



Securities and Exchange Commission of Pakistan

Adjudication Division Adjudication Department

Before

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

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

Date of Hearing

November 16, 2021, December 06, 2021

Order-Redacted Version

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

Nature	Details
1. Date of Action	Show cause notice dated July 16, 2021
2. Name of Company	Ayesha Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against Ayesha Textile Mills Limited and its directors.
4. Nature of Offence	Under regulation 9 of the Companies (Investment in Associated Companies or Associated Undertaking) Regulations, 2012 read with Section 208 of the Companies Ordinance, 1984.
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have gone through the fact of the case, available record and submissions made by the Respondents both written and oral and observed that the Company in its response dated August 02, 2021 to the SCN stated that the Company has only one investment of PKR 686,000/- (Rupees Six Hundred Eighty-Six thousand only) in the shares of associated company namely Bashir Cotton Mills (Pvt.) Limited. Subsequently, copy of the Investment Register submitted by the Company vide letter dated February 22, 2022 reflected investment in Bashir Cotton Mills (Pvt.) Limited amounting to Rs. 7,250,000. Furthermore, no evidence has been provided by the Respondents that demonstrates that the Company provided the aforesaid Investment Register as maintained in accordance with regulation 9 of the Regulations to the inspectors at relevant time. I am of the considered view that the Respondents to the SCN have failed to comply with regulation 9 of the Regulations and, therefore, are liable to be penalized under Section 208 (3) of the Ordinance. Taking cognizance of the submissions made by the Respondents, I hereby impose penalty of Rs. 50,000 (Rupees fifty thousand only) on the Company. The remaining Respondents are warned to ensure compliance of law in full letter and spirit in future.</p>



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	Nothing in this Order may be deemed to prejudice the operation of any provision of the Ordinance and Regulations providing for imposition of penalties in respect of any default, omission, violation of the Ordinance and the Regulations.
6. Penalty Imposed	A Penalty of Rs. 50,000/- (Rupees fifty thousand only) was imposed on the Company.
7. Current Status of Order	No appeal has been filed by the respondents.