

**Before Amir M. Khan Afridi - Head of Department**

**In the Matter of Show Cause Notice issued to Hajra Textile Mills Limited**

Dates of Hearing:

February 9, 2022, March 4, 2022 and March 28, 2022.

**Order-Redacted Version**

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

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated December 23, 2021
2. Name of Company	Hajra Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against the Company.
4. Nature of Offence	Proceedings were initiated in terms of Section 132 of the Companies Act, 2017 ( <b>the Act</b> ) read with Section 479 thereof as the Respondent has failed to convene its Annual General Meeting ( <b>the AGM</b> ) for the financial year ended June 30, 2021 within a period of one hundred and twenty (120) days following the close of its financial year. The said failure on part of the Respondent is violation of sub-section (1) of Section 132 of the Act.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have reviewed the facts of the case in light of the relevant legal provisions and give due consideration to the Respondent's written submission and the arguments made during the hearing and state that holding of AGM is a vital statutory requirement as it provides opportunity to the members to participate in the discussion and voting on agenda items of the general meeting which includes consideration and approval of the company's financial statements. Non-holding of AGM deprives the members of their fundamental and statutory right, to know about the affairs of the company and participate in decision making. In order to ensure transparency and protect the shareholders' rights, all companies must meticulously adhere to the law by following the procedure prescribed under the Act for holding of AGMs. The Respondent cannot absolve itself from its statutory duties pertaining to holding of AGMs, preparation and filing of annual and quarterly financial statements in a timely manner as specified under the law. Respondent failed to convene its AGM for FY ended June 30, 2021 within the specified time period of one hundred and twenty (120) days from the close of its said FY; and review of the Company's record, transpires that the Respondent has failed to hold the said AGM till date of this Order.</p> <p>Keeping in view the aforesaid facts, I am of the considered view that by not holding its AGM for FY ended June 30, 2021 within the time period as mentioned in sub-section (1) of Section 132 of the Act, the Company has contravened the said sub-section (1) which renders it liable to penal action under sub-section (5) of Section 132 of the Act.</p>

	Therefore, in the exercise of powers conferred under sub-section (5) of Section 132 of the Act, I hereby impose a fine of Rs. 157,500/- (Rupees one hundred fifty-seven thousand, five hundred only) on the Respondent, i.e. Hajra Textile Mills Limited.
6. Penalty Imposed	Penalty of Rs. 157,500/- imposed on the Respondent Company.
7. Current Status of Order	No Appeal has been filed by the Respondent.

**Redacted version issued for placement on website of the Commission.**