

Before Amir M Khan Afridi, Director/Head of Department (Adjudication-I)

In the matter of Show Cause Notice issued to Apna Microfinance Bank Limited

Dates of Hearing

April 28,2021

Order-Redacted Version

Order dated May 03, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Apna Microfinance Bank Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated December 31, 2020
2. Name of Company	Apna Microfinance Bank Limited
3. Name of Individual*	The proceedings were initiated against Apna Microfinance Bank Limited (the Bank) and its board of directors.
4. Nature of Offence	Violations of under Regulation 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 read with Regulation 37 thereof and Section 512 of the Companies Act, 2017 (the Act) and under Section 155 of the Act read with Section 479 thereof.
5. Action Taken	Key findings were reported in the following manner: Based on the facts of the case and information presented before me, it is observed that election of directors of the Bank was held on June 18, 2019 and FPT of female director i.e. Ms. Female Director was declined by SBP on October 22, 2019. Thereafter, the Board failed to fill the casual vacancy created on October 22, 2019, within 90 days, which is contravention of sub-section (3) of Section 155 of the Act. Subsequently, the Board after a delay of a year, i.e. in its meeting held on October 26, 2020, filled the casual vacancy by appointing Ms. Female director and FPT of Ms. Female Director was cleared by SBP vide letter dated February 17, 2021. Post issuance of SCN, the Bank has complied with the requirement of regulation 7 of the CCG Regulations but after a lapse of more than one and a half year of the elections. The respondents have accepted the aforesaid default/non-compliance and requested for lenient

	<p>view stating that the said default was unintentional and circumstantial.</p> <p>I have gone through the fact of the case and of the considered view that the Respondents have committed non-compliance of the provisions of regulation 7 of the CCG Regulations and Section 155 of the Act and, therefore, attract applicability of regulation 37 of the CCG Regulations read with Section 512 of the Act and Section 169 of the Act thereof. Although, the non-compliances are rectified after the SCN but keeping in view the fact that it is occurred and have been rectified after a significant delay, I hereby impose penalty.</p> <p>Penalty order dated May 03, 2021 was passed by Director/HoD (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs.100,000/- was imposed on the Bank, Rs.50,000/- on Chairman and Rs.50,000 on CEO and the remaining directors of the Bank are hereby warned to ensure timely compliance of the law and be careful in future.
7. Current Status of Order	Appeal has been filed by the respondents.