



# Securities and Exchange Commission of Pakistan

Adjudication Division  
Adjudication Department-I

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

**In the matter of Mian Textile Industries Limited**

Dates of Hearing

July 17, 2020, September 18, 2020

### **Order-Redacted Version**

Order dated November 4, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Mian Textile Industries Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated November 14, 2019
2. Name of Company	Mian Textile Industries Limited
3. Name of Individual*	The proceedings were initiated against the director/chairman of the Company i.e. Mian Textile Industries Limited
4. Nature of Offence	Violations of section 214 and 216 read with section 476 of the Companies Ordinance, 1984.
5. Action Taken	Key findings were reported in the following manner:  I have examined the facts of the case, that relevant provisions of the Ordinance, arguments put forth by the Authorized Representative and reply submitted. At the outset, it has not been denied that the premises of head office of the Company were owned by Ms. NJ, and the Respondent participated in the board meeting held on February 24, 2015 wherein the lease agreement/contract was approved for next three years at a monthly rent of Rs. 67,375/- with 25% increment. It is, therefore, unambiguous that lease agreement/contract of head office premises was renewed by the Company with Ms. NJ pursuant to agreement dated July 1, 2015. In terms of proviso of sub-section (1) of section 214 of the Ordinance, the Respondent, being spouse of Ms. NJ, who was owner of the property and ultimate beneficiary of the rent amount, was interested or concerned director in the aforesaid contract or arrangement of renewal of lease agreement/contract of rent of head office premises of the Company. The Respondent, however, neither disclosed his, direct or indirect, interest in the aforesaid contract or



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	<p>arrangement or renewal of agreement of head office premises, nor set himself aside and rather participated in board meeting held on February 24, 2015 when the renewal of rent/lease arrangement of head office of the Company with Ms. NJ was approved.</p> <p>2. In the aforementioned matter, the Respondent violated the provisions of section 214 and section 216 of the Ordinance.I, therefore, in exercise of powers delegated under section 214 and section 216 of the Ordinance, hereby, impose a penalty of <b>Rs. 5,000/- (Rupees five thousand)</b> on director/chairman, the Respondent.</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	Penalty was imposed on director/chairman of the company.
7. Current Status of Order	Penalty was deposited. No Appeal has been filed by the respondent.

Redacted version issued on June 08, 2021 for placement of website of the Commission.