



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Before

Shahzad Afzal Khan
Director/Head of Department (Adjudication-I)

In the matter of

Show Cause Notice issued to Directors of Tandlianwala Sugar Mills Limited

under Section 205 of the Companies Act, 2017 and Sections 176, 207, 479 thereof

Number and date of Show Cause Notice (SCN)	CSD/ARN/87/2015-134 dated April 17, 2024
Date(s) of Hearing:	June 06, 2024
Present at the Hearing(s):	Mr. Iftikharuddin Riaz, Barrister/Advocate Supreme Court, M/s Bhandri Naqvi Riaz Mr. Imran Iqbal, Advocate High Court (Authorized Representatives)

ORDER

This Order shall dispose of the proceedings initiated through the Show Cause Notice No. CSD/ARN/87/2015-134 dated April 17, 2024 (the "SCN") against Mr. Ghazi Khan, Chairman (the "Respondent No. 1"), Mr. Akbar Khan, Chief Executive Officer (the "Respondent No. 2"), Mr. Humayun Akhtar Khan, Director (the "Respondent No. 3"), Mr. Haroon Khan, Director (the "Respondent No. 4"), Mrs. Rasheeda Begum, Director (the "Respondent No. 5"), Mrs. Mobeena Akbar Khan, Director (the "Respondent No. 6"), and Mr. Tahir Farooq Malik, Director (the "Respondent No. 7") for their alleged contravention of the requirements of Section 205(1), 207(1), 207(2) and Section 176 of the Companies Act, 2017 (the "Act"), under the penal provisions of Section 205(6), 207(4) and 176(4) of the Act.

2. Brief facts of the case are that an examination of annual audited financial statements of the Company for the year ended September 30, 2023 (the "Accounts") carried out by the Securities and Exchange Commission of Pakistan (the "Commission") transpired that M/s Tandlianwala Sugar Mills Limited (the "Company") had entered into a number of Related Party Transactions (RPTs) including the following:

Table A:

Name of Company	Relationship	List of Common Directors	Transaction details
Superior Textile Mills Limited (STML)	Common Directorship	1. Mr. Akbar Khan; 2. Mr. Ghazi Khan; 3. Mr. Haroon Khan; 4. Mr. Humayun Akhtar.	Advance provided – Rs.76 million Advance received - Rs.5 million
Institute for Policy Reforms (IPR)	Common Directorship	1. Mr. Akbar Khan	Donation - Rs.15.8 million



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Continuation sheet – 2 –

3. The Commission vide its letter dated February 19, 2024 requested the Company to provide minutes of the board meetings where in such RPTs were approved. The Company through its reply dated March 02, 2024 and subsequent email dated March 15, 2024 provided minutes of the respective meetings of its Board of Directors held on October 10, 2022 and January 10, 2023 along with the attendance sheets, wherein the aforesaid transactions were approved by its Board of Directors.

4. Perusal of the aforementioned minutes of the board meetings along with attendance sheets transpired that the interested directors attended the said board meetings and approved RPTs with STML and IPR. Further, the minutes of the board meetings did not *prima facie* reflect any disclosure of interest or note of abstention from the interested directors. Relevant details are as given below:

Table B:

Transaction Details	Board meeting held on	Directors who participated in Board meetings	Interested directors who took part in proceeding of board
STML (Advance of Rs.76 million)	January 10, 2023	1. Mr. Akbar Khan; 2. Mr. Ghazi Khan; 3. Mrs. Mobeena Akbar Khan; and 4. Mr. Tahir Farooq Malik	1. Mr. Akbar Khan 2. Mr. Ghazi Khan
IPR (Donation of Rs.15.8m)	October 10, 2022	1. Mr. Akbar Khan; 2. Mr. Ghazi Khan; 3. Mrs. Mobeena Akbar Khan; and 4. Mr. Tahir Farooq Malik	1. Mr. Akbar Khan

5. In view of the above details, it was observed that:

- Mr. Akbar Khan and Mr. Ghazi Khan, being interested directors due to common directorship with the Company and with STML, neither disclosed their interest nor abstained from voting, while approving RPTs with STML in board meeting held on January 10, 2023, *prima facie*, contrary to the requirements of Section 205(1) and 207(1) of the Act.
- Mr. Akbar Khan, being interested director due to common directorship with the Company and with IPR, neither disclosed his interest, nor abstained from voting, while approving RPT with IPR in board meeting held on October 10, 2022, *prima facie* contrary to the requirements of Section 205(1) and 207(1) of the Act.
- Despite the fact that majority of the directors (04 out of 07) were interested in the transactions with STML as referred in Table B, the transactions were not laid before the general meeting for approval, *prima facie*, contrary to the requirements of provisions of Section 207(2) of the Act.
- In respect of the board meeting held on January 10, 2023, the RPTs with STML were approved



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Continuation sheet – 3 –

by the board despite 04 out of 07 (Table A), or 02 out of 04 directors participating in the said meeting, were interested directors, hence, the requirements of quorum of the board meeting were not met, *prima facie*, contrary to the requirements of Section 176 of the Act.

6. The aforesaid alleged violations of the Section 205(1), 207(1) & (2) and 176 of the Act attract the applicability of Section 205(6), 207(4) and 176(4) of the Act respectively. Accordingly, the SCN was served upon the Respondents on April 17, 2024.

7. The Company vide its letter dated April 27, 2024 requested for an extension to reply to the SCN for two (02) weeks. Accordingly, the Commission vide its email dated April 30, 2024 granted an extension up till May 13, 2024. Subsequently, M/s Bhandri Naqvi Riaz (Authorized Representative of the Respondents) vide its letter dated May 10, 2024 requested for another extension in filing of reply to the SCN. Accordingly, in order to accord an opportunity of personal representation to the Respondents, a hearing in the matter was fixed for June 03, 2024, while the Respondents were also advised to submit written response to the SCN within 05 days of the hearing notice dated May 24, 2024. However, the hearing fixed for June 03, 2024 was adjourned and re-fixed for June 06, 2024, which was attended by Mr. Iftikharuddin Riaz, Barrister/Advocate Supreme Court and Mr. Imran Iqbal, Advocate High Court (of M/s Bhandri Naqvi Riaz law firm) being the Authorized Representatives on behalf of the Respondents.

8. In the meantime, the Authorized Representative submitted written response to the SCN vide letter dated June 03, 2024, the relevant extracts of which are reproduced below:

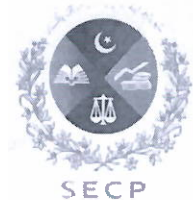
"1. It is submitted that ss. 205 and 207 of the Companies Act, 2017 (the "Act") only apply in relation to the transactions listed in s. 208(1)(a) to (f). In other words, while s. 208 deals with the procedure to be followed for approval of a related party transaction by the board or the shareholders, as the case may be, ss. 205 and 207 deal with the procedure to be followed by an interested director (a related party) in those approval proceedings.

2. Since the definition of the term "related party" in s. 208 is much broader than an interested director, it is also submitted that ss. 205 and 207 applies to the transactions (with an interested director) which are a sub-category of the transactions dealt with in s. 208 (with all related parties); the transactions dealt with in s. 208 are inclusive of the transactions dealt with in ss. 205 and 207.

3. As such, since the amount paid to Superior Textile Mills Limited and the donation made to Institute of Policy Reforms (the "Transactions in Question") do not fall within any of the transactions listed in s. 208(1)(a) to (f), our clients cannot be held to be in violation of ss. 205(1) and 207(1) and (2), and consequently s. 176(4), of the Companies Act...

5. Sections 205, 207 and 208 are grouped together in the same section of the Companies Act titled, "Miscellaneous Provisions regarding Investment, Contracts, Officers and Shareholdings, Trading and Interests".

6. The expression "contract or arrangement" has been used in the Companies Act only in ss. 205 to 209, which provisions deal with the same subject matter, i.e Section 205 deals with the disclosure of interest by directors (a related party) in a "contract or arrangement"; Section 206 deals with disclosure of interest by other officers (a related party) in a "contract or arrangement";



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Continuation sheet – 4 –

Section 207 prohibits a director interested in a "contract or arrangement" from participating or voting in proceedings of board; Section 208 requires "contract or arrangement" with a related party to be approved by the board or shareholders, as the case may be, which "contract or arrangement" are specified therein; and Section 209 requires the maintenance of register of such "contract or arrangement". As such, the term "contract or arrangement" used in the Companies Act refers, to the exclusion of others, to the type of transactions listed in s. 208(1)(a) to (f).

7. It is a settled principle of law that same words used in a statute cannot be given different meanings and that the legislature is presumed to be consistent...

9. It is also a settled principle of law that provisions in a statute must be interpreted in a harmonious and purposive manner; they must not be interpreted in isolation from each other...

11. We note that the show cause notice under reply refers to the Transactions in Question as "related party transactions".

12. There are SECP judgments in field concerning violations of ss. 205, 207 and 176(4) of the Act (and their predecessors ss. 214, 216 and 193(3) of the Companies Ordinance, 1984) where the underlying transactions are those listed in s. 208(1)(a) to (f) of the Act; some of these judgments specifically refer to such transactions as "related party transactions". We have not come across any judgment where a transaction other than those listed in s. 208(1)(a) to (f) has been held to be covered by ss. 205 and 207...

13. In the alternate and without prejudice, it is submitted that our clients will rectify the default(s) alleged in the above mentioned show cause notice in the next annual general meeting wherein approval of the shareholders (which include, among others, our clients) for the Transactions in Question (as required under s. 207(2)) will be sought, which resolution will be duly passed as our clients hold amongst themselves 84.95% of the shares of TSML..."

9. During the course of hearing held on June 06, 2024, the Representative was inquired regarding the contraventions of the law as alleged in the SCN. The Representative reiterated the written submissions made in response to the SCN. Subsequent to the hearing, the Representative submitted another written response vide letter dated June 25, 2024, the relevant extracts of which are reproduced hereinbelow:

"...Remedial action concerning the Transactions in Question

1. In compliance with s. 207(2) of the Act, TSML and its directors hereby undertake to obtain an ex post facto approval of the Transactions in Question from the shareholders through an ordinary resolution, which shareholders include, among others, the aforesaid directors holding amongst themselves 84.95% of the shares of TSML.
2. It is requested that six (6) months' time may kindly be granted to our clients to do the needful as this matter can be taken up in the next annual general meeting estimated to be held in January 2025.
3. Our clients further undertake to submit within this period a certified copy of the relevant



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Continuation sheet – 5 –

ordinary resolution and the relevant statement of material facts annexed with the notice of AGM prepared in accordance with s. 134(3) of the Act.

It is again requested that in light of the aforesaid remedial action proposed to be taken by our clients, SECP may kindly forgo the imposition of penalties on our clients..”

10. I have gone through the facts of the case and considered the written and verbal submissions of the Respondents and evidence available on record, in light of the aforesaid legal provisions and observed that:

A. Scope of Section 205 and 207 of the Act:

The foremost contention put forward by the Respondents is that Section 205 and 207 of the Act only apply to the transactions enlisted under Section 208(1)(a) to (f) thereof, and the transactions under question (i.e. advance extended to STML and donation made to IPR) are not covered thereunder. They have further argued that while Section 208 of the Act prescribes the procedure to be followed for approval of RPTs by the board or the shareholders, as the case may be, Sections 205 and 207 thereof prescribe the procedure to be followed by an ‘interested director’ being a related party in those approval proceedings.

It is thus considered necessary to delve down into the construction of Sections 205 and 207 of the Act. Bare reading of Section 205 of the Act reveals that the disclosure of interest at a board meeting is necessitated by any director of a company who is (directly or indirectly and in any way) concerned or interested in any contract or arrangement entered into or to be entered into by or on behalf of the company. The construction of whole of the Section 205 is clearly tilted towards “any contract or arrangement”, instead of any “particular” contract or arrangement in a limited or restrictive manner. Similar is the case with the provisions entailed under Section 207 of the Act, wherein the reference has plainly been made to any contract or arrangement in broader and generic terms, rather than in restrictive and specific terms. Both the sections do not, in any way, stipulate any provision whatsoever that could indicate restrictive application thereof – the sections expressly apply to all existing and proposed contracts or arrangements of any nature. Reference is made to Ramaiya Guide to the Companies Act (18th Edition; Volume 2), which comments on Section 184 of the Indian Companies Act, 2013 (& corresponding Section 299 of the Indian Companies Act of 1956; both constructed on similar lines as of Section 205 of the Act) by stating that *it covered all kinds of contracts and arrangements and proposed contracts and arrangements as the term ‘arrangement’ has a wide connotation...Section 299 of the 1956 Act...is wider in scope and covers all kinds of contracts and arrangements...the term ‘arrangement having very wide significance’*. It further goes on to state that *every director will be well advised to review his own private interests whenever the company enters into any contract or arrangement in order to see whether there is anything requiring disclosure on his part.*

B. Contract or Arrangements covered under Section 208 of the Act:

As far as the provisions of Section 208 of the Act are concerned, the legal construction of these provisions is far more specific and restrictive – it enumerates the specific transactions (contracts or arrangements) under sub-section (1) that can only be entered into by a company



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Continuation sheet – 6 –

with its related parties in accordance with the policy approved by the board and subject to the conditions specified under the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018. Sub-section (2) of Section 208 of the Act further obligates that every contract or arrangement **entered into under sub-section (1)** shall be referred to in the board's report to the shareholders along-with the justification for entering into such contract or arrangement – specific emphasis is placed under this sub-section on the contracts referred to in sub-section (1). Thus, it would only be the contracts or arrangements with related parties stipulated under clause (a) to (f) of Section 208(1) that would require to be referred to in the board's report to the shareholders and that would require compliance with the conditions specified in this section and under the above-referred Regulations.

C. Contrasting provisions of Section 205 & 207 vis-à-vis Section 208:

It is abundantly made evident from the above analysis that the provisions of Section 205 & 207 vis-à-vis Section 208 of the Act are independent and not mutually exclusive of each other. The extent of the term "contract or arrangement" has been expressly restricted in Section 208 of the Act, while the same connotes a generic meaning and encompasses all kinds of contracts and arrangements under Section 205 & 207 of the Act. Reliance is placed on the Order passed by the Commission in the matter of M/s Elahi Cotton Mills Ltd. on February 19, 2024, wherein contraventions of Section 205 and 207 of the Act were established due to non-disclosure of directors' interests in RPTs and participation of the directors in the questioned board meeting approving the RPTs. It was held in the said case that *"...the requirements of section 205 and 207 are independent of the requirements of section 208 of the Act and compliance of the former is mandatory. The directors of the company are considered to be knowledgeable and it is amongst their fiduciary duties to be aware of all the applicable legal requirements..."* Thus, the argument put forward by the Respondents that the term "contract or arrangement" used in the Act solely refers to the type of transactions listed in Section 208(1)(a) to (f) of the Act is considered void, and the judgements relied upon by the Respondents regarding assigning same meanings to same words used in a statute are considered irrelevant to the case at hand. Further, the contentions of the Respondents regarding mere grouping of Sections 205, 207 and 208 of the Act in the same Part of the Act do not carry sustainable weight, considering that the Part is titled as **"Miscellaneous Provisions regarding Investments, Contracts, Officers and Shareholdings, Trading and Interests"** – even otherwise, grouping of sections under one part does not automatically make all the terms or references used under these sections infer the exact same meaning, especially where the particular respective sections expressly draw differing meanings.

Another striking difference between the provisions of Section 207 and 208 of the Act is that under section 207, if majority of the directors are interested in, **any** contract or arrangement entered into, or to be entered into, by or on behalf of the company, the matter shall be laid before the general meeting for approval. However, section 208 expressly requires in proviso to sub-section (1) that where majority of the directors are interested in **any of the enlisted transactions**, the matter shall be placed before the general meeting for approval as special resolution. It is clearly evident that the legislator intended to express differences in the two sections based on the crucial nature and significance of related party transactions, and thus only referred to the transactions stipulated under Section 208(1)(a) to (f) of the Act that would



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Continuation sheet – 7 –

require approval of members through special resolution (while under section 207, in case of any contract or arrangement, approval of members even through an ordinary resolution could suffice).

D. Rationale behind Disclosure by Interested Directors:

At this juncture, it is also considered necessary to shed light upon the rationale behind and significance of the requirements of Section 205 and 207 of the Act. The Ramaiya Guide to the Companies Act (18th Edition; Volume 2) emphasizes on the rationale and intent behind the construction of law requiring disclosures by interested directors. It stipulates that *“as observed by the Madras High Court: the Directors of a company are agents of the company and trustees for the shareholders of the powers committed to them and as such trustees, the general rule applies that no who has a duty to perform shall place himself in a situation in which his interest conflicts with his duty and he must not make profit by the trust [V. Ramaswami Iyer v. Madras Times Printing and Publishing Company Ltd. AIR 1915 Mad 1179]...the provisions enacted in ss. 297, 299 and 300 of the 1956 Act [corresponding to ss. 188 and 184 of the 2013 Act] are founded on the principle that a director is precluded from...entering into engagements in which he has personal interest conflicting or which possibly may conflict with the interest of those with whom he is bound by fiduciary duty. A director occupies a fiduciary position in relation to a company and he must act bona fide in the interests of the company...the obligation of a director to disclose his interest in a contract entered into or to be entered into is an obligation similar to that of trustee...” [Yashovardhan Saboo v. Groz-Beckert Saboo Ltd. (1995) 83 Comm Cases 371 at p. 413 (CLB)]. The Guide furthers the discussion by stating that *“...section 299 of the 1956 Act does not prohibit a director from being interested in any contract with the company. the only duty cast upon him is to make disclosure of his concern or interest as provided in the section...” [Amritsar Rayon & Silk Mills Ltd. v. Amirchand Saideh (1998) 64 Comm Cases 762 (P & H)].* With regards to the extent of disclosure required under the Indian Company Law, it pronounces that *“it is in respect of the contracts which are before the Board. In addition to the factum of interest, the nature of the interest is also required to be disclosed...the interest has to be disclosed even if it is too small to be material.”**

E. Reliance placed by the Respondents upon Past Judgements:

The Respondents have argued that the judgements of the Commission in field concerning violations of Section 205, 207 and 176 of the Act only refer to those underlying related party transactions that are covered under Section 208(1)(a) to (f) thereof – and that they have not come across any judgement where a transaction other than the above has been held to be covered by Sections 205 & 207. However, the said argument does not hold admissible basis, since firstly, it is an established fact that each case is ascertainable on its own distinct merits & factual circumstances, and the merits of the instant case have comprehensively been analyzed in the preceding paras above, in complete justice and fairness. Secondly, reliance is placed on the following orders passed by the Commission in relation to Sections 205 and 207 of the Act, under which the underlying transactions were other than those enlisted in Section 208 of the Act:



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Continuation sheet – 8 –

- a. Order dated April 10, 2023 in the matter of M/s Janana De Malucho Textile Mills Ltd – wherein the underlying transactions with the company's related parties included utilities and expenses paid.
- b. Order dated May 25, 2023 in the matter of M/s S.G. Power Ltd. – wherein the underlying transactions with the company's related parties included amounts received from the associated company during the year.
- c. Order dated February 19, 2024 in the matter of M/s Elahi Cotton Mills Ltd. – wherein the underlying transactions with the company's related parties included receipt and repayments of loans.

F. Non-Compliance of Section 205(1) of the Act:

In light of the above detailed analysis of legal contentions put forward by the Respondents, it is succinctly made evident that amongst other directors, Mr. Akbar Khan and Mr. Ghazi Khan attended the board meeting of the Company held on January 10, 2023, wherein the transaction with STML (i.e. extending advance to STML of Rs.76 million) was discussed and approved. It is highlighted that the afore-referred two directors were, in fact, interested directors given their common directorship in the Company and in STML (*reference Table A hereinabove*). However, the minutes of the board meeting held on January 10, 2023 nowhere reflected any disclosure of interest by these interested directors, as expressly required under Section 205(1) of the Act.

Similarly, amongst other directors, Mr. Akbar Khan attended the board meeting of the Company held on October 10, 2022, wherein the transaction with IPR (i.e. extending donation to IPR of Rs.15.8 million) was discussed and approved. It is highlighted that Mr. Akbar Khan was, in fact, an interested director given his common directorship in the Company and in IPR (*reference Table A hereinabove*). However, the minutes of the board meeting held on October 10, 2022 nowhere reflected any disclosure of interest by Mr. Akbar Khan being the interested director, as expressly required under Section 205(1) of the Act.

Hence, the contravention of Section 205(1) of the Act is established.

G. Non-Compliance of Section 207(1) and 207(2) of the Act:

The respective minutes of the board meetings held on October 10, 2022 and January 10, 2023 further clearly depict that the interested directors (i.e. Mr. Akbar Khan and Mr. Ghazi Khan in the case of transaction with STML; and Mr. Akbar Khan in the case of transaction with IPR) failed to abstain from participation in the discussion of and voting on the afore-referred transactions (*reference Table B hereinabove*), as expressly mandated under Section 207(1) of the Act. In this respect, reliance is placed on the Order passed by the Commission in the matter of M/s Chashma Sugar Mills Ltd. on July 10, 2024, wherein *inter alia* non-compliance of Section 207 of the Act was established, and it was held that “...interested directors of a company are prohibited to participate in discussion and vote on any contract/arrangement entered or to be entered where such director is directly or indirectly concerned. For listed



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Continuation sheet – 9 –

companies, the requirements are further stringent as to the presence of a director having material personal interest is prohibited to be present in such meeting of the board while considering the matter...” Hence, the contravention of Section 207(1) of the Act is established.

Moreover, in respect of the transaction with STML which was considered and approved in the board meeting held on January 10, 2023, it is clearly evident that out of total 07 directors of the Company, 04 directors were, in fact, interested directors on account of their common directorship in the Company and STML (i.e. Mr. Akbar Khan, Mr. Ghazi Khan, Mr. Haroon Khan and Mr. Humayun Akhtar) [reference Table A hereinabove]. In terms of Section 207(2) of the Act, if majority of the directors are interested in, any contract or arrangement entered into, or to be entered into, by or on behalf of the company, the matter is mandatorily required to be laid before the general meeting for approval. However, despite majority of the Company’s directors being interested, the said transaction with STML was not laid before the general meeting for approval of shareholders. Hence, the contravention of Section 207(2) of the Act is established.

H. Non-formation of Quorum for holding Board Meeting under Section 176 of the Act:

Section 207(1) of the Act expressly stipulates that the presence of an interested director in proceedings of the board shall not be counted for the purpose of forming quorum at the time of any discussion or vote on the contract or arrangement in which he is interested or concerned in. Section 176(1) of the Act mandates that the quorum for a board meeting of a listed company shall not be less than one-third of number of directors or four, whichever is greater.

The Ramaiya Guide echoes the overarching principle of law in this regard by stating that “*in the case of a company, out of 13 directors who attended the Board meeting, six were interested in three agreements which were approved by the Board at the meeting. Technically one may accept what is recorded in the minutes of the Board meeting that the directors had disclosed their interest in the agreement which was being approved and also did not take part in the discussion or vote on the resolution. Though, therefore, there could not be any technical objection to these resolutions, yet one could not overlook the patent incongruity of accepting that an unbiased mind was brought to bear on the merits of these agreements when almost half of the Board was interested in one or the other agreement. In such a case, the criticism that this was nothing but mutual backslapping to enrich themselves did not sound improbable.*” It further guides that “*where on account of more than one director being concerned or interested, there is difficulty having a quorum, the safe course will be to summon and get the approval of a general meeting...*” It is clearly evident from the above facts and circumstances of the case that the Respondents have contravened the provisions of Section 176(1) of the Act, as the requirements of quorum for holding board meetings were not met.

I. Respondents’ Proposal to Rectify the Default:

Nevertheless, the Respondents have committed to rectify the identified default by obtaining post-facto approval through special resolution in its upcoming Annual General Meeting in January 2025. However, proposing a mere rectification of a default does not altogether absolve the Respondents from their regulatory obligations to ensure meticulous compliance of all



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I Adjudication Division

Continuation sheet – 10 –

applicable laws at all times.

The above-mentioned facts and circumstances and an in-depth analysis thereof, evidently demonstrate that the Respondents have contravened the mandatory provisions of Section 176(1), 205(1), 207(1) and 207(2) of the Act and are liable to be penalized under the provisions of Section 176(4), 205(6) and 207(4) of the Act accordingly.

11. In view of the above established default of the Respondents in complying with Section 176(1), 205(1), and 207(1) & (2) of the Act, I hereby, in exercise of powers conferred under Section 176(4)(a), 205(6) and 207(4) of the Act, impose an aggregate penalty of **Rs.350,000/- (Rupees Three Hundred and Fifty Thousand Only)** on the Respondents in the following manner:

S. No.	Name of the Respondent	Amount of Penalty (Rs.)
1	Mr. Ghazi Khan, Chairman	50,000
2	Mr. Akbar Khan, Chief Executive Officer	50,000
3	Mr. Humayun Akhtar Khan, Director	50,000
4	Mr. Haroon Khan, Director	50,000
5	Mrs. Rasheeda Begum, Director	50,000
6	Mrs. Mobeena Akbar Khan, Director	50,000
7	Mr. Tahir Farooq Malik, Director	50,000
	Total	350,000

12. The Respondents are directed to deposit the aforesaid respective penalty, as per para 11 above, in the designated bank account maintained in the name of the Securities and Exchange Commission of Pakistan with MCB Bank Limited or United Bank Limited, within a period of thirty (30) days from the date of this Order, and furnish receipted voucher issued in the name of the Commission for information and record.

13. This Order is being issued without prejudice to any other action(s) that may be initiated/taken against the Directors, the Company and/or its officers responsible for the violations of the aforesaid provisions of the law, accordingly.

(Shahzad Afzal Khan)
Director/Head of Department

Announced:

August 20, 2024
Islamabad