

Before

Abid Hussain – Executive Director/Head of Department

In the matter of

Macpac Films Limited

Date of Hearing

September 22, 2022

Order-Redacted Version

Order dated September 28, 2022, was passed by Head of Department (Adjudication-I) in the matter of Macpac Films Limited. Relevant details are given hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated July 27, 2022
2. Name of Company	Macpac Films Limited
3. Name of Individual*	The proceedings were initiated against Board of Directors of the Company
4. Nature of Offence	Section 154 and 155 of the Companies Act, 2017 read with Sections 169 and 479 of the Companies Act 2017 thereof
5. Action Taken	<p>Key findings are given as hereunder:</p> <p>I have gone through the facts of the case, written submissions by the Respondents and arguments made by the Authorized Representatives during the hearing proceedings. In this regard, it is stated that as per the available information, Ms. Amna Daudi, independent director, of the Company resigned from the board of directors of the Company with effect from October 28, 2021. The casual vacancy which resulted due to outgoing director was required to be filled within 90 days period i.e. latest by January 26, 2022. The Authorized Representative submitted that the reason for delay in filling casual vacancy was Company's inability find a suitable candidate and delay in response from Ms. Amna Daudi to be allowed to continue as independent director in Company by her current employer. I am of the view, that for a listed company, the legal requirements of having at least seven directors is mandatory requirement and casual vacancy on the board is required to be filled within given 90 days period. The Respondents, however, failed to ensure compliance of the given requirements of Section 154 and Section 155 of the Act by not having at least seven directors and by not filling the casual vacancy within 90 days period, and the default persisted till September 20, 2022.</p>

	<p>Keeping in view of the cited defaults of Sections 154 and 155 of the Act for which penalty is provided in terms of Section 169 of the Act, I, hereby in terms of powers conferred under Section 169 of the Act, impose a penalty of Rs. 10,000 (Rupees Ten Thousand Only) on Mr. Naeem Ali Muhammad Munshi, Chairman of the Board. The rest of the Respondents are hereby warned to adhere to compliance with all regulatory laws.</p> <p>The aforesaid fine must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the Securities and Exchange Commission of Pakistan within thirty days of the date of this order and furnish receipted bank vouchers to the Commission. The fine shall be paid from personal resources. In case of non-deposit of the said penalty, proceedings under law including Section 485 of the Companies Act, 2017 will be initiated for recovery of the same as arrears of land revenue.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Regulations/Act providing for imposition of penalties in respect of any default, omission or violation of the Regulations/Act.</p>
6. Penalty Imposed	Rs. 10,000/-
7. Current Status of Order	No appeal was filed.