

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

In the matter of Show Cause Notice issued to Alfalah GHP Investment Management Limited

Dates of Hearing

May 31, 2022

Order-Redacted Version

Order dated June 30, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Alfalah GHP Investment Management Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated April 14, 2022.
2. Name of Respondent	Alfalah GHP Investment Management Limited (the Company); Mr. Nabeel Malik, Chief Executive Officer; Mr. Abid Naqvi, Independent Director; Mr. Tufail Jawed Ahmad, Independent Director; Mr. Hanspeter Beier, Director; Mr. Kabir Ahmad Qureshi, Director; Mr. Tanveer Hussain Awan, Director; and Mr. Saad Ur Rahman, Director; (hereinafter collectively referred to as the Respondents)
3. Nature of Offence	Alleged contraventions of regulation 10(b) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) ; regulation 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the CCG Regulations) ; and Section 161(2) of the Companies Act, 2017 (the Act) read with Section 282 J of the Companies Ordinance, 1984 (the Ordinance) , Section 169 of the Act and regulation 37 of the CCG Regulations.
4. Action Taken	Key findings were reported in the following manner: I have reviewed the facts of the case and considered the written as well as verbal submissions of the Respondents and their Representatives in light of the aforesaid legal provisions and observed that the Respondents remained non-compliant with the aforesaid regulatory requirements for a considerable time period i.e. more than a year, as the director of the Company resigned in February 2021 and accordingly the Company was required to apply to the Commission for appointment of a director within 10 days of the occurrence of the casual vacancy, however, the same was delayed for more than a year's time and no extension in

	<p>required ten(10) days-time period was neither sought nor granted to the Company. Consequently, the Company failed to fill the vacant position of its director for the remainder term and maintain the required number of directors on its Board. Moreover, owing to delay in appointment of director of the Company, the position of a member of BAC remained vacant.</p> <p>Keeping the forgoing in view, non-compliances of regulation 10(b) of the NBFC Regulations, regulation 27(1)(i) of CCG Regulations, and Section 161(2) of the Act read with Section 159(1) thereof is established which attract applicability of Section 282 J of the Ordinance, Section 169 of the Act and regulation 37 of the CCG Regulations. However, considering the facts that; (i) the delay in appointment of new director of the Company was mainly due to non-receipt of nominations from MAB (major shareholder of the Company) owing to reconstitution of the Board of MAB; (ii) now after positioner-election of director of the Company, now the Board of the Company is complete comprising seven (7) directors; (iii) despite a vacant position, BAC remained functional as the quorum of the meetings was complete and chaired by an independent director of the Company; and (iv) now BAC is complete Therefore, in exercise of the powers conferred under Section 282 J of the Ordinance, Section 169 of the Act and regulation 37 of the CCG Regulations, I hereby conclude the proceedings initiated through the SCN without imposing any monetary penalty. The Respondents are, however, warned to ensure compliance with all the applicable regulatory requirements including the CCG Regulations in letter and spirit, in future.</p>
5. Penalty Imposed	Warning
6. Current Status of Order	