



# 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 Dewan Textile Mills Limited

Date of Hearing

April 12, 2022, April 26, 2022, May 30, 2022

### **Order-Redacted Version**

Order dated June 28, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Dewan Textile Mills Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated March 25, 2022
2. Name of Company	Dewan Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against Dewan Textile Mills Limited and its directors.
4. Nature of Offence	Under sub-regulation (1) of regulation 6 of Listed Companies (Code of Corporate Governance) Regulations, 2019 read with regulations 37 thereof and Section 166 of Companies Act, 2017 read with Sections 169 and 479 thereof.
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have gone through the facts of the case, considered the submissions made in writing as well as during the hearing proceedings in light of the aforementioned legal provisions. In this regard, it is observed that the Respondent appointed only one independent director namely Mr. **** on its board of directors, instead of two. Further, Mr. **** is not registered with PICG databank till date of this order. Therefore, after careful consideration of all the facts of case, I am of the view that the Respondents have contravened requirements of sub-regulation (1) of regulation 6 of the CCG Regulations and Section 166(1) of the Act. The Respondents are therefore liable for penalty under Regulation 37 of the CCG Regulations and Section 169 of Act. Therefore, I impose penalty of Rs. 50,000/- (Rupees fifty thousand only) on Dewan Textile Mills Limited. I also warn the other Respondents to be careful and ensure compliance with the relevant provisions of Regulations and Act, in letter and spirit.</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/- (Rupees Fifty thousand only) was imposed on the Company.
7. Current Status of Order	No appeal has been filed by the respondents.