

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to First National Bank Modaraba

Dates of Hearing

December 10, 2021

**Order-Redacted Version**

Order dated February 07, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of First National Bank Modaraba. Relevant details are given as hereunder:

| <b>Nature</b>         | <b>Details</b>   |
|-----------------------|--|
| 1. Date of Action     | Show cause notice dated November 19, 2021.   |
| 2. Name of Respondent | First National Bank Modaraba (the Respondent and/ or the Company).   |
| 3. Nature of Offence  | Alleged contraventions of <u>Sections 107 of the Securities Act, 2015 (Act)</u> and <u>regulation 5 of the Reporting and Disclosure of (Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015 (Regulations)</u> read with <u>Section 106 of the Act.</u>   |
| 4. Action Taken       | <p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of the case, relevant requirements of law and submissions by the Respondents. I am of the view that filing of annual return under Section 107 read with Regulation 5 of the Regulations is a statutory requirement and is required to be complied by all the listed companies in true letter and spirit. Moreover, the annual return is essential to determine, among others, particulars and summary of shareholding of each director, executive officer and substantial shareholder, their beneficial ownership and associated companies. It is undisputed fact that the Respondents have acknowledged their default in filing the annual return for the year 2020 as per requirements of Section 107 read with regulation 5 of the Regulations and, therefore, the Respondent is liable for penalty under Section 106 of the Act. Therefore, in terms of the powers conferred under Section 106 of the Act, I hereby impose penalty of Rs. <u>25,000/- (Rupees, Twenty-five Thousand Only)</u> on the Company for the aforesaid non-compliance and hereby direct the Company to file the outstanding annual returns under Section 107 of the Act for the year 2020 within thirty (30) days of the date of this Order.</p> |

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| 5. Penalty Imposed         | Rs. 25,000/-                          |
| 6. Current Status of Order | Penalty deposited by the respondents. |