



Securities and Exchange Commission of Pakistan

Adjudication Division Adjudication Department-I

Before

Amir M. Khan Afridi, Director/Head of Department

In the matter of

Shadman Cotton Mills Limited

Date of Hearing

July 27, 2021

Order-Redacted Version

Order dated September 06, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Shadman Cotton Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated June 7, 2021
2. Name of Company	Shadman Cotton Mills Limited
3. Name of Individual*	The proceedings were initiated against the Company and directors of the Company i.e. Shadman Cotton Mills Limited
4. Nature of Offence	Proceedings were initiated in terms of 106 and 107 of the Securities Act, 2015 (the Act) and regulation 5 of the Reporting and Disclosure of (Shareholding by Directors, Executive Officers and Substantial Shareholders) Regulations, 2015 (the Regulations) for not filing SMD-BO-107 for financial year 2020.
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. The Respondents argued that annual return for the year 2020 was processed, however, could not be filed due to system error. The Company has also provided the hard copies of the return evidencing effort to file with the Commission. Nevertheless, I am of the view that the Respondents were under obligation to file the said return within the time period of forty-five days of date of AGM, for which default was made and was duly admitted.</p> <p>Keeping in view, I, hereby in terms of powers conferred under Section 106(2) read with Section 107 of the Act, hereby impose a penalty of Rs. 25,000/- (Rupees Twenty Five Thousand only) on the Respondent Company and also warn directors to be careful in future.</p>



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	<p>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 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>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.