



Securities and Exchange Commission of Pakistan

Adjudication Division
Adjudication Department

Before Shahzad Afzal Khan,
Director/HOD (Adjudication-I)
In the matter of Show Cause Notice issued to Sana Industries Limited

Date of Hearing September 28, 2022; November 10, 2022;
January 16, 2023; and January 26, 2023

Order-Redacted Version

Order date January 31, 2023 was passed by Director/Head of Department (Adjudication-I) in the matter of Sana Industries Limited. Relevant details are given as hereunder:

| Nature | Details |
|------------------------|---|
| 1. Date of Action | Show cause notice dated August 11, 2022 |
| 2. Name of Company | Sana Industries Limited |
| 3. Name of Individual* | The proceedings were initiated against Sana Industries Limited and its Directors |
| 4. Nature of Offence | Under regulation 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 read with Regulation 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 and considered both the written and verbal submissions of the Respondents in light of the aforementioned legal provisions and record placed before me and state that as per the available record the Company appointed an executive director as member of Audit Committee in contravention to the mandatory requirement of regulation 27(1)(i) of the CCG Regulations. The said regulation requires the board to establish an audit committee of at least three members comprising of non-executive directors and at least one independent director. The Respondents acknowledged the said non-compliance caused due to lack of understanding and rectified the violation by changing the constitution of Audit Committee with immediate effect and appointing Mr. *****, a Non-Executive Director in place of ***** as a member of the Audit Committee.</p> <p>It is stated that contravention of regulation 27 of the CCG Regulations, 2019, at the relevant point of time, has been established and same has been admitted by the Respondents as well. However, keeping in view of the fact that non-compliance has now been rectified, the Respondents are hereby Warned to ensure compliance with all the regulatory laws and requirements in letter and spirit in future.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any</p> |



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| | provision of the Act providing for imposition of penalties in respect of any default, omission, violation of the Act. |
| 6. Penalty imposed | Nil |
| 7. Current Status of Order | No appeal has been filed by the respondents. |