

Before Amir M. Khan Afridi – Head of Department

In the matter of Show Cause Notice issued to Service Industries Textiles Limited

Date of Hearing:

February 11, 2022

Order-Redacted Version

Order dated May 31, 2022 was passed by Head of Department (Adjudication-I) in the matter of Service Industries Textiles Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated January 14, 2022
2. Name of Company	Service Industries Textiles 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 audited financial statements of the Company for the year ended June 30, 2021 transpired that it failed to update the Profile of Directors and Pattern of Shareholding as per its latest annual report for the said financial year, contrary to the requirements of Clauses 1(b)(i) & (ii) of the SRO.</p>
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>It is pertinent to mention here that the mandatory functional website is aimed at serving as a valuable tool for existing and potential investors for making well-informed decisions, as well as being mutually beneficial for companies giving them an effective platform to provide all significant and material information to the stakeholders and seek their feedback wherever required. The Commission believes that this is a progressive step towards aligning the participants of capital markets with global technological progress and international best practices. Needless to say, that an optimized, functional, interactive website is instrumental to a Company's success helping it establish credibility as a business. A functional website and its maintenance are essential as it warrants its performance at peak by removing errors, security issues and delivering the best user experience to customers and clients alike.</p> <p>In view of the above, it is stated that although the Company has updated the profile of the its directors; however, it has not updated the latest pattern of shareholding which has been admitted in response to the SCN as well as during the hearing proceedings. The Company up to the extent of pattern of shareholding is found non-compliant with the SRO and conceded this non-compliance, hence liable to be penalized under Section 510 of the Act as a result of failing to maintain a functional/updated website of the Company.</p>

	Therefore, in exercise of powers conferred under sub-section (2) of Section 510 of the Act, I hereby impose penalty of Rs. 10,000/- (Rupees ten thousand only) on Service Industries Textiles Limited.
6. Penalty Imposed	Penalty of Rs. 10,000/- 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.