

Before

Asif Iqbal – Director/Head of Department

In the matter of

Hafiz Limited

Date of Hearing

November 17, 2022

Order-Redacted Version

Order dated November 21, 2022, was passed by Head of Department (Adjudication-I) in the matter of Hafiz Limited. Relevant details are given hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated November 18, 2021
2. Name of Company	Hafiz Limited
3. Name of Individual*	The proceedings were initiated against the Company and its Board of Directors
4. Nature of Offence	Under Regulations 6 and 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 read with regulation 41 thereof and Section 512(2) of the Companies Act, 2017
5. Action Taken	<p>Key findings are given as hereunder:</p> <p>I have gone through the facts of the case in light of the relevant provisions of the CCG Regulations, the information available on record, and state that it is mandatory for a listed company to have at least two or one third of its members of the board as independent directors as required under regulations 6 of the CCG Regulations. It is also mandatory for the Company to have at least one female director on its board as required under regulation 7 of the CCG Regulations. In the instant case, it is observed that the Respondents although failed to appoint requisite number of independent directors and a female director on its board, at the time of election of directors held on October 24, 2018; however, the said defaults are now rectified and the Company has complied with regulation 6 and 7 of the CCG Regulations, by appointing required number of independent directors as well as female director on its board on October 28, 2021 i.e. in subsequent election of directors. After careful consideration of all the facts of the case, I am of the considered view that the Respondents have contravened the provisions of regulation 6 and 7 of CCG Regulations and are liable for penalty under Regulation 41 of the CCG Regulations read with Section 512 of the Act thereof. Therefore, I hereby impose penalty of Rs. 50,000/-</p>

	<p>(Rupees Fifty thousand only) on the Company. The rest of the Respondents are hereby warned to adhere to compliance with all the applicable regulatory laws including the CCG Regulations.</p> <p>It is hereby directed to deposit the aforesaid amount of penalties in the designated bank account maintained in the name of the Commission with MCB Bank Limited within thirty (30) days of the date of this Order and furnish receipted bank challan, evidencing payment of the same, to the Commission forthwith. In case of failure to deposit the penalties, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Regulations/Act providing for imposition of penalties in respect of any default, omission or violation of the Regulations/ Act.</p>
6. Penalty Imposed	Rs. 50,000/-
7. Current Status of Order	No appeal was filed.