

*Before*

**Abid Hussain - Executive Director/Head of Department**

*In the matter of*

**Dewan Khalid Textile Mills Limited**

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Date of Hearing

August 29, 2022, October 12, 2022 and  
November 17, 2022

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**Order-Redacted Version**

Order dated November 21, 2022, was passed by Head of Department (Adjudication-I) in the matter of Dewan Khalid Textile Mills Limited. Relevant details are given hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated July 28, 2022
2. Name of Company	Dewan Khalid Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against the Company and its Board of Directors
4. Nature of Offence	Under regulation 6 Listed Companies (Code of Corporate Governance) Regulations, 2019 read with regulation 37 thereof and Section 166 of Companies Act, 2017 read with Sections 169 and 479 thereof
5. Action Taken	<p>Key findings are given as hereunder:</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 Respondents appointed only one independent director namely Mr. Aziz ul Haque, on its board, instead of two. Further, Mr. Aziz is not registered with PICG databank till date of this order. Therefore, after careful consideration of all the facts of this 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 the Act. Therefore, I hereby impose penalty of <b>Rs. 50,000/- (Rupees Fifty thousand only) on the Company</b>. The rest of the Respondents are hereby warned to adhere to compliance with all the applicable regulatory laws including the CCG Regulations and the Act.</p>

	<p>It is hereby directed to deposit the aforesaid amount of penalties 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 furnish receipted bank challan, evidencing payment of the same, to the Commission forthwith. In case of failure to deposit the penalties, 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 Regulations/Act providing for imposition of penalties in respect of any default, omission or violation of the Regulations/Act.</p>
6. Penalty Imposed	50,000/-
7. Current Status of Order	No appeal was filed.