person responsible for the conduct of its affairs shall, unless he proves that the failure or contravention or default took place or committed without his knowledge, or that he exercised all diligence to prevent its commission, be deemed to be guilty of the offence."

6. Accordingly, SCN was served upon the Respondents on February 11, 2025 to show the cause in writing as to why a penal action may not be taken against them for non-compliance with the provisions of rule 7(1)(da) of the NBFC Rules. However, no response was submitted by the Respondents.

7. In order to provide the Respondents an opportunity for personal representation, a hearing in the matter was first fixed for March 7, 2025, however, no one appeared on their behalf, nor was an adjournment sought. In continued effort to ensure fair opportunity of being heard, the hearing was re-fixed for March 17, 2025. Once again, the Respondents failed to appear. After the scheduled time of the hearing had passed Mr. Muhammad Rehan Akhtar appeared, claiming to be an authorized representative of the Respondents. However, he did not present any authorization instrument and requested an additional opportunity for the Respondents to be heard. He also undertook to submit a written response to the SCN along with the requisite authorization instrument duly signed by the Respondents. In the interest of justice, hearing in the matter was again fixed for the third time on March 27, 2025. Despite the same, no one appeared on behalf of the Respondents, nor was any adjournment requested. Subsequently, Mr. Muhammad Rehan Akhtar, via email dated April 9, 2025 submitted as under:

"With reference to your show cause notice as per letter no SCD/Adj-I/FRMCL/150/2024-443 dated March 20, 2025.

It is intimated that our company FAST REIT Management Company Limited has not commenced any project so far. The management of the company is under the process of planning the first project which will be initiated very soon. As regards the representation for the subject show cause notice, the CEO of the company Mr Muhammad Zahir ul Islam could not attend the meeting due to some unavoidable circumstances. We

**Order in the matter of M/s. Fast REIT Management Company Limited and its Board of Directors
April 25, 2025**

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regret the inconvenience caused but it is requested that a meeting be scheduled next week to sort the issue. Mr Muhammad Rehan Akhtar will represent the CEO of FAST REIT Company Limited.

Forwarded for a favourable action at your end please."

8. In order to meet the end of justice, and to provide a final opportunity for personal representation, a hearing in the matter was re-fixed for April 21, 2025, with clear advice that in case of non-appearance, the matter would be decided *ex-parte* based on the record available with the Commission and on its merits. However, once again no one appeared for the hearing on behalf of the Respondents. It is also pertinent to mention that the requisite authorizing instrument to represent the Respondents in the subject matter has also not been provided.

9. The holding of AGMs and filing of audited financial statements in a timely manner is a crucial legal requirement that ensures transparency, accountability, shareholder engagement and provides an accurate reflection of its financial health to all stakeholders. The audited financial statements allow shareholders, creditors, and regulators to assess the financial position of the company, fostering transparency and trust and delays in their filing may create uncertainty, undermine investor confidence and promote accountability within the company. Adhering to legal provisions under the Act is essential for protecting shareholders' rights, fostering trust, and promoting good corporate governance. The Company being a public company and a licensed Non-Banking Finance Company under the NBFC Rules must meet its statutory duties to hold AGMs and file audited financial statements with the Registrar, in time, facilitating open communication and feedback from its shareholders. Accordingly, the Respondents were obligated to hold its AGM within 120 days following the close of each financial year and to submit the annual audited financial statements with the Registrar within 15 days of the AGM. However, the Company has failed to file its annual audited financial statements for all financial years 2023-2024 and the preceding years, in violation of the statutory requirements. The status of compliance is summarized below:

Financial Year	AGM Due Date	Audited Accounts Filing Due Date	AGM Actually Held On	Audited Accounts Filed On
2021-22	October 28, 2022	November 12, 2022	Not yet	Not submitted
2022-23	October 28, 2023	November 12, 2023	Not yet	Not submitted
2023-24	October 28, 2024	November 12, 2024	Not yet	Not submitted

It is crucial to note that the law clearly specifies the timelines and procedure for these actions, therefore, the failure of Respondents to hold the AGM and file the annual financial statements in a timely and prescribed manner, as stated above, is a contravention of rule 7(1)(da) read with Schedule I of the NBFC Rules.

10. In a judgment passed by the Appellate Bench of the Commission in the matter of *TRG Pakistan Limited vs. the Securities and Exchange Commission of Pakistan* (2011 CLD 1647), it was, *inter-alia*, held that "Company had failed to hold Annual General Meeting for relevant year, even within extended time; and Directors of the company had also failed to lay before the company in Annual General Meeting a balance-sheet and profit and loss account for relevant year, within stipulated period---Reasons put forth by the authorized representative of the company, did not carry merit and did not justify the default---Directors of the company were responsible to hold timely Annual General Meeting for providing timely information to its shareholders in order to enable them to consider and approve the significant matters like approval of accounts, appointment of auditors, election of Directors, performance of the company and other important issues relating to the company---"


11. In view of the above-stated facts and circumstances, I am of the considered view that by failing to file annual audited financial statements for the year ended June 30, 2024 and the preceding years with the Commission/Registrar within the prescribed timeline, the Respondents have contravened the requirements of rule 7(1)(da) of the NBFC Rules.

12. It is important to note that despite multiple hearing opportunities the Respondents failed to participate in the proceedings or submit any response regarding non-compliance; thereby reflecting their non-cooperative behaviour in the matter. Therefore, I am left with no other option except to pass an ex-parte order in the subject proceedings on the basis of available record with this office.

13. I, therefore, in exercise of the powers conferred upon me under sub-section (1) of Section 282J of the Ordinance vide S.R.O. 1545(I)/2019 dated December 06, 2019, hereby impose an aggregate penalty of **Rs.60,000/- (Rupees Sixty Thousand Only)** on the Respondents on account of the aforesaid established default in the following manner:

Sr. #	Names	Penalty (Rs.)
1.	M/s. Fast REIT Management Company Limited	20,000
2.	Mr. Muhammad Zahir ul Islam	10,000
3.	Ms. Samia Manzoor	10,000
4.	Mr. Akhtar Nawaz Janjua	10,000
5.	Mr. Muhammad Arslan Asghar	10,000
Total		60,000

16. The Respondents are hereby directed to deposit the afore-mentioned fine in the designated Bank Account maintained in the name of the Securities and Exchange Commission of Pakistan with MCB Bank Limited or United Bank Limited within thirty (30) days of the date of this Order and furnish receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section the proceedings under Section 485 of the Act will be initiated for recovery of the penalty/fines as arrears of land revenue pursuant to provision of Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997 along with initiation of proceedings under Section 282J (5) of the Ordinance.


25-04-2025
Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:
Dated: April 25, 2025
Islamabad