

Before Shahzad Afzal Khan - Head of Department
In the Matter of Show Cause Notice issued to Chakwal Spinning Mills Limited

Dates of Hearing: January 19, 2023, January 23, 2023 & February 3, 2023

Order - Redacted Version

Order dated February 8, 2023 was passed by Head of Department (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 November 17, 2022
2. Name of Company	Chakwal Spinning Mills Limited
3. Name of Individual*	The proceedings were initiated against the Company
4. Nature of Offence	<p>Proceedings were initiated under Section 510 of the Companies Act, 2017 (the Act) read with Notification <i>S.R.O. 1196(I)/2019</i> dated October 3, 2019 (the SRO).</p> <p>Brief facts of the case are that review of Company records transpired that it failed to maintain a functional/updated website, contrary to the requirements of the SRO, which requires all listed companies to maintain a functional website and to place thereon the requisite mandatory information in the prescribed sequential order.</p>
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>It is pertinent to mention here that the mandatory functional website is aimed at serving as a valuable tool for existing and potential investors for making well-informed decisions, as well as being mutually beneficial for companies giving them an effective platform to provide all significant and material information to the stakeholders and seek their feedback wherever required. The Commission believes that this is a progressive step towards aligning the participants of capital markets with global technological progress and international best practices.</p> <p>At this juncture, I would like to mention here that I have reviewed the Company's website which reveals that it has now complied with the provisions of SRO by disclosing all the requisite information therein.</p> <p>In view of the preceding facts, it is stated that non-compliance with the SRO has been established, which renders the Company liable to penal action under Section 510 of the Act as a result of failing to maintain an updated website of the Company.</p> <p>Therefore, in exercise of powers conferred under sub-section (2) of Section 510 of the Act, I hereby impose a penalty of Rs. 10,000/- (Rupees ten thousand only) on Chakwal Spinning Mills Limited.</p>
6. Penalty Imposed	Penalty of Rs. 10,000/- imposed on the Company.
7. Current Status of Order	No Appeal has been filed by the Company.

Redacted version issued for placement on website of the Commission.