



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 Aruj Industries Limited

Date of Hearing

April 25, 2022

Order-Redacted Version

Order dated May 09, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Aruj Industries Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated April 11, 2022
2. Name of Company	Aruj Industries Limited
3. Name of Individual*	The proceedings were initiated against Aruj Industries Limited and its directors.
4. Nature of Offence	Under sub-regulation (1) of regulation 6 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 read with Regulation 37 thereof.
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have gone through the facts of the case, relevant provisions of the law, the record placed before me and given due consideration to, the submission made by the Respondents both in writing and verbal and observed that election of directors of the Company was held in EOGM on May 31, 2021 wherein the Company was required to elect at least two independent directors in terms of regulation 6 of the CCG Regulations. The Company has acknowledged that after the aforesaid election, the Board comprised of only one independent director namely Mr. *****. The default has been rectified later by appointing another independent director namely Mr. ***** in April 2022.</p> <p>Keeping in view the above, I am of the view that the Respondents failed to appoint requisite number of independent directors at the time of election of directors, thereby contravened the provisions of regulation 6 of the CCG Regulations. The Respondents are, therefore, liable for penalty under the regulation 37 of the CCG Regulations. However, keeping in view the fact that subsequent to the SCN, the said non-compliance has been rectified, therefore, I hereby conclude the proceeding initiated through the SCN without imposing any monetary penalty. The Respondents are, however, warned to ensure timely</p>



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	<p>compliance with the applicable requirements of the Laws including the CCG Regulations.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission, violation of the Act.</p>
6. Penalty Imposed	Nil
7. Current Status of Order	No appeal has been filed by the respondents.