

Before

Amir M. Khan Afridi, Director/Head of Department

In the matter of

Jubilee Spinning & Weaving Mills Limited

Dates of Hearing

July 28, 2021

Order-Redacted Version

Order dated September 27, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Jubilee Spinning & Weaving Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated April 9, 2021
2. Name of Company	Jubilee Spinning & Weaving Mills Limited
3. Name of Individual*	The proceedings were initiated against the Company and its directors.
4. Nature of Offence	Violations under Listed Companies (Code of Corporate Governance) Regulations, 2019 read with Section 512 of the Companies Act, 2017
5. Action Taken	<p>Key findings are given as hereunder:</p> <p>I have examined the facts of the case, submissions made in writing as well as during the hearing. I am of the view that it is mandatory to have independent directors selected from databank maintained by an institute notified by the Commission i.e. Pakistan Institute of Corporate Governance. The Company failed to comply with the requirements of sub-regulation 1 of regulation 6 of the Regulations and at least two independent directors were not appointed pursuant to election of directors held on May 29, 2020. It was submitted that the due diligence process was initiated for having two independent directors on the board of the Company. However, during the course of the proceedings any evidence of compliance was not furnished. I am of the view the mandatory requirements of having independent directors cannot be overlooked and compliance in this regard is in the interest of the shareholders. Keeping in view of aforesaid non-compliance of sub-regulation 1 of regulation 6, in terms of powers conferred under regulation 37 of the Regulations read with Section 512 of the Act, I hereby impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on the Respondent Company. Further, the Respondent directors are hereby warned to be careful in future and ensure meticulous compliance with the law.</p> <p>It is hereby directed to deposit the aforesaid amount of penalties in the designated bank account maintained in the name of the Securities and Exchange Commission of Pakistan with MCB Bank Limited within thirty (30) days of the</p>

	<p>date of this Order and furnish receipted bank challan, evidencing payment of the same, to the Commission forthwith. In case of failure to deposit the penalties, the proceedings under Section 485 of the Act will be initiated for recovery of the fines 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, violation of the Act.</p>
6. Penalty Imposed	A Penalty of Rs. 50,000/- was imposed on the Respondent Company.
7. Current Status of Order	No Appeal has been filed by the Company.