



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 Hamid Textile Mills Limited

Date of Hearing

September 01, 2021, November 17, 2021, December 01, 2021

Order-Redacted Version

Order dated January 18, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Hamid Textile Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated June 22, 2021
2. Name of Company	Hamid Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against Hamid Textile Mills Limited and its seven directors.
4. Nature of Offence	Under Sections 211 of the Companies Act, 2017 read with Sections 502 and 409 thereof.
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have gone through the facts of the case, written submissions and arguments made by the Representative during the hearing proceedings and state that the requirements of Section 211 of the Act are explicit requiring all cash transaction of a company with its director to be conducted through banking channels. I have observed that the Respondents have acknowledged that certain repayment transactions are conducted through other than banking channels. Keeping in view the fact that some of the repayments have been made to the CEO, without banking channel, therefore, I am of the considered view that the Respondents have contravened Section 211 of the Act and, therefore, are liable for penalty under the Section 502 of the Act. I hereby impose cumulative penalty of Rs. 1,750,000 (Rupees Seventeen hundred and fifty thousand only) on 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 cumulative Penalty of Rs. 1,750,000/- (Rupees Seventeen hundred and fifty thousand only) was imposed on all Respondents.
7. Current Status of Order	Appeal has been filed by the respondents.