



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

(Adjudication Department-II, Adjudication Division)
4th Floor State Life Building No.2, Wallace Road, Karachi.
Website: www.secp.gov.pk

CASE No. 910/2022

BEFORE THE ADJUDICATING OFFICER

ORDER UNDER SECTION 178 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017

IN THE MATTER OF M/S. THARPARK AR SUGAR MILLS LIMITED

Present: **Mr. Abdur Rub** (Authorized Representative)

Date of hearing: 18-August-2022

1. This Order shall dispose of the proceedings initiated under Section 178 of the Companies Act, 2017 (The Act), vide Show Cause Notice dated 27-June-2022 ["the Notice"].
2. The facts of the case are out, in pursuance of Order dated December 01, 2021 under Section 257 of the Companies Act, 2017 ("Act") to conduct investigation into all respects of Tharparkar Sugar Mills Limited and after scrutiny of all the records and books of accounts, books and papers, Inspectors have submitted the investigation report dated March 21, 2022 which revealed that the minutes of proceedings of the board of directors were not entered in properly maintained books and the chairman does not authenticate the minutes as evidence of the proceedings at such meetings as required under section 178(1)(b) and 178(2) of the Act respectively.
3. Prima facie, the company violated the provisions of section 178(1)(b) of the Act, which attracts penal provisions contained in section 178(2) of the Act.
4. Consequently, the afore mentioned violation of law rendered the company and its officer(s) liable to a penalty of level - 1 on the standard scale provided under section 178(2) read with section 479(2) of the Act. Accordingly, taking cognizance of the matter, a Show Cause Notice dated 27-June-2022 was served to the company through its Chief Executive as well as the directors of the company, calling upon them to Show Cause in my office on 07-July-2022 and subsequently re-fixed on 18-Aug-2022 as to why the penalty laid down under the above mentioned section should not be imposed.
5. On the date of hearing, Mr. Abdur Rub (authorized representative) of the Company appeared before me in person. While admitting the default, he stated that the Company was incorporated on April 23, 1994 as an unlisted public limited company under the Companies Ordinance, 1984 and it obtained Certificate of Commencement of Business on June 30, 1994. The Company has always held proper Board Meetings and properly minuted their proceedings and maintained proper record. The Chairman of the Board has always authenticated the minutes as evidence of the proceedings as required by

the law. However, we regret that these could not be presented before the investigation team. We enclose herewith notices and minutes of Board of Directors' Meetings from the year 2017 to 2022 as under:

- Notices and minutes of Board of Directors' Meetings held on January 12, 2017.
 - Notices and minutes of Board of Directors' Meetings held on January 03, 2018.
 - Notices and minutes of Board of Directors' Meetings held on January 07, 2019.
 - Notices and minutes of Board of Directors' Meetings held on January 06, 2020.
 - Notices and minutes of Board of Directors' Meetings held on January 06, 2021.
 - Notices and minutes of Board of Directors' Meetings held on July 25, 2022.
6. The contention of the company and its authorized representative for the non-compliance of law is not a precise excuse, as it shows negligence on the part of management of the company who is responsible to manage, pursue and make sure that the compliances are being made timely and strictly in accordance with the law and to keep all the statutory record available at the registered office address of the company. However, keeping in view the aforesaid facts as narrated above and assurance given by the authorized representative that no such default would be repeated in future and the company shall ensure proper and timely compliance of statutory requirements of law, I am convinced not to take stringent action against the company. Further, the company has now made good of the default per se attached documents. Besides, there is no evidence / information available on the record of this case which could jeopardize the interest of any stakeholder. Hence penalty of **Rs.25,000/-** is imposed on the company.
7. The management of the company is advised to deposit the penalty amount within 30 days from the date of receipt of this order in any designated branches of MCB Bank Limited or UBL Bank and furnish original receipted challan to this office within the above said period positively.
8. A copy of this order be placed on the record of company maintained by the dealing Registrar of the Company Registration Office.



(ZIA UL RASHEED ABBASI)
ADJUDICATING OFFICER /
ADDITIONAL REGISTRAR

Dated: 25-Aug-2022