



# 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 Mushtaq Textile Mills Limited

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Date of Hearing

August 30, 2021

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### **Order-Redacted Version**

Order dated November 03, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Dewan Mushtaq Textile Mills Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated June 16, 2021
2. Name of Company	Dewan Mushtaq Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against Dewan Mushtaq Textile Mills Limited and its seven directors.
4. Nature of Offence	Under Section 176 of Companies Act, 2017 read with Section 479 thereof.
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have gone through the facts of the case and observed that provisions of Section 176 of the Act are explicit requiring the board of directors to meet at least once in every quarter. The Respondents failed to provide any tenable justification for failure to hold at least one board meeting in each quarter during FY2020. From the above discussion and after careful consideration of all the facts of the case, I am of the view that the Respondents have contravened provisions of subsection (3) of Section 176 of the Act and, therefore, are liable for penalty 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 hereby impose a cumulative penalty of Rs. 35,000 (Rupees thirty-five 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, 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.