**Before**

**Amir M. Khan Afridi, Director/HOD (Adjudication-I)**

**In the matter of Show Cause Notice issued to Hamid Textile Mills Limited**

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| Date of Hearing | September 01, 2021, November 17, 2021, December 01, 2021 |

**Order-Redacted Version**

Order dated January 18, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Hamid Textile Mills Limited. Relevant details are given as hereunder:

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| **Nature** | **Details** |
| 1. Date of Action | Show cause notice dated March 15, 2021 |
| 1. Name of Company | Hamid Textile Mills Limited |
| 1. Name of Individual\* | The proceedings were initiated against Hamid Textile Mills Limited and its directors. |
| 1. Nature of Offence | Under Sections 217 of the Companies Act, 2017 read with Section 217 and 479 thereof. |
| 1. Action Taken | Key findings were reported in following manner:  I have gone through the facts of the case, written submissions and arguments made by the Representative during the hearing proceedings and state that any money received as security or deposit cannot be utilized except in accordance with a contract in writing. The Company has acknowledged that the security deposited by United Textile amounting to Rs. 9.50 million as at June 30, 2020 was utilized by the Company and agreements with United Textile does not explicitly allows utilization unless in case of termination of the said agreement. Taking cognizance of the submissions of the Company and after careful consideration of the facts of the case, I am of the view that the Respondents have contravened requirements of Section 217(1) of the Act and are liable for penalty under Section 219 of the Act. Therefore, I hereby impose penalty of Rs. 25,000 (Rupees Twenty-five thousand only) on the Company. Further, Respondent directors are warned to ensure compliance of law in future.  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 or violation of the Act. |
| 1. Penalty Imposed | A Penalty of Rs. 25,000/- (Rupees Twenty-five thousand only) was imposed on the Company. |
| 1. Current Status of Order | No Appeal has been filed by the respondents. |