



Securities and Exchange Commission of Pakistan
Company Law Division
Corporatization & Compliance Department

Before
Commissioner (Company Law Division)

In the matter of

M/s. NATIONAL FERTILIZER MARKETING LTD
ORDER

under Rule 25 of the Public Sector Companies (Corporate Governance) Rules 2013 read with Section 506(2) of the Companies Ordinance, 1984

Number and date of show cause notice	CCD/PSC/40/2015/IAN-51/21/2016-7975 Dated 28-04-2016
Present:	Mr. Mahmood Asghar, Acting General Manger Finance
Date of Hearing:	27-06-2016
Place of Hearing:	Islamabad.

This Order shall dispose of proceedings initiated against the Chief Executive and Directors/Officers of M/s. NATIONAL FERTILIZER MARKETING LTD (the "Company") for default made in complying with the requirements of rule 24 of the Public Sector Companies (Corporate Governance) Rules, 2013 (the "Rules").

2. The brief facts leading to the show cause notice are that the Company being a public sector company was required under sub-rule (1) & (2) of rule 24 of the Rules to publish, circulate and file with Commission Statements of Compliance (SOC) and review report from the auditor for the years ended June 30, 2014 and June 30, 2015, however, it has failed to do so for which a show cause notice dated 28-04-2016 (the "SCN") was issued calling upon the Company and its directors / officers to explain in writing and also to appear in person or through authorized representative for hearing on 26-05-2016 to clarify the position, which was adjourned /rescheduled on 27-06-2016 on the request of the Company. The Company has not submitted written reply to the SCN.

3. In response to the hearing notice, the Company, vide its letter No. 1414 dated 08-06-2016 confirmed their attendance at hearing. Acting General Manager (F) of the Company appeared on the day of hearing and stated that overdue SOC's will be submitted after its

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approval from the BOD in their forthcoming meeting to be held after eid holidays. However, the SOCs for the years 2014 & 2015 have not been filed till date of this order.

4. I have gone through the relevant provisions of the Rules, and other record of the Company and observed that sub-rule (1) of rule 24 of the Rules requires that every public sector company shall publish and circulate a statement along-with its annual report to set out the status of its compliance with the Rules, and shall also file with the Commission and the registrar concerned such statement along-with its annual report. Further, sub-rule (2) of rule 24 of the Rules requires that the company shall ensure that statement of compliance with the rules is reviewed and certified by the external auditors, where such compliance can be objectively verified, before its publication. I have also perused rule 25 of the Rules providing penalty for contravention of these rules.

5. Based on the above, it is apparent that the Company and its directors have violated the mandatory requirements of rule 24 of the Rules by not filing SOCs for the years ended June 30, 2014 & 2015. I therefore, in exercise of the powers conferred under rule 25 of the Rules read with section 506(2) of the Companies Ordinance, 1984, impose fine of Rs.100,000/- (Rupees one hundred thousand only) on the Company. The Company and its directors including its Chief Executive are also warned to be careful in future to ensure compliance of the mandatory provisions of the Rules.

6. The Company is, hereby, directed to deposit the amount of fine in the Commission's account within 30 days of the receipt of this Order and furnish original receipt / challan of the same to this office for record.

7. This order is issued without prejudice to any other action(s) that may be initiated against the Company and its directors/officers responsible for the violations of the aforesaid provisions of the Rules and the Ordinance.



(Tahir Mahmood)
Commissioner (CCD)

Announced:
26-10-2016