



Securities and Exchange Commission of Pakistan

Adjudication Division
Adjudication Department-I

Before Amir Saleem – Additional Director/Head of Wing (Adjudication-I)

In the matter of Show Cause Notice issued to Suhail Jute Mills Limited

Dates of Hearing

May 18, 2021

Order-Redacted Version

Order dated May 31, 2021 was passed by Additional Director/Head of Wing (Adjudication-I) in the matter of Suhail Jute Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated March 1, 2021
2. Name of Company	Suhail Jute Mills Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Suhail Jute Mills Limited
4. Nature of Offence	Violations of under Section 209 and Section 479 of the Companies Act, 2017 for not maintaining register of contracts where directors were interested.
5. Action Taken	Key findings were reported in the following manner: I, have analyzed the facts of the case, relevant provisions of the Act, and arguments set forth by Respondents in writing as well as over the course of the hearing. In terms of Section 209 of the Act, register of contracts or arrangements in which directors are interested is required to be maintained. Review of respective annual audited financial statements of the Company disclosed transactions with directors. The aforesaid disclosures are related to loans from directors and remuneration of directors. Keeping in view, the transactions with the directors are subject to contracts or arrangements and particulars of such contracts or arrangements are required to be maintained in the register. In this regard, the Commission has also notified through SRO 1194(I)/2018 dated October 2, 2018 the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018. Therefore, stance of the Respondents that due to non-operational nature of the



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	<p>Company since 2010 the said register is not maintained; is not tenable.</p> <p>2. In view of the foregoing, the Respondents have violated the requirements of Section 209 of the Act. I, therefore in terms of exercise of powers conferred under Section 209 of the Act, impose a penalty of Rs 10,000/- (Rupees ten thousand only) on *** the Chief Executive, for the aforesaid default.</p> <p>3. The Respondents are, hereby, directed to deposit the aforesaid amount of penalties in the designated bank account maintained in the name of the Commission with MCB Bank Limited within thirty (30) days from the date of this Order and furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under the Land Revenue Act, 1967 will be initiated for recovery of the fines as arrears of land revenue. It may also be noted that the said penalties are imposed on the Respondents in personal capacity; therefore, the Respondents are required to pay the said amount from personal resources.</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> <p>Penalty order dated May 31, 2021 was passed by Additional Director (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs 10,000/- (Rupees ten thousand only) was imposed on the Chief Executive of the company.
7. Current Status of Order	No Appeal has been filed by the respondents till date.