



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:

Nature	Details
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 directors of the Company i.e. Mian Textile Industries Limited
4. Nature of Offence	Violations of section 492 and 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, the Company was maintaining record just as custodian, does not hold ground, as it was not substantiated that DPHS was a separate entity and it did not have any relation with the Company. Owing to the fact, that it was built on the land of the Company, record was being maintained by the Company, net payable amount was reported in the books of the Company, and payable amount of Rs. 7.156 million was settled in financial year 2017. The Company, however, did not correctly report revenues and expenditure of DPHS in its books of accounts for the corresponding financial years and instead reported the amount on net basis contrary to the requirements of IAS 1 and relevant amounts were not disclosed in corresponding financial statements of the Company. Moreover, I would like to mention that relevant detail of disclosures made in subsequent Accounts and sale of land of DPHS and settlement of amounts, do not exonerate the Respondents to prepare financial statements in accordance with applicable requirements of IAS 1 and of the



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	<p>Ordinance and reflect misstatements and omissions in financial statements of the relevant years.</p> <p>2. In the aforementioned matter, provisions of section 492 of the Ordinance are attracted and Respondents are liable to the penal action. In view of above, provisions of section 492 of the Ordinance are attracted and Respondents are liable to the penal action. I, therefore in term of section 492 of the Ordinance, impose a penalty of Rs. 300,000/- (Rupees three hundred thousand) on the Chief Executive of the Company.</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 Chief Executive Officer of the company and remaining respondents were warned to ensure compliance of law in future.
7. Current Status of Order	Penalty was deposited. No Appeal has been filed by the respondents.

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