**Before**

**Amir M. Khan Afridi- Director/ Head of Department**

**In the matter of Show Cause Notice issued to International Knitwear Limited**

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| Dates of Hearing | June 01, 2022; & July 19, 2022 |

**Order-Redacted Version**

Order dated July 26, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of International Knitwear Limited. Relevant details are given as hereunder:

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| **Nature** | **Details** |
| 1. Date of Action | Show cause notice dated May 13, 2022 |
| 1. Name of Company | International Knitwear Limited |
| 1. Name of Individual | The proceedings were initiated against the board of directors of the Company |
| 1. Nature of Offence | Proceedings were initiated in terms of Section 159 of the Companies Act, 2017 (**the Act**) read with Sections 169 and 479 thereof  Brief facts of the case are that notice of election of directors of International Knitwear Limited (**the Company**) held on October 27, 2021 disclosed the following as ordinary business under agenda No. 3:  *“To elect seven (7) Directors of the Company as fixed by the Board pursuant to the provisions of Section 159 of the Companies Act, 2017 (the Act) for a term of three (3) years commencing immediately after the conclusion of the meeting. The names of retiring Directors are as follows:*   1. *\*\*\*\*\** 2. *\*\*\*\*\** 3. *\*\*\*\*\** 4. *\*\*\*\*\** 5. *\*\*\*\*\** 6. *\*\*\*\*\** 7. *\*\*\*\*\* “*   The Company failed to comply with the requirements of Section 159(4) of the Act requiring publication of the notice disclosing names of members who have shown intention to contest the aforesaid election of directors. |
| 1. Action Taken | Key findings were reported in the following manner:  I have gone through the facts of case and considered both the written and oral submissions of the Respondents in light of the aforementioned legal provisions and record placed before me and state that the Respondents have acknowledged non-compliance of Section 159 of the Act and, therefore, are liable for penalty under Section 169 of the Act. Therefore, I, in terms of the power conferred under Section 169 and 479 of the Act, hereby impose **penalty of Rs 25,000/- (Rupees Twenty Five Thousand only)** on Mr. \*\*\*\*\* Chairman of board. I also advise all the remaining Respondents to be careful in future and ensure compliance with the relevant provision of the law in future, in letter and spirit.  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. |
| 1. Penalty Imposed | **Rs 25,000/- (Rupees Twenty Five Thousand only)** |
| 1. Current Status of Order | No Appeal filed and the imposed penalty has been deposited by the respondent. |