



Securities and Exchange Commission of Pakistan

Adjudication Division
Adjudication Department-I

Before

Amir M. Khan Afridi, Director/Head of Department

In the matter of

Dewan Cement Limited

Dates of Hearing

July 28, 2021

Order-Redacted Version

Order dated October 28, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Dewan Cement Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated May 25, 2021
2. Name of Company	Dewan Cement Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Dewan Cement Limited
4. Nature of Offence	Proceedings were initiated in terms of Section 176 of the Companies Act, 2017 for non-holding of board meeting in third quarter ended on March 31, 2020.
5. Action Taken	<p>Key findings were reported in the following manner</p> <p>I have gone through the fact of the case and observed that provisions of Section 176 of the Act are mandatory and require that the board of a public company shall meet at least once in each quarter of a year. The Respondents however did not ensure compliance in terms of sub-section (3) of Section 176 of the Act by not holding board meeting in third quarter ended on March 31, 2020 of FY 2020. In this regard, the director's report annexed with the Accounts of 2020 stated that: <i>"During the current financial year, Company was unable to conduct third quarter board of directors meeting due to COVID-19 and pandemic situation, subsequently which was conducted on October 5, 2020"</i>. The aforesaid reflects default in terms of Section 176(3) of the Act.</p> <p>From the above discussion and after careful consideration of all the facts of the case, I am of the view that provisions of Section 176 of the Act have been contravened and for this contravention, the Respondents are liable under sub-section (4) of Section 176 of the Act read with Section 479 thereof. In exercise of the powers conferred under the said provision, I</p>



Securities and Exchange Commission of Pakistan

Adjudication Division Adjudication Department-I

	<p>hereby impose an aggregate penalty of Rs. 35,000/- (Rupees Thirty-Five Thousand only) on the Respondents (Rs. 5,000 per Respondent).</p> <p>The aforesaid fines 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. In case of non-deposit of the said penalty, proceedings under Section 485 of the Act thereof will be initiated for recovery of the same as arrears of land revenue. It may also be noted that the said fines are imposed on Respondents in their personal capacity, therefore, they are required to pay the said amount from their personal resources.</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	A Penalty of Rs. 35,000/- (Rupees thirty five thousand only) was imposed on the Respondents.
7. Current Status of Order	No Appeal has been filed by the respondents.