



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 Ghani Glass Limited

Date of Hearing

December 13, 2021

Order-Redacted Version

Order dated May 16, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Ghani Glass Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated August 30, 2021
2. Name of Company	Ghani Glass Limited
3. Name of Individual*	The proceedings were initiated against Ghani Glass Limited and its directors.
4. Nature of Offence	Under Section 217 of the Companies Act, 2017 read with Sections 219 and 479 thereof.
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have gone through the facts of the case, considered the written submissions and arguments made by the authorized representatives during the hearing proceedings and observed that the Company, has provided list of customers and transporters that have provided security deposits to the Company, along with the sample agreements which reflect that the agreements include standardized provision of allowing the Company to utilize security deposits for routine business activities. In this regard, it is emphasized that Section 217 (1) of the Act although prohibit utilization of security deposit, however provide the exception in case where contract in writing allows Company to utilize such security deposits. Nonetheless, Section 217 (2) of the Act made it mandatory for the Company to keep any such money received as security deposit shall be kept in separate bank account. The Respondent in this regard has not provided any evidence of placement of these security deposit in special bank account in accordance with the provisions of Section 217(2) of the Act. The Respondent thus found non-compliant with the provisions of Section 217(2) of the Act, which attract penal provisions as provided in Section 217(3) of the Act. Therefore, taking cognizance of the submissions of the Company and after careful consideration of all the facts of this case, I am of the view that Respondents have contravened requirements of Section 217 (2) of the Act and are liable for penalty under Section 219 of the Act. Therefore, I hereby impose a penalty of Rs. 10,000 (Rupees ten thousand) on the Company. Other Respondents are advised to comply with requirements of relevant law in full letter and spirit in future.</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>



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6. Penalty Imposed	A Penalty of Rs. 10,000/- (Rupees Ten thousand only) was imposed on the Company.
7. Current Status of Order	No appeal has been filed by the respondents.