

Before

Amir M. Khan Afridi, Director/Head of Department

In the matter of
Dar es Salaam Textile Mills Limited

Date of Hearing

April 12, 2022

Order-Redacted Version

Order dated April 25, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Dar es Salaam Textile Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated March 25, 2022
2. Name of Company	Dar es Salaam Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company.
4. Nature of Offence	By not electing the independent directors w.e.f. November 20, 2021, from the data bank of PICG, the Company, <i>prima facie</i> , violated sub-section (1) of Section 166 of the Act.
5. Action Taken	<p>Key findings are given as hereunder:</p> <p>I have gone through the facts of the case, the submissions made in writing as well as during the hearing proceedings in light of the aforementioned legal provisions and state that it is mandatory to have independent directors from the data bank maintained by an institute notified by the Commission. The Commission has notified PICG for maintaining the said data bank. I am of the considered view that by not selecting the aforementioned two independent directors from the PICG's data bank or not enrolling their names in the data bank maintained by PICG, prior to their election as independent directors on the Board, the Respondents have failed to fully comply with the requirements of Section 166(1) of the Act, at the time of election of directors held on November 20, 2021, which attract applicability of the penal provision i.e. Section 169 of the Act read with Section 479 thereof. Therefore, I hereby impose aggregate penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on the Respondents.</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 has been filed by the Company.
