**Before**

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

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

|  |  |
| --- | --- |
| Dates of Hearing | March 15, 2021; June 01, 2022; and July 19, 2022 |

**Order-Redacted Version**

 Order dated July 25, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of International Knitwear Limited. Relevant details are given as hereunder:

|  |  |
| --- | --- |
| **Nature** | **Details** |
| 1. Date of Action
 | Show cause notice dated January 14, 2020 |
| 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 227 of the Companies Ordinance, 1984 (**the Ordinance**) read with Sections 229 and 476 thereofBrief facts of the case are that examination of the annual audited financial statements of the Company for the year ended June 30, 2017 (**the 2017 Accounts**) transpired that the Company has disclosed provident fund balance amounting to Rs. \*\*\*\* (2016: Rs. \*\*\*\*). The Company vide letter dated January 12, 2018 provided provident fund ledger and bank account statement pertaining to the period from July 01, 2016 to June 30, 2017 that reflected delays in transferring of balances to the provident fund.The information provided transpires that balances to the provident fund have transferred with delays ranging from four (4) to fifty (50) days, contrary to the requirements of Section sub-section (1) of Section 227 of the Ordinance. |
| 1. Action Taken
 | Key findings were reported in the following manner:I have gone through the facts of the case and considered both the written and oral submissions of the Respondents in light of the aforesaid provisions of the law and record placed before me and state that the Respondents have admitted non-compliance of Section 227 of the Ordinance and, therefore, are liable for penalty under Section 229 of the Ordinance. However, taking cognizance of the fact that subsequently the Company has transferred all the over-due contributions to the employees fund, I in terms of the powers conferred under Section 229 of the Ordinance read with Section 219 of the Act, hereby conclude the instant proceedings without imposing any penalty on the Respondents. The Respondents are, however, advised to ensure compliance with all the regulatory requirements including Section 218 of the Act in letter and spirit, in future.Nothing in this Order may be deemed to prejudice the operation of any provision of the Companies Ordinance, 1984 and/ or Companies Act, 2017 (the Act) providing for imposition of penalties in respect of any default, omission or violation of the Act.  |
| 1. Penalty Imposed
 | No Penalty has been imposed on the respondents. |
| 1. Current Status of Order
 | No Appeal has been filed by the respondents. |