



Corporate Supervision Department
Company Law Division

Before Abid Hussain –Executive Director

In the matter of

Tri Pack Films Limited

Number and date of notice: CSD/ARN/179/2015-270-71 dated August 13, 2015
Date of hearing: March 28, 2016, February 3, 2016, January 13, 2016, Sept 15, 2015
Present: Mr. Shahid Hussain – Ex-Chief Executive
Mr. Nasir Jamal – Chief Financial Officer ("CFO")

ORDER

UNDER SECTION 492 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984

This order shall dispose of the proceedings initiated against the Directors including the Chief Executive (the "respondents") of Tri Pack Films Limited (the "Company") through show cause notice ("SCN") dated August 13, 2015 issued under the provisions of Section 492 read with Section 476 of the Companies Ordinance 1984 (the "Ordinance").

2. Brief facts of the case are that examination of the annual audited accounts (the "Accounts") of the Company for the year ended December 31, 2014 has revealed that the Company has restated various balances of balance sheet and profit and loss account as a result thereof comparative amount of Profit after Taxation (PAT) for the year 2013 has decreased by Rs. 183.762 million (i.e. previously reported PAT was Rs. 209.156 million whereas restated PAT amounts to Rs. 25.394 million) and Earning Per Share (EPS) has been decreased by Rs. 6.12 (i.e. previous reported EPS was Rs. 6.97 whereas restated EPS amounts to Rs 0.85).

3. As per note 4 to the Accounts, during the year the Company while reconciling various account balances identified that balances relating to sales tax recoverable, LC margin held by banks were understated and advances were overstated in the Accounts for the year ended December 31, 2012, liability for imported goods were understated in both the financial statements for the year ended December 31, 2012 and 2013 with a corresponding overstatement in the profit for the year ended December 31, 2013 and un-appropriated profit as at January 1, 2013. For ready reference the said note is reproduced below.

Effects of restatements are as follows.

Effects on balance sheet as at December 31, 2013	(Rs. in thousand)		
	As previously reported	As restated	Restatement
Stock in trade	2,485,187	2,307,567	(177,620)

SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN
NIC Building, 63 Jinnah Avenue,
Islamabad, Pakistan



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department Company Law Division

Continuation Sheet - I -

<i>Advances and prepayments</i>	149,763	275,592	125,829
<i>Other receivable</i>	139,650	123,150	(16,500)
<i>Deferred taxation</i>	299,888	201,494	(98,394)
<i>Trade and other payable</i>	2,742,581	3,034,652	292,071
<i>Reserves</i>	1,777,185	1,513,217	(261,968)

<i>Effects on Profit and loss account for the year ended December 31, 2013</i>		<i>(Rs. in thousand)</i>	
	<i>As previously reported</i>	<i>As restated</i>	<i>Restatement</i>
<i>Cost of sales</i>	10,516,592	10,774,985	258,393
<i>Distribution cost</i>	294,343	334,843	40,500
<i>Other expenses</i>	23,573	6,836	(16,737)
<i>Taxation</i>	108,901	10,507	(98,394)
<i>Decrease in profit after tax</i>			183,762

<i>Effects on earning per share</i>		<i>amount in Rs.</i>	
	<i>As previously reported</i>	<i>As restated</i>	<i>Restatement</i>
<i>Earnings per share</i>	6.97	0.85	(6.12)

4. The decline due to restatement represents approximately 88% of previously reported PAT and EPS. Balances relating to sales tax recoverable, LC margin, advances and liability for imported goods were previously misreported.

5. The amount and effects of above referred observations are material. The Accounts of the Company for the year ended December 31, 2013 are, prima facie, materially misstated. Consequently a SCN was served upon the respondents on August 13, 2015 to show cause as to why penalty may be not imposed under Section 492 of the Ordinance for presenting misleading, false and incorrect Accounts to the Commission.

6. The respondents replied vide letter dated August 27, 2015, submitting the following:

- i. As per requirement of Section 234 of the Ordinance, the Company is required to prepare its financial statements, subject to the Ordinance, in accordance with the requirements of International Accounting Standards ("IAS") notified by the Commission. The Accounts are prepared in accordance with IAS 8. The board of directors of the Company promptly on discovery of these errors representing unsubstantiated accounting entries passed in the system by certain employees have accordingly prepared the financial statements of the



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 2 -

company for the year ended December 31, 2014 as per the above requirements and complied with the provisions of Section 234 of the Ordinance.

- ii. Prior period errors is sometimes only possible by using reliable information that emerges in subsequent periods and by reconstructing accounting records for the period concerned. The Company has already provided information on the restatement to the users of financial statements by incorporating detailed note in the financial statements.
- iii. In view of the full disclosure in the financial statements of matters which the Company has discovered itself and restated the financial statements strictly in accordance with the requirements of the Ordinance read with the relevant IFRS, the respondents did not have a mala fide intention to conceal, misstate or misrepresent its Accounts.
- iv. In our very humble understanding of Section 492 of the Ordinance, the application of the penal provision of the said Section is based on the edifice of a deliberate, ill intended act that requires to be punished. We would submit that the errors in the financial statements were not made intentionally or willfully by the Directors and the Company had promptly taken steps to rectify the same, on its identification.
- v. We respectfully submit that application of such penal provisions for un-willful and unintended errors or mistakes, in general, will lead to a situation where un-willful and unintended errors or mistake will go uncorrected, in violation of IFRS, in the fear of penalty and reputation. We would again like to submit that in our humble opinion this section is not applicable to our case and other similar situation and it is to deal with situation involving intentional and willful misstatement.
- vi. In addition an isolated reading of Section 492 without taking into consideration permissible actions approved by way of operation of Section 234 may result in conflict between two substantive provisions of the law, not apparently intended by the law.

7. The respondents were granted an opportunity of personal hearing on September 15, 2015 before Mr. Tahir Mahmood, Commissioner which was attended by Mr. Nasir Jamal, CFO of Company and following submission made by him during hearing:

- Error occurred due to change of ERP system.
- Entries were wrongly posted in the system. Almost all the entries passed in the system were of similar nature i.e. Debit Foreign vendor liabilities Cr. Raw material consumption.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 3 -

- Foreign vender liabilities were understated.
- Confirmations were made on sample basis.
- Authorized representative submitted that former chief executive was asked to leave due to these errors.

8. In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 492 of the Ordinance have been delegated to the Executive Director (Corporate Supervision Department). Therefore, the respondents were provided opportunity of hearing on January 13, 2016 before Mr. Ali Azeem Ikram – Executive Director which was attended by Mr. Shahid Hussain ex-chief executive and Mr. Nasir Jamal, CFO of the Company on behalf of other respondents. During hearing Mr. Shahid Hussain submitted that these errors were not in his knowledge during his tenure, internal auditors and external auditors were present to check these errors and the chief executive has to trust his team, system and board.

9. Due to change of authorized officer a hearing was fixed on February 3, 2016 before me which was attended by Mr. Nasir Jamal- Authorized representative, who was asked to provide the following information with supporting documents to the Commission:

- I. Minutes of board of directors meeting along with attendance sheet in which annual audited accounts for the year ended December 31, 2012, 2013 and 2014 were approved by the directors.
- II. Details of trading of shares of Tri-Pack Films Limited by the beneficial owners, chief executive and directors during the period January 1, 2012 till December 31, 2014.
- III. Detailed period wise explanation of how errors were occurred in stock in trade, advances and prepayments, deferred taxation, trade and other payment, distribution cost and taxation which were subsequently rectified in the financial year 2014.

10. The Company replied vide letter dated February 22, 2016 submitting that none of the beneficial owner/director traded in the shares of the Company from January 31, 2012 to December 31, 2014 and provide detailed summary of errors which is reproduce below:

In late 2013 a process of account balancing and reconciliation was started after joining of new Finance Head, this was a routine exercise which is generally conducted by any new finance head without any apprehension of errors in financial reporting. Due to the resignations of senior finance staff in the year 2013, the



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 4 -

matter of review got extended till 2014 when replacement of senior officers was in place. The staff working in the finance function after the resignation of senior personals in the year 2013 did not have sufficient knowledge of the accounts and balances.

The initial review of trial balance did not reach on any conclusion on the foreign vendor liabilities (Trade and other payables), particularly. Various methodologies for reconciliation were adopted including bank confirmations, LCs and statements without leading to any decisive conclusion. During August/September 2014 the matter was also discussed with external consultants i.e. Ernst & Young and they, after review of account and balances (trial balance) also identified that the foreign vendor liability needs thorough reconciliation along with few other accounts. In the meantime confirmations of balances were sought from all the raw material vendors (foreign vendors) and based on their confirmations, reconciled with outstanding LCs, it transpired that the foreign vendor liabilities are understated by more than Rs300m in the books of the Company.

The whole exercise was traced back in previous years i.e 2013, 2012 and 2011 to identify where this short fall has originated. It was established after detailed review of previous year's transactions and entries that the short fall has originated from 2012 and some in 2013. However for the year 2011 it was correctly accounted for and reported.

It is pertinent to mention that individual foreign vendor accounts were not being maintained in the system and there was only one foreign liability account (GRIR account) for multiple foreign suppliers without any counterparty wise subsidiary accounts. Also almost all the entries in 2012 and first half year of 2013 were passed by the outgoing Deputy controller of accounts (his password used).

Also please note that while restating the accounts whatever was restated in 2012 or prior year was also restated in 2013 (As the books were closed) to arrive at correct balances for both December 2013 and Opening figures of 2013 with reversal where ever necessary to reflect correct balances.

2012

1. Various unsubstantiated and unsupported entries were found in the SAP system in the foreign vendor liability account having the effect of reducing sales tax recoverable balance (other receivable) by Rs 129m, the same was reversed in early 2013. Similarly LC margin amount of Rs47m was wrongly debited to foreign vendor account instead of other receivable account. Total Other receivable understated by Rs 176m where as Foreign vendor (Trade and other payable) understated by same amount.
2. Advance to supplier (Advance and Prepayment) amounting to Rs165m was erroneously shown as goods in transit overstating one account(Stocks) and understating the other Balance sheet item (Advance and Prepayment)- Balance Sheet effect. Similarly a settlement of advance payment to custom agents for clearance of goods amounting to Rs 52m was debited to foreign vendor liabilities (control account) instead of advance and prepayment account. Net impact on advance and



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 5 -

prepayment Rs 113m and stocks Rs 165m. No documentary evidence to substantiate was available for these entries.

- 3. When all the entries in the foreign vendor liabilities(control account) were reviewed it transpired that in 2012, multiple entries accumulating to Rs 225 million were passed in the SAP system without any supporting vouchers which resulted in overstatement of profit through consumption account and understatement of foreign vendor liability as at December 2012. These entries were passed in various months throughout the year. In addition various entries were wrongly passed in this account instead of other receivables etc.*

2013

- 4. The error of classification as mentioned in point 2 above continued in 2013 and Rs178m of advance to supplier was erroneously classified as Stock in trade-wrong balance sheet classification. The other portion of advance to custom agent continued, as it is, in 2013 and corrected in both 2012 and 2013 reported figures.*
- 5. Till June 2013 Rs 70 million of excess accrual was correctly reversed in insurance account (COGS) backed by confirmation from Insurance Company. Similarly in second half of 2013 various excess provisions in transport and other account heads were also reversed backed by reconciliations and confirmations, this amounted to Rs55m.*

Subsequently during 2014 review which resulted in restatement of 2013 and prior years, it transpired that out of above figures of Rs70m and Rs55m total Rs125m, reversed as excess accrual in 2013, approximately Rs 100m is coming from 2011. Since the Company was already restating the financials it was decided to restate them in correct period. As a result they were taken out of the reported profits of 2013 and taken to 2011 with Zero net impact on reserve as at Dec 2013 or subsequent years.

- 6. When all the other entries in the foreign vendor liabilities(control account) were reviewed it transpired that till June 2013, multiple entries accumulating to Rs 110 million were passed in the SAP system without any supporting vouchers which resulted in overstatement of profit through consumption account and understatement of foreign vendor liability. These entries were passed in various months throughout the year. In addition various entries were wrongly passed in this account instead of other receivables etc.*
- 7. Deferred Taxation and other expenses changed due to change in profits, WWF and WPPF.*

Other facts

Till Feb 2012 SAP was run in parallel to the legacy system however after Feb 2012 legacy system was discontinued and full migration to SAP was done. This may have resulted in apprehension at that time that the SAP was not reflecting the correct balances and manual entries as mentioned above were passed to correct the alleged mistakes, however no documentary evidence is available. In the end after the review exercise discussed earlier it was



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 6 -

concluded that these manual entries were not correct.

We would also like to highlight that none of the entries which were corrected had the effect of asset leakage and they were book entries without any pilferage.

All the issues highlighted above, resulting in restatement, were only because of the improvement in internal control system which has been further strengthened in 2014 and 2015.

None of the Directors had any mala fide in such errors and on identification of these they immediately advised to correct the accounts after review by auditors and restate the accounts in line with IFRS which requires restatement in the event of error identification.

11. A hearing was also held before me with Mr. Shahid Hussain, ex-chief executive on March 28, 2016 who submitted that he was one of pioneer employee of the Company and had contribution in development of the Company. He stated that he is an engineer and being a chief executive his role was to ensure that all the functions i.e. operations, sales and marketing, accounting and finance and internal and external audit were handled by professional team. He had no choice except to trust the team members. Besides accounts of the Company were audited by KPMG and Ferguson they never reported such negligence. The current CFO, who has claimed to rectify the mistakes also worked with him for one and half years but he never informed regarding these errors and all these entries were passed after he left the Company.

12. Before proceeding further, it is necessary to advert to the relevant provisions of Section 492 of the Ordinance, which states as under:

"Whoever in any return, report, certificate, balance sheet, profit and loss account, income and expenditure account, prospectus, offer of shares, books of accounts, application, information or explanation required by or for the purposes of any of the provisions of this Ordinance or pursuant to an order or direction given under this Ordinance makes a statement which is false or incorrect in any material particular, or omits any material fact knowing it to be material, shall be punishable with a fine not exceeding five hundred thousand rupees."

13. I have analyzed the facts of the case; relevant provisions of the Ordinance, arguments put forth by the representative and respondents and observed the following;

- Misstatement is defined by International Standard of Auditing- 450 as difference between the amount, classification, presentation, or disclosure of a reported financial statement



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 7 -

item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud. In other words, a misstatement arises where there is a difference between the reported figures, and what is expected to be reported in order for the financial statements to be fairly presented (or show a true and fair view). Misstatements can be factual, in the case of a clear breach of a requirement of a financial reporting standard, or could be judgmental, arising from unsuitable estimation techniques or the selection of inappropriate accounting policies.

- The directors are responsible for preparing the financial statements in accordance with the Ordinance and International Financial Reporting Standards. Ordinance and IAS 1 requires that financial statements should present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.
- For this responsibility Code of Corporate Governance, 2012 ("Code") mandated board of directors of listed company to have sound controls as follows:
 - (a) Adopt professional standards and corporate values to promote integrity for the board, senior management and other employees.
 - (b) To establish a system of sound internal control, which is effectively implemented and maintained at all levels within the company.
 - (c) In order to strengthen and formalize corporate decision-making process, significant issues shall be placed for the information, consideration and decision of the board of directors of listed companies and/or its committees.
 - (d) The appointment, remuneration and terms and conditions of employment of the Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit of listed companies shall be determined by the board of directors.
 - (e) No listed company shall circulate its financial statements unless the CEO and the CFO present the financial statements, duly endorsed under their respective signatures, for



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 8 -

consideration and approval of the Board of Directors. It shall be mandatory for the CEO and CFO to have the second quarterly and annual accounts (both separate and consolidated where applicable) initialed by the external auditors before presenting it to the audit committee and the Board of Directors for approval.

(f) The board of directors of every listed company shall establish an Audit Committee, at least of three members comprising of non-executive directors and at least one independent director. The Board of Directors of every listed company shall determine the terms of reference of the Audit Committee.

(g) There shall be an internal audit function in every listed company. The Head of internal Audit shall functionally report to the Audit Committee and administratively to the CEO.

- As admitted by the respondents that wrong entries were passed without any supporting documents and without check at any level which suggest that proper controls were not placed by the board of directors. The audit committee serves as a gatekeeper for quality financial reporting and plays a critical role by overseeing and monitoring the financial reporting process but it has been observed that the audit committee of the Company also failed to discharge its duties with due care. The financial statements of the Company for the year ended December 31, 2013 and 2012 are grossly misstated as the PAT and EPS for aforesaid years were inflated and balances relating to sales tax recoverable, LC margin, advances and liability for imported goods were previously misreported. The board of directors failed to perform its duties with due care and found negligent as they approved financial statements which were materially misstated.
- One of the main objectives and intent of Section 492 of the Ordinance is to protect the users, which may include investors, shareholders, creditors, bankers, customers etc., of financial statements against misstatements so that reliable financial information which is vital for making a well informed decision is available to them. Accurate and reliable financial reporting is the bedrock, upon which our markets are based as false financial information shudders the investor confidence and erodes the integrity of the markets. For our capital markets to thrive, investors must be able to receive an unvarnished assessment of a company's financial condition. Financial statements must provide transparency for investors, and must not obscure the truth, even if that truth is inconvenient.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 9 -

- If I accept the facts presented to me that it's only the responsibility of senior executives of finance department or CFO to present true and fair financial statements than where goes the role of board of directors. The role of board of directors is only to act as a rubber stamp to whatever is presented to them and they should accept and release to stakeholders including the shareholders, investors, financiers, vendors, regulators etc. whatever is presented to them. If this state of affairs is accepted than the whole corporate structure, which has been created over centuries, becomes a house of cards. I am of the firm view that the board of directors has all the right to enquire and confirm the figures presented to them and it is their responsibility to ensure that true, fair and correct information is provided to stakeholders and they just cannot pass on the bug by shifting responsibility on the senior executives of the company.
- The scheme of law places the Chief Executive at the highest place of responsibility. This responsibility increases many folds especially in the case of listed companies. No listed company is required to circulate its financial statements unless the CEO and the CFO present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors. Financial statements are placed before the audit committee, comprising members of board of directors, to deliberate, discuss and approve for placements before the board of directors. After approval of the board of director Financial results are required to be immediately disseminated to the securities market leading to investor's sentiments. Annual accounts are required to be audited before submitting it to board of directors for their approval. Such accounts are then presented to shareholders in the annual general meeting for final approval. The financial statements are submitted to banks, lenders to assess the financial vitality of the company against the loans and finance provided by them. If after two years suddenly the financial results are changed to a greater extent, it reflects failure of the whole scheme in place ensuring the transparency and accuracy of the financial statements so released. I believe who so ever is involved in the scheme are responsible for such error, omission and misstatement.
- Following board of directors were members of audit committee of the Company for the relevant period:

7th Floor, NIC Building, 63-Jinnah Avenue
Islamabad, Pakistan

PABX: + 92-51-9207091-4, Fax: +92-51-9100454, 9100471, Email: webmaster@secp.gov.pk, Website: www.secp.gov.pk



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 10 -

1. Mr. Asif Qadir, Chairman
2. Mr. Kimihide Ando
3. Mr. Yasumasa Kondo
4. Mr. Khalid Yacob
5. Mr. Masahiko Takahashi (Alternative)

As per Accounts for the year ended December 31, 2013 and 2012, the Audit Committee was responsible for;

- a) determination of appropriate measures to safeguard the listed company's assets;
- b) review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors;
- c) review of preliminary announcements of results prior to publication;
- d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) review of management letter issued by external auditors and management's response thereto;
- f) ensuring coordination between the internal and external auditors of the listed company;
- g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the listed company;
- h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) review of the listed company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 11 -

consider remittance of any matter to the external auditors or to any other external body;

- l) determination of compliance with relevant statutory requirements;
- m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- n) consideration of any other issue or matter as may be assigned by the Board of Directors.

The TOR of the audit committee is quite comprehensive putting greater responsibility of the audit committee members. However in the instant case the audit committee failed to discharge its responsibility.

- Following members of board of directors attended the meeting in which accounts for 2013 and 2012 were approved:

BOD meeting held on February 25, 2014	BOD meeting held on March 13, 2013
Mr. Shahid Hussain	Mr. Shahid Hussain
Syed Babar Ali	Syed Babar Ali
Syed Hyder Ali	Syed Hyder Ali
Mr. Khalid Yacob	Mr. Khalid Yacob
Mr. Asif Qadir	Mr. Masahiko Takahashi
	Mr. Kimihide Ando

- The board of directors of the Company in the financial year 2012 and 2013 was comprised of one executive director, one non-executive independent director and five non-executive directors. The non-executive director's and independent director role is to contribute to the board by providing objective criticism. Non-executive directors should bring an independent judgment on issues of strategy, performance and resources including key appointments and standards of conduct. There is no legal distinction between executive and non-executive directors therefore non-executive directors have the same legal duties, responsibilities and potential liabilities as their executive counterparts. Clearly, it is appreciated that nonexecutive directors cannot give the same continuous attention to the business of the company. However, it is important that they show the same commitment to its success as their executive colleagues. All directors should be capable of seeing company and business issues in a broad perspective. Nonetheless, non-executive directors



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 12 -

are usually chosen because they have a breadth of experience, are of an appropriate caliber and have particular personal qualities but the utmost importance is their independence of the management of the company and any of its interested parties. This means they can bring a degree of objectivity to the board's deliberations, and play a valuable role in monitoring executive management. However, the state of affairs discussed above reflects that non-executive directors and independent director of the Company failed to perform their role effectively and diligently.

14. For the foregoing reasons, I am of the firm opinion that the respondents have made themselves liable under the provision of Section 492 of the Ordinance. Perusal of the record reflects no mala fide on the part of the respondents however at the same time such a state of affair on their part cannot be ignored. Therefore, in exercise of the powers conferred by the aforesaid provision of the Ordinance, I hereby impose a fine of Rs.500,000 (Rupees five hundred thousand only) on the ex-chief executive Mr. Shahid Hussain in terms of provision of Section 492 of the Ordinance. All other directors are hereby issued a stern warning to play their role effectively and diligently.

The aforesaid fine 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 furnish receipted bank vouchers to the Commission. In case of non-deposit of fine, proceedings for recovery of the fines as arrears of land revenue will be initiated.

Abid Hussain
Executive Director

Announced:
May 5, 2016
Islamabad