

Before

Amir M. Khan Afridi, Director/Head of Department

In the matter of

Buxly Paints Limited

Date of Hearing

May 12, 2022

Order-Redacted Version

Order dated May 31, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Buxly Paints Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated September 27, 2021
2. Name of Company	Buxly Paints Limited
3. Name of Individual*	The proceedings were initiated against the Company and its Board of Directors of the Company.
4. Nature of Offence	The Company, <i>prima facie</i> , was found non-compliant with Section 166(1) of the Companies Act, 2017 (The Act) and regulation 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the CCG Regulations), as said individuals appointed as independent directors were not registered with data bank of PICG and one of such directors was also acting as Chairman of Board Audit Committee (BAC). Hence, the SCN was issued under Section 166 of the Act read with Sections 169 and 479 thereof and regulation 27 and 37 of the CCG Regulations read with Section 512(2) of the Act.
5. Action Taken	Key findings are as hereunder: I have gone through the facts of the case, considered the submissions made in writing as well as during the hearing proceedings and state that it is mandatory in terms of Section 166(1) of the Act that independent director shall be appointed from the PICG's data bank. Moreover, regulation 27(1)(ii) of the CCG Regulations requires that Chairman of BAC shall be an independent director. In case of the Company, *** was acting as Chairman BAC as independent director, however, he was not registered with PICG databank. It was, however, noticed that *** and *** were, subsequently registered with PICG and the Company provided evidence of compliance in this regard, therefore, taking lenient view, the proceeding initiated through the SCN are being concluded without any monetary penalty. The Respondents are, however, warned to ensure compliance with all the

	<p>applicable regulatory requirements including the CCG Regulations in letter and spirit, in future.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the CCG Regulations/ Act providing for imposition of penalties in respect of any default, omission or violation of the CCG Regulations/ Act.</p>
6. Penalty Imposed	/-
7. Current Status of Order	No appeal was filed.