

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

**In the matter of Show Cause Notice issued to Jubilee Spinning & Weaving Mills Limited**

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Dates of Hearings September 22, 2020, October 13, 2020,  
November 16, 2020

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**Order-Redacted Version**

Order dated January 20, 2021 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Jubilee Spinning & Weaving Mills Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated September 18, 2019
2. Name of Company	Jubilee Spinning & Weaving Mills Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Jubilee Spinning & Weaving Mills Limited
4. Nature of Offence	Violations of Section 178 of the Companies Act, 2017
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of the case, submissions made in writing and relevant arguments made by the Authorized Representative during the hearing proceedings. I would like to reiterate here that, in terms of applicable requirements of Section 178 of the Act, it is mandatory for every company that a copy of the draft minutes of meeting of board is required to be furnished to every director within fourteen days of the date of the meeting. As per available information, the minutes of board meetings of the Company held on February 25, 2019 and April 26, 2019, were not furnished to a director namely Mr. ***. In view of the requirements of section 178(4) of the Act, the draft minutes were required to be furnished within fourteen days, however, a delay was noticed in this regard, and consequently a complaint from director of the Company was also received. The Company through letter dated July 16, 2019 furnished to this Commission a copy of minutes of board meeting held on April 26, 2019, however, evidence of circulation of minutes to each director of the Company was not provided. The Respondents informed that subsequent compliance of the requirements of the Act, in case of circulation of board meetings held, was ensured. I, am of the view that, circulation of</p>

	<p>minutes of board of directors' meeting, is mandatory requirement and essential for effective corporate governance of a company and the Company being a listed company is required to comply the aforesaid requirements of the Act. Moreover, it is highlighted that subsequent compliance in this regard does not exonerate the Respondents for their obligation towards the compliance requirement with the relevant provision of the Act.</p> <p>Keeping in view, a penalty of <b>Rs. 20,000/- only (Rupees twenty thousand)</b> on chief executive of the Company was imposed.</p> <p>Penalty order dated January 20, 2021 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs. 20,000/- only (Rupees twenty thousand) was imposed on chief executive of the Company.
7. Current Status of Order	No Appeal has been filed by the respondent.