



Securities and Exchange Commission of Pakistan

Adjudication Division
Adjudication Department

Before Asif Iqbal,
Director/HOD (Adjudication-I)
In the matter of Show Cause Notice issued to Premium Textile Mills Limited

Date of Hearing

November 24, 2022

Order-Redacted Version

Order dated November 30, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Premium Textile Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated September 07, 2022
2. Name of Company	Premium Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against Directors of Premium Textile Mills Limited
4. Nature of Offence	Under Sections 205 & 207 of Companies Act, 2017 read with read with Section 479 thereof
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have reviewed the facts of the case and considered the written submission and the verbal arguments put forth by the Representatives, in light of the afore-mentioned legal provisions and state that the Respondents did not deny the fact that:</p> <ul style="list-style-type: none">(i) the transactions mentioned in para 3 above, pertaining to Premium Knits and Pinnacle Fibre (Pvt) Limited, both being related parties, were unanimously approved in the meeting of the Board held on October 04, 2021;(ii) the interested directors contravened section 205(1) of the Act by not disclosing their interest in the transactions despite being concerned and interest due to common directorships and/ or partnerships; and(iii) the interested directors contravened section 207(1) of the Act by participating and voting to approve the transactions with the said associated/ related company, despite being concerned and interested; and <p>Keeping in view the fact that in terms of proviso to sub-section (1) of Section 205 of the Act; Mr. ***** and Mr. ***** (Interested Directors) were interested in the transactions executed with Premium Knits; while Mr. ***** and Mr. ***** (Interested Directors) were interested in the transactions executed with</p>



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	<p>Pinnacle Fibre (Pvt) Ltd, owing to their common directorships / partnership in the related parties. However, the interested directors neither disclosed their interest (direct or indirect) in the aforesaid transactions nor abstained from the proceedings of the Board Meeting held on October 04, 2021 and approved the said transactions. The Authorized Representative, in this regard, during the hearing proceedings also admitted the default. In view of the above, I am of the considered view that the said interested directors have contravened the provisions of section 205(1) and Section 207(1) of the Act.</p> <p>Keeping in view the fact that provisions of Section 205(1) and Section 207(1) of the Act are contravened; hence, I, in terms of the powers conferred under Section 205(6) and Section 207(4) of the Act, hereby, impose and aggregate penalty of Rs. 40,000/- (Rupees forty thousand only).</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	Rs. 40,000/-
7. Current Status of Order	No appeal has been filed by the Respondents.