

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

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*Before*  
**Commissioner (Corporatization and Compliance Department)**

*In the matter of*

**M/s. PARAS FOODS (PVT.) LIMITED**  
**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: No. CCD/PSC/155/2015/IAN-71/41/2016-7958 dated April 28, 2016.

Present: Mr. Sajjad Akhtar, In charge Administration

Date of Hearing: December 15, 2016

Place of Hearing: Lahore (through Video link)

This Order shall dispose of proceedings initiated against the Chief Executive and Directors/ Officers of M/s. Paras Foods (Pvt.) Limited (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) and (2) of rule 24 of the Rules to publish, circulate and file with the Commission, a Statements of Compliance (SOC) and review report of the auditor for the years ended June 30, 2014 and June 30, 2015 respectively. However, it has failed to do so for which a show cause notice dated April 28, 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 June 06, 2016 to clarify the position. The SCN was returned undelivered which was sent back on May 20, 2016 for Company's response.

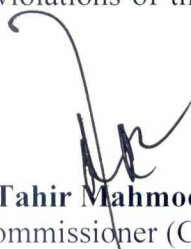
3. In response to the above SCN, no one appeared on the date fixed for hearing for which the hearing was re-scheduled for November 11, 2016. Later on, the Company Secretary vide letters dated November 10, 2016 and November 28, 2016 requested to reschedule the hearing which was acceded to and hearing opportunities were provided on November 28, 2016 and December 5, 2016 and was again re-scheduled for December 8, 2016, on which date the Company's representative, Mr. Sajjad Akhtar appeared and again requested to adjourn the hearing which was acceded to and hearing was again fixed for December 15, 2016, on which date Mr. Sajjad Akhtar appeared and argued that the Company is a joint venture of Pakistan

Atomic Energy Commission (“PAEC”) and the Ministry of Commerce (the “Ministry”). He further informed that due to change of Chief Executive Officer of the company and certain other operational problems, SOCs could not be submitted. He further stated that the company is inactive and there is only Chief Executive Officer who is looking after all the activities of the Company.

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 the same with the Commission and the registrar concerned. Further, sub-rule (2) of rule 24 of the Rules requires that the Company shall ensure that SOC 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 which provide penalty for contravention of the 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 SOC for the years 2014 and 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 a fine of Rs. 50,000/- (Rupees Fifty thousand only) on the Company. The Chief Executive is, hereby, directed to deposit the amount of penalty 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. In case of non-payment of penalty within the specified time, the same will be recovered under the provisions of law. The Company and its directors including its Chief Executive are also directed to submit the SOC for the years 2014 and 2015 without any further delay.

6. 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:  
December 20, 2016