



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s. Apollo Textile Mills Limited
Show Cause Notice No. & Date:	No. CSD/ARN/16/2015-632 dated November 20, 2024
Respondents:	(i) Mr. Abdul Rehman Zahur, Chief Executive; (ii) Mr. Muhammad Amir Qamar, Director; (iii) Mr. Muhammad Tahir Khan, Director; (iv) Mr. Muhammad Ashfaq, Director; (v) Mr. Riaz Hussain, Director; (vi) Mr. Muhammad Irfan, Director; (vii) Mr. Muhammad Ameen, Director; (viii) Mr. Hussain Juzer Ali, Company Secretary; and, (ix) M/s. Apollo Textile Mills Limited
Date(s) of Hearing(s):	(i) December 18, 2024; (ii) January 02, 2025; and, (iii) January 13, 2025
Case represented by:	<i>No one Appeared</i>
Provision of law involved:	Section 132 of the Companies Act, 2017 read with Section 479 thereof
Date of Order	March 24, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the “Commission”) through the Show Cause Notice No. CSD/ARN/16/2015-632 dated November 20, 2024 (the “SCN”) against M/s Apollo Textile Mills Limited (the “Company”), its Board of Directors (BoD) and the Company Secretary, hereinafter collectively referred to as the “Respondents”, issued under Section 132 of the Companies Act, 2017 (the “Act”) read with Section 479 thereof.

2. The brief facts of the case are that the Company in terms of the requirement of Section 132(1) of the Act was required to hold its Annual General Meeting for the year ended June 30, 2024 (the “AGM”) within a period of one hundred and twenty (120) days following the close of its aforesaid financial year i.e. by October 28, 2024. The relevant provisions of law are reproduced hereunder:

“132. Annual general meeting —(1) Every company, shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year...

(5) Any contravention or default in complying with requirement of this section shall be an offence liable— (a) in case of a listed company, to a penalty of level 2 on the standard scale... ”

3. While taking cognizance of the said contravention, a SCN was issued to the Respondents to show cause in writing as to why penal action may not be taken against them for non-compliance with the provisions of Section 132 of the Act. However, in response to the SCN, the Respondents made no submissions.

4. In order to provide an opportunity for personal representation, a hearing in the matter was first fixed for December 18, 2024. However, no one appeared on behalf of the Respondents, nor was there any adjournment sought. Thereafter, another hearing opportunity was provided on January 02, 2025. However, again no one appeared on behalf of the Respondents, nor any request for adjournment was received.

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5. Subsequently, to meet the ends of justice and to provide a final opportunity for personal representation, a hearing in the matter was re-fixed for January 13, 2025, with clear advice that in case of non-appearance, the matter would be decided *ex-parte* based on the record available with the Commission and on its merits. No one appeared in the hearing. It is pertinent to mention for the record that for all the aforementioned hearing notices were issued which were duly received at the registered office address of the Company i.e. 14th Floor, BRR Tower, I.I Chundrigar Road, Karachi and were not returned undelivered.

6. I have gone through the relevant provisions of Section 132(1) of the Act, considered the facts of the case and available record of the Company. I have also perused Section 132(5) of the Act, which stipulates penal provisions for contravention of the afore-referred provisions of law. I have noted that in terms of Section 132(1) of the Act, every company is required to hold its AGM once in every calendar year within a period of one hundred and twenty (120) days following the close of its financial year. Accordingly, the Company was obligated to hold its AGM for the financial year 2023-24 by October 28, 2024, which it has failed to do so. The holding of AGMs on time is a crucial legal requirement that ensures transparency, accountability, and shareholder engagement. It allows shareholders to participate in discussions, approve financial statements, and hold management accountable. Adhering to legal provisions under the Act is essential for protecting shareholders' rights, fostering trust, and promoting good corporate governance. A listed company must meet its statutory duties to hold AGMs on time, facilitating open communication and feedback from its shareholders.

7. In the recent judgment passed by the Appellate Bench of the Commission, in the matter of *Gulistan Spinning Mills Limited vs. Director/HoD Adjudication-I* (Appeal No. 71 of 2022), the Appellate Bench has held that *"A public listed company has a higher responsibility to disseminate a true and accurate state of affairs to all the stakeholders by holding the AGM within the stipulated time so that appropriate and timely decisions are made. Therefore, the Company, the BoD and Company Secretary should have conducted the AGM as per the applicable legal framework."*

8. Record of the Company maintained at the Company Registration Office (CRO) of the Commission reveals that the Company has not filed any statutory returns evidencing holding of the AGM under question as per the requirements of law. Furthermore, as per the available record, the Company also failed to hold its AGMs for the years 2019, 2020, 2021, 2022 and 2023 for which penal actions were taken vide orders dated March 03, 2021, August 12, 2021, May 09, 2022, March 03, 2023, and February 27, 2024. This unfortunately demonstrates a recurring/habitual non-compliance by the Respondents.

9. Moreover, a winding-up sanction order has also been passed against the Company on July 11, 2017. It is pertinent to note that in light of the clear provision of Section 387 of the Act, such sanction does not exonerate the Company and its Board of Directors from continuing to hold its general meetings and meeting other regulatory compliance, which would allow members to be informed about the current situation.

10. It is important to note that despite multiple hearing opportunities the Respondents failed to participate in the proceedings or submit any response regarding non-compliance; thereby reflecting their non-cooperative behaviour in the matter. Therefore, I am left with no other option except to pass an *ex-parte* order in the subject proceedings on the basis of available record with this office.

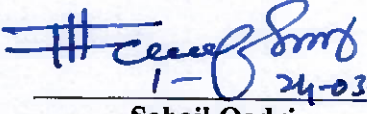
11. In view of the preceding facts, I am of the considered view that by failing to hold AGM within the prescribed timeframe, the contravention with the requirements of sub-section (1) of Section 132 of the Act has been established beyond doubt which attracts penal action in terms of sub-section (5)

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of Section 132 of the Act. I, therefore, in the exercise of the powers conferred upon me under sub-section (5) of Section 132 of the Act, vide S.R.O. 1545(I)/2019 dated December 06, 2019, hereby, impose an aggregate penalty of **Rs.200,000/- (Rupees Two Hundred Thousand only)** on the Respondents in the following manner:

S.No.	Name of Respondents	Penalty Amount (Rupees)
1.	Mr. Abdul Rehman Zahur	20,000/-
2.	Mr. Muhammad Amir Qamar	20,000/-
3.	Mr. Muhammad Tahir Khan	20,000/-
4.	Mr. Muhammad Ashfaq	20,000/-
5.	Mr. Riaz Hussain	20,000/-
6.	Mr. Muhammad Irfan	20,000/-
7.	Mr. Muhammad Ameen	20,000/-
8.	Mr. Hussain Juzer Ali	20,000/-
9.	M/s. Apollo Textile Mills Limited	40,000/-
	Total Amount	200,000/-

12. The Respondents are hereby directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and furnish receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue pursuant to provisions of Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997.


1-24-03-2025
Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:
Dated: March 24, 2025
Islamabad

