

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

In the matter of Show Cause Notice issued to Organic Meat Company Limited

Dates of Hearing

June 21, 2022

**Order-Redacted Version**

Order dated July 21, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Organic Meat Company Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated April 22, 2022.
2. Name of Respondent	Organic Meat Company Limited (the Company and / or the Respondent)
3. Nature of Offence	Alleged contraventions of <u>regulation 16 of the Public Offering Regulations, 2017 (the PO Regulations); read with Section 159(5) Securities Act, 2015 (the Act).</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have reviewed the facts of the case and considered both the written and verbal submissions made by the Respondent and its Representatives, and the material available on the record, in light of the aforesaid legal provisions and state as under:</p> <p>(i) with regard the timely submission of the Progress Report, the Company submitted that it has regularly submitted Progress Reports since completion of the IPO in compliance with regulation 16 of the PO Regulations. The half-yearly progress report as of December 31, 2020, the annual progress report as of June 30, 2021 duly reviewed by the auditors, and half-yearly progress report as of December 31, 2021 all are available on PSX website. The Company submitted that it has tagged the progress Reporting with its Financial year end and close of the business at which point auditor can review the annual Progress after it completes an audit of the Company's financials. In this regard, it is stated that arguments of the Respondent seem tenable. Hence, it may not be hold accountable for late submission of the Progress Report;</p>

	<p>(ii) with regard to the deficiencies in the Progress Report, it was observed that the Respondent failed to follow and adhere to the requirements of the format as prescribed under regulation 16(ii) of the PO Regulations. <u>The Respondent mentioned the "Start Date" and the "Completion Date" as per the current status of the project deviated from the dates as mentioned in the prospectus.</u> The Respondent was actually required to mention in the Progress Report, the "Start Date" and the "Completion Date" the same as initially disclosed in the prospectus in order to provide a true and fair picture of implementation of the project and delay therein.</p> <p>Therefore, in terms of the powers conferred under Section 159 (5)(a)(ii) of the Act, I hereby impose penalty of Rs. <u>150,000/- (Rupees one hundred and Fifty Thousand Only)</u> on the Respondent Company.</p>
5. Penalty Imposed	Rs. 150,000/-
6. Current Status of Order	Penalty not deposited and No Appeal has been filed by the respondents.