



# 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 directors of the Company.
4. Nature of Offence	Under Regulation 4(1) and 7 of the Companies (Maintenance and Audit of Cost Accountants) Regulations, 2020 read with Section 512 (2) 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 submissions made in writing by the Respondents and the arguments made by the Representative during the hearing proceedings and observed that, the Respondents have acknowledged failure to appoint first cost auditors within ninety (90) days of the date of the notification of the SRO. Therefore, the Respondents have violated regulation 4(1) of the Regulations which attracts applicability of regulation 7 of the Regulations read with Section 512(2) of the Act. In order to take cognizance of the aforesaid violation, I, in terms of the power conferred under regulation 7 of the Regulations read with Section 512(2) of the Act hereby, impose penalty of Rs. 100,000 (One hundred thousand only) on Mr. ****, Chairman and Rs. 100,000 (One hundred thousand only) on Mr. ****, Chief Executive Officer and warn other Respondents to be careful in future and ensure compliance with the provisions of the law in letter and spirit.</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	A cumulative Penalty of Rs. 200,000/- (Rupees Two hundred thousand only) i.e. Rs. 100,000 (Rupees One hundred thousand only ) was imposed each on the Chairman and Chief Executive Officer of the Company.
7. Current Status of Order	No appeal has been filed by the respondents.