



Corporate Supervision Department  
Company Law Division

Before Abid Hussain – Executive Director

*In the Matter of*

Globe Textile Mills (OE) Limited

Number and date of SCN: CSD/ARN/267/2016-145-51 dated July 20, 2018  
Dates of Hearings: August 16, 2018  
Present: Mr. Arshad Arif, Director, Globe Textile Mills (OE) Limited  
(Authorized Representative)

ORDER

UNDER SECTIONS 132 AND 237 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017

This Order shall dispose of the proceedings initiated through Show Cause Notice (the "SCN") dated July 20, 2018 under the provisions of section 132 and 237 of the Companies Act, 2017 (the "Act") against the following directors including the chief executive officer (the "Respondents") of Globe Textile Mills (OE) Limited (the "Company"):

S.No.	Names of Directors
1	Mr. Arif Haji Habib, Chief Executive
2	Ms. Farzana Arif
3	Mr. Mehroon Yasin Saya
4	Mr. Arshad Arif
5	Ms. Misbah Arif
6	Ms. Humaira Arshad
7	Ms. Saman Arif

2. Brief facts of the case are, that as per record of this office, the Chief Executive and the directors of the Company have, *prima facie*, failed to convene the AGM for the year ended June 30, 2017 within prescribed time as per the provisions of section 132 of the Act and they



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further failed to file the quarterly accounts of the Company for the quarter ended September 30, 2017 with the Commission within the time stipulated in section 237 of the Act.

3. Consequently, the SCN was issued to Respondents to show cause as to why penalty may not be imposed for failing to conform to Sections 132 and 237 of the Act. Hearing in the matter was scheduled before the undersigned for August 16, 2018. The authorized representative and a respondent himself Mr. Arshaf Arif (the "Authorized Representative") attended the hearing and made the following submissions:

- a) The Company is closed for more than two years.
- b) Audited accounts will be submitted soon.
- c) AGM will be held within two months.
- d) Delisting case of the Company has been accepted by PSX.
- e) Contravention is accepted and lenient view is requested.

4. Before proceeding further, it is necessary to advert to the relevant provisions of the law:

Sub-section (1) of Section 132 of the Act stipulates that:

*Every company, shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year:*

Sub-section (5) of Section 132 of the Ordinance stipulates that:

*Any contravention or default in complying with requirement of this section shall be an offence liable—*

- a) in case of a listed company, to a penalty of level 2 on the standard scale; and*

5. Furthermore, sub-section (1) and (2) of section 237 of the Act requires;

- 1) *Every listed company shall prepare quarterly financial statements within a period of-*
  - a) thirty days from the close of first and third quarters of its year of accounts; and*
  - b) sixty days from the close of its second quarter of its year of accounts:*



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2) Every listed company shall:—

- a) *within one month of the close of first, second and third quarter of its year of account, prepare and transmit to the members and the stock exchange in which the shares of the company are listed a profit and loss account for, and balance-sheet as at the end of that quarter, whether audited or otherwise; and*

Sub-section (4) of Section 237 of the Ordinance stipulates that:

*If a company fails to comply with any of the requirements of this section, every director, including chief executive and chief financial officer of the company who has by his act or omission been the cause of such default shall be liable to a penalty of level 2 on the standard scale.*

6. In terms of the Commission's Notification S.R.O. 751(I)/2017 dated August 2, 2017, the powers to adjudicate cases under Sections 132 and 237 of the Act have been delegated to the Executive Director (Corporate Supervision Department).

7. As regards the matter at hand, I have analyzed the facts of the case, relevant provisions of the Act, and the available record. The Respondents have accepted the non-compliance and have provided assurance to remove it. It has been submitted on the day of the hearing that annual audited accounts will be submitted soon and AGM will be held in two months.

8. In view of the foregoing, I have come to the conclusion that the pertinent provisions of the law have been violated, and deem it appropriate to render Respondents liable to penal action in terms of Section 132 and 237 of the Act as a result of failing to hold the Company's AGM for the financial year ended June 30, 2017 despite a lapse of considerable time post due date and non-submission of quarterly accounts of the Company. Therefore, in exercise of powers conferred under sub-section (5) of Section 132 and sub-section (4) of section 237 of the Act, I hereby impose an aggregate penalty of Rs.20,000 (Rs.10,000 each under section 132 and section 237 of the Act) on the chief executive namely Mr. Arif Haji Habib. I further issue a stern warning to all the directors of the Company for ensuring meticulous compliance with all applicable provisions of the law.



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9. The aforementioned fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the Securities and Exchange Commission of Pakistan within thirty (30) days from the receipt of this Order and receipted bank vouchers must be furnished to the Commission. In case of non-deposit of the fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the fines have been imposed on the Respondent in his personal capacity, therefore; he is required to pay the said amount from personal resources.

**ABID HUSSAIN**  
Executive Director  
Corporate Supervision Department

**Announced:**  
November 1, 2018  
Islamabad