



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 November 06, 2020
2. Name of Company	Khurshid Spinning Mills Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company and the Company i.e. Khurshid Spinning Mills Limited
4. Nature of Offence	In view of alleged violations of section 173 read with Section 476 of the Companies Ordinance, 1984 through SCN dated November 06, 2020 and order dated March 26, 2021 was passed.
5. Action Taken	Key findings were reported in the following manner: I have analyzed the facts of the case, requirements of the Ordinance and have observed that the Company has provided minutes of proceedings of AGMs for years 2010, 2011, 2015 and 2016 and retrieval of minutes for AGM for year 2009 has been stated to have been requested from PSX. The Company has also assured subsequent regularization. Considering the requirements of Section 173 of the Ordinance explicitly require that the minutes of AGM are kept at the registered office of the company, the Respondent have failed to justify contravention with the requirements of stated Section. After careful consideration of all the facts of this case, I am of the view that the Respondents are liable under Section 173 of the Ordinance. Taking cognizance of the submissions of the Respondents and in exercise of the powers conferred under Section 173 of the Ordinance, I hereby impose penalty of Rs.5,000/- (Rupees Five Thousand Only) on the



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	<p>Company. I also warn all the Respondents to be careful and ensure compliance of law in letter and spirit.</p> <p>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 Ordinance/Act providing for imposition of penalties in respect of any default, omission or violation of the Ordinance/ Act.</p> <p>Penalty order dated March 26, 2021 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs.5,000/- (Rupees Five Thousand Only) was imposed on the Company and remaining Respondents were warned to ensure compliance of law in future.
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.