

*Before*

**Amir M. Khan Afridi, Director/Head of Department**

*In the matter of*

**Siddiqsons Tin Plate Limited**

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Dates of Hearings

July 28, 2021, September 10, 2021 and October 5, 2021

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**Order-Redacted Version**

Order dated November 22, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Siddiqsons Tin Plate Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show Cause Notice dated May 18, 2021
2. Name of Company	Siddiqsons Tin Plate Limited
3. Name of Individual*	The proceedings were initiated against the Company and its directors.
4. Nature of Offence	under Section 166 of the Companies Act, 2017 read with Sections 169 and 479 of the Act.
5. Action Taken	<p>Key findings are given as hereunder:</p> <p>I have examined the facts of the case, submissions made in writing as well as during the hearing proceedings. I am of the view that it is mandatory to have independent directors selected from databank maintained by PICG, an institute notified by the Commission for this purpose. PICG was authorized to maintain databank of independent directors through S.R.O.73(I)/2018 dated January 25, 2018 and the said databank became operational in July 2018. The Company held its election of directors on December 30, 2020 and the Authorized Representative admitted that at the time of election the aforesaid persons were not enrolled/registered with PICG. I am therefore of the view that re-election of directors does not preclude the Respondents from compliance with the legal provisions of Section 166(1) of the Act, as the same provision was mandatory and obligatory. The Company, hence, failed to comply with the provisions of Section 166(1) of the Act by not</p>

	<p>appointing the aforesaid two independent directors from PICG’s databank at the time of election of directors held on December 30, 2020. However, I would like to mention here that the Company subsequently registered these directors on the databank maintained by PICG.</p> <p>In view of the foregoing, the Respondents made non-compliance with the aforesaid requirements of Section 166(1) of the Act and admitted the default which persisted till date of registration of names with PICG i.e. April 15, 2021. However, considering the fact that the Company made subsequent compliance, I, hereby impose penalty of <b>Rs. 50,000/- (Rupees Fifty Thousand only)</b> on the Respondent Company and issue warning to directors to be careful in future and to ensure compliance of law in letter and spirit.</p> <p>It is hereby directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited within thirty (30) days of the date of this Order and to furnish receipted bank challan, evidencing payment of the same, to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines 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, violation of the Act.</p>
6. Penalty Imposed	A Penalty of Rs. 50,000/- was imposed on the Respondent Company.
7. Current Status of Order	No Appeal has been filed by the Company.