

Before

Mr. Shahzad Afzal Khan -Director/ Head of Department

In the matter of

Sakrand Sugar Mills Limited

Date of Hearing

January 23, 2023

Order-Redacted Version

Order dated February 15, 2023, was passed by Head of Department (Adjudication-I) in the matter of Sakrand Sugar Mills Limited. Relevant details are given hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated December 09, 2022
2. Name of Company	Sakrand Sugar Mills Limited
3. Name of Individual*	The proceedings were initiated against the Company and its Board of Directors
4. Nature of Offence	Under regulations 6 of the Listed Companies (Code of Corporate Governance) Regulation, 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 Act, 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 as independent directors as required under Regulations 6 of the CCG Regulations. In the instant case, it was observed that the Respondents failed to appoint requisite number of independent directors on its board, however, the said default has been rectified and the Company has complied with regulation 6 of the CCG Regulations, by appointing required number of independent directors on its board on September 14, 2022 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 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. 100,000/- (Rupees hundred thousand only) on the Respondent Company for the cited defaults. The rest</p>

	<p>of the Respondents are hereby warned to adhere to compliance with all the applicable regulatory laws including the CCG Regulations and the Act.</p> <p>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 of the date of this order and furnish receipted bank vouchers to the Commission. The fine shall be paid from personal resources. In case of non-deposit of the said penalty, proceedings under law including Section 485 of the Companies Act, 2017 will be initiated for recovery of the same as arrears of land revenue.</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 or violation of the Act.</p>
6. Penalty Imposed	Rs. 100,000/-
7. Current Status of Order	No appeal was filed.