

Before

Asif Iqbal – Director/Head of Department

In the matter of

Al-Abid Silk Mills Limited

Date of Hearing

November 24, 2022

Order-Redacted Version

Order dated December 20, 2022, was passed by Head of Department (Adjudication-I) in the matter of Al-Abid Silk Mills Limited. Relevant details are given hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated November 04, 2022
2. Name of Company	Al-Abid Silk Mills Limited
3. Name of Individual*	The proceedings were initiated against Board of Directors of the Company
4. Nature of Offence	Section 155 of the Companies Act, 2017 read with Sections 169 and 479 thereof
5. Action Taken	<p>Key findings are given as hereunder:</p> <p>I have gone through the facts of the case, written submissions by the Respondents and arguments made by the Authorized Representatives during the hearing proceedings. In this regard, it is stated that as per the available information, the Company submitted the Form 29 with the Commission dated March 02, 2022 and March 03, 2022 regarding the cessation/resignation of three directors of the Company from the board of directors. The casual vacancies which resulted due to outgoing directors were required to be filled within 90 days period. The Authorized Representative submitted that the reason for not filling casual vacancies was due to circumstances, including inoperative business, pending litigation, financial liabilities and delay on the part of various authorities and parties.</p> <p>In this context, I am of the view that it is mandatory for the listed company to have least seven directors on its board and occurrence of any casual vacancy on the board is required to be filled within given 90 days period. The Respondents, however, failed to ensure compliance of the given requirements of Section 155 of the Act by</p>

	<p>not filling the casual vacancies within 90 days period, and the default persisted till date of this order.</p> <p>Keeping in view of the cited defaults with the provision of Section 155 of the Act for which penalty is provided in terms of Section 169 of the Act, I, hereby in terms of powers conferred under Section 169 of the Act, impose penalty of Rs. 50,000/- (Rupees Fifty thousand only) on Mr. Naseem A. Sattar, CEO. The rest of the Respondents are hereby warned to adhere to compliance with all the applicable regulatory laws.</p> <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. The fine shall be paid from personal resources. 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	Rs. 50,000/-
7. Current Status of Order	No appeal was filed.