

Before Amir M. Khan Afridi – Head of Department
In the matter of Show Cause Notice issued to Globe Textile Mills Limited

Date of Hearing:

February 2, 2022

Order - Redacted Version

Order dated May 9, 2022 was passed by Head of Department (Adjudication-I) in the matter of Globe Textile Mills Limited Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated December 29, 2021
2. Name of Company	Globe Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against the Company
4. Nature of Offence	<p>Proceedings were initiated in terms of Section 510 of the Companies Act, 2017 (the Act) read with S.R.O. 1196(1) of 2019 (the SRO).</p> <p>Brief facts of the case are that examination of the Company's audited financial statements for the year ended June 30, 2021 transpired that it failed to maintain a functional website, contrary to the requirements of the SRO, which requires all listed companies to maintain a functional website and to place thereon the requisite mandatory information in the prescribed sequential order.</p>
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have considered the facts of the case, relevant provisions of the Act, and arguments submitted during the hearing as well as through written response and state that the Company's stance with respect to non-compliance of the SRO is not tenable. I would like to draw attention of the Company to the provisions of Section 387 of the Act and state that although winding up proceeding against the Company were initiated, it was not yet dissolved, therefore, the Respondent Company cannot absolve itself of the obligations to comply with the provisions of the Act. Section 387 of the Act with respect to status of companies being wound up explicitly requires such companies to continue to comply with all the applicable provisions till it is finally dissolved. Relevant extract of Section 387 of the Act is reproduced as under:</p> <p><i>“A company being wound up shall continue to be a company for all purposes till its final dissolution in accordance with the provisions of this Act and, unless otherwise specified, all provisions and requirements of this Act relating to companies shall continue to apply mutatis mutandis in the case of companies being wound up.”</i></p> <p>The aforesaid provisions are unambiguous and explicit, which require every company including those being wound up, to comply with all the applicable provisions of the Act till its final dissolution. I am, therefore, of the view that provisions of the Act and the SRO were applicable and the Company was under statutory obligation to comply with all the applicable provision of the law including the SRO.</p>

	<p>In view of the above, it is stated that non-compliance with the SRO has been established and the Company is liable to penalized under Section 510 of the Act. Keeping in view the fact that the Representative committed both verbally during the hearing and in writing subsequent to the hearing to develop and maintain functional website for the Company, I hereby conclude the proceedings without imposing any monetary penalty, however, the Company is hereby directed to immediately initiate working on development and maintaining a functional website and ensure that it is operationalized with sixty (60) days of the date of this Order. The Company is also directed to submit progress report in this regard to the Supervision Department of the Commission on monthly basis.</p> <p>In case the Company fails to develop its functional website within the said time period of sixty (60) days, the Company shall pay a penalty of Rs. 50,000/- (Rupees fifty thousand only) under sub-section (2) of Section 510 of the Act.</p>
6. Penalty Imposed	Conditional penalty of Rs. 50,000/- imposed on the Company.
7. Current Status of Order	No Appeal has been filed by the Company.

Redacted version issued for placement on website of the Commission.