



# Securities and Exchange Commission of Pakistan

## Adjudication Division Adjudication Department

### Before

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

In the matter of Show Cause Notice issued to Adam Sugar Mills Limited

Date of Hearing

June 06, 2022

### **Order-Redacted Version**

Order dated June 21, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Adam Sugar Mills Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated May 11, 2022
2. Name of Company	Adam Sugar Mills Limited
3. Name of Individual*	The proceedings were initiated against Adam Sugar Mills Limited and its eight directors.
4. Nature of Offence	Under Regulation 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 read with Regulations 37 thereof and Section 512 of the Companies Act, 2017.
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>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 in terms of regulation 27(1)(ii) of the CCG Regulations, the Chairman of the Board's Audit Committee shall be an independent director, who shall not be the chairman of the Board. The Respondents have acknowledged the non-compliance of regulation 27 of the CCG Regulations at the relevant time. However, keeping in view the fact that the said non-compliance has been rectified by appointing ****, an independent director as Chairman Audit Committee in place of **** on May 19, 2022, therefore, taking cognizance of subsequent ratification of the aforesaid non-compliance, I in terms of the power conferred under regulation 37 read with Section 512 of the Act hereby conclude the proceeding initiated through the SCN without imposing any monetary penalty on the Respondents. The Respondents are, however, warned to ensure compliance with all the regulatory requirements including the Act and 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 Act/ Regulations providing for imposition of penalties in respect of any default, omission, violation of the Act/ Regulations.</p>
6. Penalty Imposed	Nil
7. Current Status of Order	No appeal has been filed by the respondents.