



Securities and Exchange Commission of Pakistan

Adjudication Division
Adjudication Department-I

Before

Amir M. Khan Afridi – Director/Head of Department

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

Dates of Hearings

November 23, 2021, January 6, 2022

Order-Redacted Version

Order dated January 14, 2022 was passed by Head of Department (Adjudication-I) in the matter of Azmat Textile Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated October 27, 2021
2. Name of Company	Azmat Textile Mills Limited
3. Name of Individual	The proceedings were initiated against the Company and its Directors.
4. Nature of Offence	<p>Proceedings were initiated in terms of the Sections 106 and 107 of the Securities Act, 2015 and regulation 5 of the Reporting and Disclosure of (Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015</p> <p>Brief facts of the case are that the Company failed to file its annual return of SMD-BO-107 for the year ended September 30, 2020, contrary to the requirements of Section 107 of the Act read with regulation 5 of the Regulations. The Commission vide letters dated July 7, 2021 and August 11, 2021 inquired regarding non-filing of aforesaid annual return, however, no reply was received from the Company. The Company by not filing the aforesaid return, <i>prima facie</i>, has contravened the provisions of Section 107 of the Act read with regulation 5 of the Regulations.</p>
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of the case, written submissions by the Respondents and arguments made during the hearing proceedings and state that by not filing, with the Commission, the statutory return as required under Section 107 of the Act read with regulation 5 of the Regulations, within the specified time period of forty-five (45) days from the date of the Annual General Meeting 2020 of the Company or, where no such meeting is held or if held is not concluded, from the last day of the calendar year to which it relates, the Respondents have contravened</p>



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	<p>the aforesaid provisions of the law which attract applicability of the penal provision contained in Section 106 of the Act. Further, the aforesaid annual return is essential to determine, amongst others, particulars and summary of shareholding of each director, executive officer and substantial shareholder, their beneficial ownership and associated companies. Taking cognizance of the aforesaid contravention, I, in terms of the powers conferred under Section 106 of the Act, hereby, impose a penalty of Rs. 25,000/- (Rupees twenty-five thousand only) on the *** and warn the directors to ensure timely compliance with all the regulatory requirements in future.</p> <p>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	Rs. 25,000/- (Rupees twenty five thousand only)
7. Current Status of Order	No Appeal was filed.