

*Before*

**Shahzad Afzal Khan - Director/Head of Department**

*In the matter of*

**Dadabhoy Cement Industries Limited**

**Order-Redacted Version**

Order dated January 18, 2023, was passed by Head of Department (Adjudication-I) in the matter of Dadabhoy Cement Industries Limited. Relevant details are given hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated June 08, 2022
2. Name of Company	Dadabhoy Cement Industries Limited
3. Name of Individual*	The proceedings were initiated against the Company and its Board of Directors
4. Nature of Offence	Sections 154(1), 512(2) and 479 of the Companies Act, 2017 read with regulations 7, 27 and 37 of the Listed Companies (Code of Corporate Governance) Regulations, 2019
5. Action Taken	<p>Key findings are given as hereunder:</p> <p>I have gone through the facts of the case, relevant provisions of the CCG Regulations and of the Act, the information available on record, and state that it is mandatory for a listed company to establish an audit committee of at least three members comprising of non-executive directors and at least one independent director as required under regulation 27(1)(i) of the CCG Regulations. The Respondents were found non-complaint with the provisions of regulation 27(1)(i) of the CCG Regulations by having executive director in its board audit committee. The Respondents however, rectified the default subsequent to issuance of SCN, as cited in letter dated June 24, 2022. Further, it is pointed out that it is mandatory for the Company to have at least one female director on its board as required under regulation 7 of the CCG Regulations. In the said matter, it is observed that the Respondent has failed to appoint female director on its board, which is in contravention with the requirement of regulation 7 of CCG Regulations and the said violation persisted till date of this Order.</p> <p>After careful consideration of all the facts of the case, I am of the considered view that the Respondents have contravened the provisions of regulation 7 and 27(1)(i) of the CCG Regulations and are liable for penalty under Regulation 37 of the CCG Regulations read with Section 512(2) of</p>

	<p>the Act thereof. I therefore in terms of powers conferred, impose penalty of <b>Rs. 50,000 (Rupees Fifty thousand only)</b> on the <b>Company</b> for the violation of regulation 7 of the CCG Regulations. However, in case of violation with the provisions of regulation 27(1)(i) of the CCG Regulations, considering the rectification measure taken by the respondents, by appointing the non-executive director in board audit committee, I hereby warn the respondents to be careful in future and adhere with all the applicable regulatory CCG Regulations, in letter and spirit.</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 Act providing for imposition of penalties in respect of any default, omission or violation of the Act.</p>
6. Penalty Imposed	Rs. 50,000/-
7. Current Status of Order	No appeal was filed.