

Before Amir Saleem, Additional Director/Head of Wing (Adjudication-I)
In the matter of Show Cause Notice issued to Chakwal Spinning Mills Limited

Dates of Hearing:

November 15, 2021, December 1, 2021, January 7, 2022, February 7, 2022 & June 2, 2022

Order - Redacted Version

Order dated June 21, 2022 was passed by Additional Director/Head of Wing (Adjudication-I) in the matter of Chakwal Spinning Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated August 12, 2021
2. Name of Company	Chakwal Spinning Mills Limited
3. Name of Individual*	The proceedings were initiated against the Board of Directors including the CEO and CFO (Respondents) of the Company.
4. Nature of Offence	The Company is in contravention of Section 237 read with Section 479 of the Companies Act, 2017 (the Act) read with Circular No. 24 of 2017, vis-à-vis failing to electronically transmit its periodic financials for the periods ended December 31, 2020 and March 31, 2021 with the Commission within the statutory timeframes.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>The preparation and circulation of quarterly accounts rests with the directors including the CEO and CFO of the Company who are required to take appropriate action within the time stipulated under the law.</p> <p>In this context, I have reviewed Company records which reveal that the interim financial statements for the periods ended December 31, 2020 and March 31, 2021 have been filed with the Registrar as well as disseminated through the PSX with an inordinate delay on May 27, 2022. It is however observed that the Respondents have not provided the evidence of submission of requisite quarterly financial statements electronically with the Commission.</p> <p>In view of the preceding facts, I have concluded that the pertinent provisions of the statute have been violated, which renders the Respondents liable to penal action in terms of Section 237 of the Act as a result of failing to electronically transmit the Company's interim financial statements for the periods ended December 31, 2020 and March 31, 2021 with the Commission within the statutory timeframes.</p> <p>Therefore, in exercise of powers conferred under sub-section (4) of Section 237 of the Act, I hereby impose fines of Rs. 20,000/- each on the Chairman, CEO and CFO for the afore-mentioned default periods.</p>
6. Penalty Imposed	Penalty aggregating Rs. 60,000/- imposed on the Chairman, CEO and CFO of the Company.
7. Current Status of Order	No Appeal has been filed by the Respondents.

Redacted version issued for placement on website of the Commission.