



# Securities and Exchange Commission of Pakistan

Adjudication Division  
Adjudication Department-I

*Before*

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

*In the matter of*

**In the matter of Show Cause Notice issued to Ideal Spinning Mills Limited**

Date of Hearing

September 17, 2021

## **Order-Redacted Version**

Order dated October 28, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Ideal Spinning Mills Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated June 07, 2021
2. Name of Company	Ideal Spinning Mills Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Ideal Spinning Mills Limited
4. Nature of Offence	Proceedings were initiated in terms of Section 107 of Securities Act, 2015 for non-compliance of directions of the Commission.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of the case, relevant requirements of law and submissions by the Respondents. I am of the view that filing of annual return under Section 107 read with Regulation 5 of the Regulations is a statutory requirement that is required to be complied by listed companies in true letter and spirit. Moreover, the annual return is essential to determine, among others, particulars and summary of shareholding of each director, executive officer and substantial shareholder, their beneficial ownership and associated companies. It is undisputed fact that the Respondents have acknowledged their default in filing the annual return for the year 2020 as per requirements of Section 107 read with Regulation 5 of the Regulations and therefore the Respondents are liable for penalty under Section 106 of the Act. Taking cognizance of submissions of the Respondents and in terms of powers conferred under Section 106 of the Act, I hereby impose a penalty of Rs. 25,000 (Rupees twenty five thousand only) on the Company and also warn the directors to be careful in future.</p> <p>7. The aforesaid fine must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the Securities and Exchange Commission of Pakistan within thirty days of the date of this order and furnish receipted bank vouchers to the Commission. In case of</p>



# Securities and Exchange Commission of Pakistan

## Adjudication Division Adjudication Department-I

	<p>non-deposit of the said penalty, proceedings under law including Section 485 of the Companies Act, 2017 will be initiated for recovery of the same as arrears of land revenue.</p> <p>8. 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.</p>
6. Penalty Imposed	A Penalty of Rs. 25,000/- (Rupees twenty five thousand only) was imposed on the Company.
7. Current Status of Order	No Appeal has been filed by the respondents till date.