

Before

Asif Iqbal - Director/Head of Department

In the matter of

Dewan Sugar Mills Limited

Date of Hearing

November 21, 2022

Order-Redacted Version

Order dated December 08, 2022, was passed by Head of Department (Adjudication-I) in the matter of Dewan Sugar Mills Limited. Relevant details are given hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated September 12, 2022
2. Name of Company	Dewan Sugar Mills Limited
3. Name of Individual*	The proceedings were initiated against the Board of Directors of Company.
4. Nature of Offence	Under Section 512(2) of the Companies Act, 2017 read regulations 4(1) and regulation 7 of Companies (Maintenance and Audit of Cost Accounts) Regulations, 2020
5. Action Taken	<p>Key findings are given as hereunder:</p> <p>I have gone through the facts of the case, submissions made in writing by the Company and the arguments made by the Authorized Representative during the hearing proceedings. It is important to mention here that the Company is engaged in the manufacturing of sugar and allied products, therefore, the Respondents were required to appoint cost auditors within one hundred and eighty (180) days from the close of their financial year ending September 30, 2021 i.e. latest by March 29, 2022. At this juncture, I would like to mention here that the Company in its letter dated November 28, 2022 states that there is no lag in the appointment of cost auditor rather delay in transmission of information to Commission. In this context I have reviewed the record available with the Commission which reflects that the Respondents appointed the cost auditor in their board of directors meeting held on July 28, 2022 i.e. with the delay of four months, which is also admitted by the Authorized Representative during the hearing proceedings. Hence the stance taken by the Company vide letter dated November 28, 2022 is not correct. The Respondents therefore violated the requirements of regulation 4(1) of the Regulations, by failing to appoint the cost auditor within the statutory timeframe. However, taking the cognizance of submission of the Respondents, I, in terms of powers conferred under Regulation 7 of the Regulations read with Section 512 of the Act,</p>

	<p>hereby conclude the proceedings initiated through the SCN without imposing any monetary penalty. The Respondents are however, warned to ensure compliance with all the regulatory requirements including Regulations 4 of the Regulations in letter and spirit, in future.</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	Nil
7. Current Status of Order	No appeal was filed.