



Securities and Exchange Commission of Pakistan

Adjudication Division
Adjudication Department-I

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

In the matter of Show Cause Notice issued to Khurshid Spinning Mills Limited

Dates of Hearing

January 21, 2021, February 15, 2021

Order-Redacted Version

Order dated March 26, 2021 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Khurshid Spinning Mills Limited. Relevant details are given as hereunder:

Nature	Details										
1. Date of Action	Show cause notice dated July 29, 2020										
2. Name of Company	Khurshid Spinning Mills Limited										
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Khurshid Spinning Mills Limited										
4. Nature of Offence	In view of alleged violations of section 193 read with section 476 of the Companies Ordinance, 1984 through SCN dated July 29, 2020 and order dated March 26, 2021 was passed.										
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of case, relevant provisions of the law and the record placed before me. In view of the evidence by the Respondent w.r.t holding of meeting of board of director, I have noted that meetings of board of directors was not held in following quarters,</p> <table border="1"><thead><tr><th>Year/ quarter</th><th>Quarter in which BOD meeting not held</th></tr></thead><tbody><tr><td>2012-2013</td><td>July-Sept 2012</td></tr><tr><td>2013-2014</td><td>July – Sept 2013, Oct-Dec 2013</td></tr><tr><td>2015-2016</td><td>July – Sept 2015</td></tr><tr><td>July2016-March 2017</td><td>July - Sept 2016</td></tr></tbody></table> <p>2. In the aforementioned matter, that the Respondents did not held meeting of board of directors in the quarters identified above thereby contravening the requirements of Section 193 of the</p>	Year/ quarter	Quarter in which BOD meeting not held	2012-2013	July-Sept 2012	2013-2014	July – Sept 2013, Oct-Dec 2013	2015-2016	July – Sept 2015	July2016-March 2017	July - Sept 2016
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July2016-March 2017	July - Sept 2016										



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	<p>Ordinance. In view of the aforesaid proceedings, I conclude that the Respondents are liable to penal action as stipulated under Section 193 of the Ordinance. I hereby impose a penalty of Rs. 5,000/- on each Respondents.</p> <p>3. The aforesaid fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the <i>Securities and Exchange Commission of Pakistan</i> within thirty days from the receipt of this order and furnish receipted bank vouchers to the Commission. In case of non-deposit of the penalties, proceedings under section 485 of the Act for recovery of the fines will be initiated. It may also be noted that the said fines are imposed on Respondents in their personal capacity, therefore, they are required to pay the said amount from personal resources.</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> <p>Penalty order dated March 26, 2021 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs.40,000/- (Rupees forty thousand only) was imposed on all the respondents.
7. Current Status of Order	No Appeal has been filed by the respondents

Redacted version issued on June 08, 2021 for placement of website of the Commission.