



Corporate Supervision Department  
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

*In the matter of*

**Nina Industries Limited**

Number and date of SCN: No. CSD/ARN/69/2015-1031-37, dated September 26, 2016

Date of Hearing October 17, 2016

Present for Respondent Mr. Fayyaz Karim Malik, Authorized Representative

**ORDER**

**UNDER SECTION 245 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984**

This order shall dispose of the proceedings initiated against the following directors including the chief executive officer (together referred to as “respondents”) of **Nina Industries Limited** (the “Company”):

- |   |                         |   |                            |
|---|-------------------------|---|----------------------------|
| 1 | Mr. Waqar A. Sattar     | 5 | Mr. Syed M. Tauqeer Hashmi |
| 2 | Mr. Urooj Saeed         | 6 | Mr. Hidayat Ali Shar       |
| 3 | Mr. Kashif Saeed Sattar | 7 | Mr. Atif Saeed Rana        |
| 4 | Mr. Mohammad Amjad Khan |   |                            |

The proceedings against the respondents were initiated through show cause notice (the “SCN”) dated September 26, 2016 under the provisions of section 245 read with section 476 of the Companies Ordinance, 1984 (the “Ordinance”).

2. The brief facts of the case are that the Company did not file the interim financial statements (“Quarterly Accounts”) for the following periods with the Commission, in a timely manner as per requirements of section 245 of the Ordinance:

Quarter Ended	Due On
30-Sep-14	31-Oct -14
31-Dec-14	28-Feb-15
31-Mar-15	30-Apr-15



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30-Sep-15	31-Oct-15
31-Dec-15	29-Feb-16
31-Mar-16	30-Apr-16

Consequently, the SCN was issued to the respondents whereof they were called upon to show cause in writing within fourteen days as to why penal action may not be taken against them under sub-section (3) of section 245 of the Ordinance for not filing the aforesaid Quarterly Accounts with the Commission in a timely manner, as per requirements of the law.

3. In hearing held on October 17, 2016, Mr. Fayyaz Karim Malik, Authorized Representative of the Respondents, appeared before the undersigned and submitted that the company has held all overdue AGMs and that it would be compliant from now onwards. They also assured that company will submit previous accounts.

4. Before proceeding further, it is necessary to advert to the following relevant provisions of the Ordinance.

In terms of sub-section (1) of section 245 of the Ordinance read with Commission's circular no. 9 dated March 19, 2003, all listed companies are, inter alia, required to file their quarterly accounts with the Commission within stipulated time i.e. one month from the close of first and third quarters and two months from the close of second quarter.

Sub-section (3) of section 245, inter alia, provides as under:

*(3) If a company fails to comply with any of the requirements of this section, every director, including chief executive and chief accountant of the company who has knowingly by his act or omission been the cause of such default shall be liable to a fine of not exceeding one hundred thousand rupees and to a further fine of one thousand rupees for every day during which the default continues.*

In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 245 have been delegated to the Director (Corporate Supervision Department).





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5. I have analyzed the facts of the case, relevant provisions of the Ordinance, and submissions made by the respondents. Before deciding upon on matter I would like to highlight that the requirement to circulate interim accounts was introduced so that the shareholders could have timely access to information about the affairs of companies. Keeping in view the fact that timing of interim financial statements is of essence the disclosure and audit requirements of these accounts have been kept to a bare minimum. Interim financial statements prepared properly and in a timely manner not only provide to its users a reliable source of information regarding a company's financial position and performance but these also show the results of management's stewardship of resources entrusted to it. In order to ensure transparency, all the companies must meticulously follow the legal requirement for preparing and circulation of interim accounts. In addition to their responsibility of overseeing and managing affairs of the Company, directors also have fiduciary duties towards the Company and its shareholders. They are, therefore, liable to a higher level of accountability which requires them to be vigilant and perform their duties with care and prudence. It is directors' responsibility to oversee the functioning of the company, to keep it appropriately staffed and organized to ensure due compliance of law.

6. It is clear that the aforesaid Quarterly Accounts of the Company were not filed by the Company. The said non-compliance stemmed from delay in annual accounts and the company has as of this date has submitted the overdue annual accounts. The directors appear to be making an effort to rectify the defaults and ensure compliance of mandatory statutory provision of the Companies Ordinance, 1984. Keeping in view of the above and the assurance of future compliance I taking a lenient view, hereby impose a fine of Rs. 1,000 per quarter on the each of the respondents in aggregating to Rs. 42,000 for contravening the provision of section 245 of the Ordinance. The respondents are directed to deposit the fine in the following manner:

S.#	Names of Directors	Amount in Rs.
1	Mr. Waqar A. Sattar	6,000
2	Mr. Urooj Saeed	6,000
3	Mr. Kashif Saeed Sattar	6,000
4	Mr. Mohammad Amjad Khan	6,000
5	Mr. Syed M. Tauqeer Hashmi	6,000
6	Mr. Hidayat Ali Shar	6,000
7	Mr. Atif Saeed Rana	6,000
	<b>TOTAL</b>	<b>42,000</b>



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The aforesaid fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the "Securities and Exchange Commission of Pakistan" within thirty days from the receipt of this order and receipted bank vouchers must be furnished to the Commission. In case of non-deposit of the fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the aforesaid fines are imposed on the respondents in their personal capacity; therefore, they are required to pay the said amount from personal resources.



**Amina Aziz**  
Director (CSD)

**Announced:**  
October 25, 2016  
Islamabad