



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

ORDER	
Name of Company	NINA Industries Limited
Number and Date of Show Cause Notice	CSD/ARN/69/2015-713 dated December 17, 2024
Respondents	1. Mr. Waqar A Sattar, Chief Executive 2. Ms. Urooj Saeed, Director 3. Mr. Kashif Saeed Sattar, Director 4. Mr. Muhammad Amjad Khan, Director 5. Mr. Abid Mehmood, Director 6. Mr. Abu Ahmed, Director 7. Mr. Javed Majeed, Director 8. Mr. M. Fayyaz Karim Malik, Company Secretary 9. NINA Industries Limited
Date(s) of Hearing(s)	January 9, 2025; and January 20, 2025
Case Represented By	No One Appeared
Provision of Law Involved	Section 132 of the Companies Act, 2017 read with Section 479 thereof

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (**the Commission**) against M/s. NINA Industries Limited (**the Company**), its Board of Directors (**BoD**) and the Company Secretary (herein collectively referred as **Respondents**) through Show Cause Notice CSD/ARN/69/2015-713 dated December 17, 2024 (**the SCN**) issued under Section 132 of the Companies Act, 2017 (**the Act**) read with Section 479 thereof.

2. The brief facts of the case are that from perusal of the relevant record of the Commission, it was noted that the Respondents failed to hold the Annual General Meeting of the Company for the Financial Year ended June 30, 2024 (**the AGM**) within a period of one hundred and twenty (120) days following the closure of its afore-stated Financial Year, as required under sub-section (1) of Section 132 of the Act.

3. While taking cognizance of the said contravention, a SCN was issued to the Respondents to show the cause in writing as to why penal action may not be taken against them for non-compliance with the provisions of Section 132 of the Act. However, in response to the SCN, the Respondents made no submissions.

4. In order to provide an opportunity for personal representation, a hearing in the matter was fixed for January 09, 2025, however, no one appeared on behalf of the Respondents, nor was any adjournment sought.

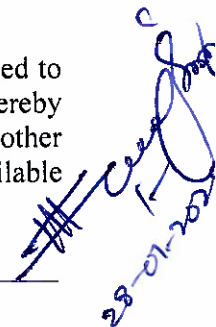
5. Subsequently, to meet the ends of justice and to provide a final opportunity for personal representation, a hearing in the matter was re-fixed for January 20, 2025, with clear advice that in case of non-appearance, the matter would be decided *ex-parte* based on the record available with the Commission and on its merits. Yet again no one appeared for the hearing on behalf of the Respondents.

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6. It is pertinent to mention for the record that for all the aforementioned hearings, notices were issued which were duly received at the registered office address of the Company i.e. SF Unit # 89, S.I.T.E Area, Karachi and were not returned undelivered.

7. I have considered the facts of the case based on the relevant provisions of the Act and the available record with this office on the case at hand. At this juncture, it is imperative to discuss the following legal and factual elements:

- i In terms of Section 132(1) of the Act, every company is required to hold its AGM once in every calendar year within a period of one hundred and twenty days (120) following the close of its financial year. Accordingly, it was obligatory on part of the Company to hold its AGM by October 28, 2024, which it failed to hold.
- ii The holding of an AGM is a fundamental statutory requirement as it provides members with an opportunity to participate in discussions and vote on agenda items, including the consideration and approval of the company's financial statements. In order to ensure transparency and to protect shareholders' rights, the Company is required to meticulously adhere to the provisions of law as prescribed under the Act for holding of AGMs and the Respondents, in any manner whatsoever, cannot absolve themselves from their statutory duties pertaining to holding of AGMs, in a timely manner.
- iii In the recent judgment passed by the Appellate Bench of the Commission, in the matter of *Gulistan Spinning Mills Limited vs. Director/HoD Adjudication-I* (Appeal No. 71 of 2022), the Appellate Bench has held that "*A public listed company has a higher responsibility to disseminate a true and accurate state of affairs to all the stakeholders by holding the AGM within the stipulated time so that appropriate and timely decisions are made. Therefore, the Company, the BoD and Company Secretary should have conducted the AGM as per the applicable legal framework.*"
- iv The record of the Company maintained at the Company Registration Office (CRO) of the Commission also reveals that the Company has not filed any statutory returns evidencing holding of the AGM under question as per the requirements of law.
- v Furthermore, as per the available record, the Company also failed to hold its AGMs for the years 2017, 2018, 2019, 2020, 2021, 2022 and 2023 for which penal actions were taken vide orders dated November 29, 2019, January 21, 2020, March 22, 2021, March 3, 2022, June 24, 2022, May 31, 2023 and February 27, 2024. This unfortunately demonstrates a recurring/habitual non-compliance by the Respondents.
- vi Moreover, a winding-up sanction order has also been passed against the Company on August 1, 2023. However, it is pertinent to note that in light of the clear provision of Section 387 of the Act, such sanction does not exonerate the Company and its Board of Directors from continuing to hold its general meetings and meeting other regulatory compliance, which would allow members to be informed about the current situation.
- vii 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 behavior 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.

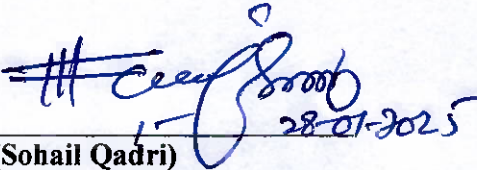

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8. In view of the preceding facts, I am of the considered view that by failing to hold AGM within the prescribed timeframe, the contravention with the requirements of sub-section (1) of Section 132 of the Act has been established beyond doubt which attracts penal action in terms of sub-section (5) of Section 132 of the Act. I, therefore, in the exercise of the powers conferred upon me under sub-section (5) of Section 132 of the Act, hereby, strictly warn the Company to avoid such violations of regulatory requirements in the future and impose an aggregate penalty of **Rs. 200,000/- (Rupees Two Hundred Thousand only)** on the Respondents in the following manner:

S.No.	Name of Respondents	Penalty Amount
1.	Mr. Waqar A Sattar, Chief Executive	25,000
2.	Ms. Urooj Saeed, Director	25,000
3.	Mr. Kashif Saeed Sattar, Director	25,000
4.	Mr. Muhammad Amjad Khan, Director	25,000
5.	Mr. Abid Mehmood, Director	25,000
6.	Abu Ahmed, Director	25,000
7.	Mr. Javed Majeed, Director	25,000
8.	Mr. M. Fayyaz Karim Malik, Company Secretary	25,000
	Total Amount	200,000

9. The Respondents are also advised to remain fully conscious of compliances with the applicable legal and regulatory framework in the future.

10. The Respondents are hereby directed to deposit the aforesaid fine in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and furnish receipted voucher issued in the name of the Commission for information and record. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue pursuant to provisions of Section 42 of the Securities and Exchange Commission of Pakistan Act, 1997.


(Sohail Qadri)
Director/ Head of Department
Adjudication Department-I

Announced:
Dated: January 28, 2025
Islamabad

