

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to M/s Towellers Limited

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Dates of Hearing

February 26, 2020, May 5, 2020, November 12, 2020

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**Order-Redacted Version**

Order dated December 11, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of M/s Towellers Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated January 17, 2020
2. Name of Company	Towellers Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Towellers Limited
4. Nature of Offence	Violations of Listed Companies (Code of Corporate Governance) Regulations, 2017 read with section 512 of the Companies Act, 2017.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of the case, submissions made in writing and relevant arguments made by the Authorized Representatives during the hearing proceedings. I, am of the view that the requirements of the Regulation (6) of the Regulations were applicable at the time of election of directors held on October 24, 2018, in terms of which at least two independent directors out of seven directors were required to be elected on the board of directors of the Company. The Company had elected only one independent director namely Mr. Vally Tariq Rangoonwala. As per the stance taken, consent from one person was received at the time of election of director. I, am of the view that directors are responsible to manage the affairs of the Company and they were liable for compliance of the Regulation (6) of the Regulations in terms of which two independent directors were required to be elected on the board of the listed Company. At the time of election of directors, only publishing of notices for election of directors, does not exonerate the Respondents from non-compliance of the requirements of the Regulations. They have not furnished any</p>

	<p>evidence of subsequent compliance nor any relaxation was allowed for not having at least two independent directors in terms of Regulation (6) of the Regulations.</p> <p>Keeping in view a penalty of Rs. 25,000/- (Rupees twenty five thousand) was imposed on the chief executive of the Company.</p> <p>Penalty order dated December 11, 2020 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs. 25,000/- (Rupees twenty five thousand) was imposed on the chief executive of the Company.
7. Current Status of Order	No Appeal has been filed by the respondents.