



Securities and Exchange Commission of Pakistan

Adjudication Division Adjudication Department

Before

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

In the matter of Show Cause Notice issued to Quice Food Industries Limited

Date of Hearing

October 20, 2021, December 13, 2021, January 11, 2022, February 08, 2022

Order-Redacted Version

Order dated April 28, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Quice Food Industries Limited. Relevant details are given as hereunder:

| Nature | Details |
|------------------------|---|
| 1. Date of Action | Show cause notice dated June 21, 2021 |
| 2. Name of Company | Quice Food Industries Limited |
| 3. Name of Individual* | The proceedings were initiated against Quice Food Industries Limited and its directors |
| 4. Nature of Offence | Under sub-regulations (1) of regulation 6 and regulation 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 read with regulation 37 thereof and Section 166 of the Companies Act, 2017 read with Section 169 and 479 thereof. |
| 5. Action Taken | <p>Key findings were reported in following manner:</p> <p>I have gone through the facts of the case, submissions made by the respondents and observed that the requirements of sub-regulation (1) of regulation 6 and regulation 7 of the CCG Regulations are explicit requiring every listed company to have at least two independent directors and at least one female director, respectively, their Boards. However, the Respondents have failed to elect at least two independent directors from the databank of PICG in terms of regulation 6 of the Regulations read with Section 166 of the Act. The Respondents have also failed to appoint at least one female director on its board. Furthermore, despite multiple opportunities of personal representation extended to the Respondents, no one appeared on the hearing dates. It is important to mention here that in terms of Section 158 of the Act, on expiry of terms of directors, the directors so retiring continue to perform their functions until their successors are elected and such retiring director i.e. the Respondents were responsible to ensure that the requisite number of independent directors are elected in accordance with requirements of the Regulations and the Act and that the independent directors so elected are registered in databank of independent directors maintained by PICG. Besides, the Respondents are</p> |



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Adjudication Department-I

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| | <p>responsible to ensure that female director is elected on the board of the Company as per the provisions of regulations of the Regulations. The aforesaid implies that Respondents have failed to comply with relevant requirements of the statute at the relevant time and also failed to provide any acceptable justification for the same.</p> <p>From the above discussion and after careful consideration of all the facts of this case, I am of the view that the Respondents failed to appoint requisite number of independent directors and female director in its election of the directors held on November 27, 2020 till date of this order and thereby contravened the provisions of regulation 6 and regulation 7 of the Regulations. Moreover, the Respondents have also failed to demonstrate any efforts towards compliance of Section 166 of the Act at the time of election of directors till date of this order. The Respondents are, therefore, liable for penalty under the regulation 37 of the Regulations and Section 169 of the Act and, therefore, I hereby impose penalty of Rs. 75,000 (Rupees Seventy Five Thousand only) on the Company. The remaining Respondents are advised to ensure compliance of law in full letter and spirit in future.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Act and the Regulations providing for imposition of penalties in respect of any default, omission, violation of the Act and the Regulations.</p> |
| 6. Penalty Imposed | A Penalty of Rs. 75,000/- (Rupees seventy-five thousand only) was imposed on the Company. |
| 7. Current Status of Order | No appeal has been filed by the respondents. |