



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

ORDER																													
Name of Company:	M/s. Blessed Textiles Limited																												
Show Cause Notice No. & Date:	SCN/LCD/Adj-I/16475-942 dated October 07, 2025																												
Noticee(s):	<table border="1"><thead><tr><th>Name(s)</th><th>Period(s)</th></tr></thead><tbody><tr><td>(i) Mr. Mohammad Sharif, Director</td><td>2018</td></tr><tr><td>(ii) Mr. Hamza Shakeel, Director</td><td>2018</td></tr><tr><td>(iii) Mr. Iqbal Mehboob, Director</td><td>2018 & 2021</td></tr><tr><td>(iv) Mr. Muhammad Amin, Director/CEO</td><td>2018 & 2021</td></tr><tr><td>(v) Mr. Khurram Salim, Director/Chairman</td><td>2018 & 2021</td></tr><tr><td>(vi) Mr. Bilal Sharif, Director</td><td>2018 & 2021</td></tr><tr><td>(vii) Mr. Muhammad Salim, Director</td><td>2018 & 2021</td></tr><tr><td>(viii) Mr. Muhammad Shaheen, Director</td><td>2018 & 2021</td></tr><tr><td>(ix) Mr. Adil Shakeel, Director</td><td>2018 & 2021</td></tr><tr><td>(x) Mrs. Samia Bilal, Director</td><td>2021</td></tr><tr><td>(xi) Mr. Mustafa Tanvir, Director</td><td>2021</td></tr><tr><td>(xii) Mr. Asif Elahi, Director</td><td>2021</td></tr><tr><td>(xiii) M/s. Blessed Textiles Limited through Chief Executive Officer</td><td></td></tr></tbody></table>	Name(s)	Period(s)	(i) Mr. Mohammad Sharif, Director	2018	(ii) Mr. Hamza Shakeel, Director	2018	(iii) Mr. Iqbal Mehboob, Director	2018 & 2021	(iv) Mr. Muhammad Amin, Director/CEO	2018 & 2021	(v) Mr. Khurram Salim, Director/Chairman	2018 & 2021	(vi) Mr. Bilal Sharif, Director	2018 & 2021	(vii) Mr. Muhammad Salim, Director	2018 & 2021	(viii) Mr. Muhammad Shaheen, Director	2018 & 2021	(ix) Mr. Adil Shakeel, Director	2018 & 2021	(x) Mrs. Samia Bilal, Director	2021	(xi) Mr. Mustafa Tanvir, Director	2021	(xii) Mr. Asif Elahi, Director	2021	(xiii) M/s. Blessed Textiles Limited through Chief Executive Officer	
Name(s)	Period(s)																												
(i) Mr. Mohammad Sharif, Director	2018																												
(ii) Mr. Hamza Shakeel, Director	2018																												
(iii) Mr. Iqbal Mehboob, Director	2018 & 2021																												
(iv) Mr. Muhammad Amin, Director/CEO	2018 & 2021																												
(v) Mr. Khurram Salim, Director/Chairman	2018 & 2021																												
(vi) Mr. Bilal Sharif, Director	2018 & 2021																												
(vii) Mr. Muhammad Salim, Director	2018 & 2021																												
(viii) Mr. Muhammad Shaheen, Director	2018 & 2021																												
(ix) Mr. Adil Shakeel, Director	2018 & 2021																												
(x) Mrs. Samia Bilal, Director	2021																												
(xi) Mr. Mustafa Tanvir, Director	2021																												
(xii) Mr. Asif Elahi, Director	2021																												
(xiii) M/s. Blessed Textiles Limited through Chief Executive Officer																													
Date(s) of Hearing(s):	November 03, 2025																												
Case represented by:	(i) Mr. Abdul Basit Janjua, FCA, Chief Financial Officer; and (ii) Mr. Hanan Mirza, Corporate Consultant. <i>Attended in person as the Authorized Representatives on behalf of all the Noticee(s).</i>																												
Provision of law involved:	Regulations 33(2), 34(2) and 41 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and Regulations 32(2), 33(2) and 37 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 read with Section 512(2) of the Companies Act, 2017.																												
Date of Order:	November 20, 2025																												

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through the Show Cause Notice No. SCN/LCD/Adj-I/16475-942 dated October 07, 2025 ("SCN") against M/s. Blessed Textiles Limited (the "Company") and its Board of Directors ("BOD") including Chief Executive Officer (CEO), hereinafter collectively referred to as the "Noticee(s)", for contravention of the requirements of Regulations 33(2), 34(2) and 41 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the "CCG 2017") and Regulations 32(2), 33(2) and 37 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "CCG 2019") read with Section 512(2) of the Companies Act, 2017 (the "Act").

2. The provisions of sub-regulation (2) of Regulation 33 of the CCG 2017 provide that no company shall appoint as external auditors, a firm of auditors which or a partner of which is non-compliant with the International Federation of Accountants' (IFAC) Guidelines on Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan (ICAP).

3. Section 290.149 of ICAP Code of Ethics for Chartered Accountants, 2015 (the "COE 2015"), effective for the period starting from July 01, 2015 till June 30, 2020, provides that in respect of an audit of a public interest entity, an individual shall not be a key audit partner for more than seven (07) years unless the law prescribes a shorter period in which case the requirement of the law shall prevail for such specific entities. After such time, the individual shall not be a member of the engagement team or be a key audit partner for the client for two (02) years (i.e., the Cooling-off Period). Furthermore, Regulation 34(2) of the CCG 2017, prescribes such shorter period by requiring that all listed companies, other than those in the financial sector, shall, at a minimum, rotate the engagement partner after every five (05) years.

Handwritten signature and date: 20-11-2025

4. The provisions of sub-regulation (2) of Regulation 32 of the CCG 2019 provide that it is **mandatory** that no company shall appoint as external auditors, a firm of auditors which or a partner of which is non-compliant with the IFAC Guidelines on Code of Ethics, as adopted by the ICAP.

5. Section 540.5 of the ICAP Code of Ethics for Chartered Accountants, 2019 (the “COE 2019”), effective from July 01, 2020, provides that in respect of an audit of a public interest entity, an individual shall not act in any of the following roles, or a combination thereof, for a period of more than seven (07) cumulative years unless the law prescribes a shorter period: (a) the engagement partner; (b) the individual appointed as responsible for the engagement quality control review; or (c) any other key audit partner role. After such period, the individual shall serve a “cooling-off” period in accordance with the provisions in paragraphs R540.11 to R540.19. Furthermore, Section 540.11 of the COE 2019 explains the cooling-off period by stating that if the individual acted as the engagement partner for seven (07) cumulative years, the cooling-off period shall be five (05) consecutive years. Furthermore, Regulations 33(2) of the CCG 2019, prescribing such shorter period, provides that it is **mandatory** for all listed companies, other than those in the financial sector, to rotate the engagement partner after every five (05) years.

6. Review of the Annual Audited Financial Statements of the Company from the year ended June 30, 2013 to June 30, 2022 revealed that the Company appointed M/s. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants (the “Audit Firm”), who conducted the statutory audits of the Company for the periods mentioned in the table below; where Mr. Zubair Irfan Malik, who served as the Engagement Partner in respect of the audit of the accounts of the Company for the years from June 30, 2013 to June 30, 2016 and resumed the role of the Engagement Partner for the audit of the accounts of the Company for the year June 30, 2018 i.e. after a gap of only one (01) year, without adhering to the mandatory requirement of two-year Cooling-off Period; thereby, contravening the requirements of Section 290.149 of the COE 2015 read with Regulation 34(2) of the CCG 2017. By such appointment, the Company contravened the requirements of Regulation 33(2) of the CCG 2017. The details of appointments are tabulated below for ready reference:

Year ended	Auditor	Engagement Partner
June 30, 2013	Rahman Sarfaraz Rahim Iqbal Rafiq, CAs	Mr. Zubair Irfan Malik
June 30, 2014	Rahman Sarfaraz Rahim Iqbal Rafiq, CAs	Mr. Zubair Irfan Malik
June 30, 2015	Rahman Sarfaraz Rahim Iqbal Rafiq, CAs	Mr. Zubair Irfan Malik
June 30, 2016	Rahman Sarfaraz Rahim Iqbal Rafiq, CAs	Mr. Zubair Irfan Malik
June 30, 2017	Rahman Sarfaraz Rahim Iqbal Rafiq, CAs	Mr. Irfan Rehman Malik
June 30, 2018	Rahman Sarfaraz Rahim Iqbal Rafiq, CAs	Mr. Zubair Irfan Malik
June 30, 2019	Rahman Sarfaraz Rahim Iqbal Rafiq, CAs	Mr. Zubair Irfan Malik
June 30, 2020	Rahman Sarfaraz Rahim Iqbal Rafiq, CAs	Mr. Zubair Irfan Malik
June 30, 2021	Rahman Sarfaraz Rahim Iqbal Rafiq, CAs	Mr. Zubair Irfan Malik
June 30, 2022	Rahman Sarfaraz Rahim Iqbal Rafiq, CAs	Mr. Zubair Irfan Malik

7. Furthermore, Mr. Zubair Irfan Malik continued to serve as the Engagement Partner of the Company for the audits of the years ended June 30, 2019; June 30 2020; June 30, 2021; and June 30, 2022, where the COE 2019 had come into effect from July 01, 2020, which prescribed under Section 540.5 of the COE 2019 read with Regulation 33(2) of the CCG 2019 a maximum permissible period of five (05) cumulative years for an engagement partner of a public interest entity, followed by a mandatory five (05) consecutive years cooling-off period. Accordingly, his continued appointment by the Company for financial years 2021 and 2022 resulted in exceeding the allowable cumulative five (05) year limit; thereby, contravening the requirements of Section 540.5 of the COE 2019 read with Regulation 33(2) of the CCG 2019. By making such appointment, the Company contravened the requirements of Regulation 32(2) of the CCG 2019, as it appointed the Engagement Partner i.e., Mr. Zubair Irfan Malik, who was non-compliant with the applicable provisions of both the COE 2015 and COE 2019 during the relevant periods respectively.

8. In order to probe the matter, the Commission sought an explanation from the Company vide letter dated August 11, 2025. In response, the Company vide letter dated August 21, 2025, *inter alia*, submitted that:

“Mr. Zubair Irfan Malik completed his five years as Engagement Partner at the conclusion of audit for the year ended June 30, 2016. Consequently, Mr. Irfan Rehman Malik was designated as Engagement Partner for the year ended June 30, 2017 and was again designated as Engagement

Handwritten signature and date: 20-11-2025

Partner for the year ended June 30, 2018 to comply with two (02) years cooling off period requirement. Unfortunately, due to sudden death of Mr. Irfan Rehman Malik in April 2018, Mr. Zubair Irfan Malik took over the engagement for annual audit for the year ended June 30, 2018 on emergency basis."

9. In view of above, the Company and its BOD including the CEO, *prima facie*, contravened the requirements of Section 290.149 of the COE 2015 read with Regulation 34(2) and Regulation 33(2) of the CCG 2017; and the requirements of Section 540.5 of the COE 2019 read with Regulations 33(2) and 32(2) of the CCG 2019, which attract penal provisions in terms of Regulation 41 of the CCG 2017 and Regulation 37 of the CCG 2019 read with Section 512(2) of the Act. The relevant provisions of the Act are reproduced for ready reference as under:

Regulation 41 of the CCG 2017:

"41. Penalty for contravention of Regulations: Whoever fails or refused to comply with, or contravenes any requirements of the Regulations, knowingly or willfully authorizes or permits such failure, refusal or contravention, in addition to any other liability under the Act, be punishable with penalty and in case of continuing failure, to a further penalty as provided under sub-section (2) of section 512 of the Act."

Regulation 37 of the CCG 2019:

"37. Penalty.- Whoever fails or refused to comply with, or contravenes regulation 3, 6, 7, 8, 27, 32, 33 and 36 of these Regulations, shall be punishable with penalty as provided under sub-section (2) of section 512 of the Act."

Section 512(2) of the Act:

"(2) Any regulation made under sub-section (1) may provide that a contravention thereof shall be punishable with a penalty which may extend to five million rupees and, where the contravention is a continuing one, with a further penalty which may extend to one hundred thousand rupees for every day after the first during which such contravention continues."

10. Taking cognizance of the alleged violation of law, a SCN was served upon the Noticee(s) to show the cause in writing as to why a penal action may not be taken against them for non-compliance of aforesaid requirements of the CCGs and Act. In response, the Company Secretary vide letter dated October 18, 2025 requested for the conducting of hearing electronically. Subsequently, the Company Secretary vide letter dated October 20, 2025, *inter alia*, submitted as under:

"It is humbly submitted that the Company assures adherence with CCG 2017 and CCG 2019, particularly to rotation of engagement partner after completion of five (5) years under Regulation 34(2) and 33(2) of CCG 2017 and CCG 2019 respectively.

Albeit, in our opinion the compliance with IFAC Guidelines on COE, as adopted by the ICAP primarily rests with external auditor, we acknowledge that the Company cannot absolve itself of the accountability on such grounds.

The Board recognized its responsibility for ensuring ethical oversight and adherence to regulations and guidelines issued under CCG 2017, CCG 2019 and COE however, the non-compliance occurred due lack of our understanding and clarity. Here it is important to point out that the engagement partner of the Company has been rotated for the financial year 2022-2023 and the Company is fully compliant with the requirements of the Code since the year December 31, 2022.

It is pertinent to mention that in similar cases decided by the Honourable Authority in the recent past, a consistent lenient view has been taken where the non-compliance was duly rectified prior to the issuance of the Show Cause Notice. The present case is therefore aligned with the principle established in those earlier decisions, wherein timely rectification and bona fide conduct of the company were considered sufficient grounds for taking a compassionate and lenient view.

*# case closed
1-11-2025*

The Board ensures to remain vigilant in future and conduct comprehensive due diligence while appointment of the statutory auditors and selection of the engagement partner.

Since, the Company is currently in full compliance with the applicable regulations and guidelines under CCG 2017, CCG 2019 and COE we respectfully request that the proceedings may be closed without any penal actions against the Company and the BOD."

11. In order to provide an opportunity for personal representation and to meet the ends of justice, a hearing in the matter was fixed for November 03, 2025; wherein Mr. Abdul Basit Janjua, FCA-Chief Financial Officer (CFO), and Mr. Hanan Mirza-Corporate Consultant, appeared in person as the "**Authorized Representatives**" on behalf of the Noticee(s). During the hearing, the Authorized Representatives reiterated the submissions made in the written response and admitted the default. They further submitted that the Company had subsequently complied with the relevant requirements of the CCG 2019 and COE 2019 by appointing Mr. Ali Raza Jaffery as the Engagement Partner for the financial year 2023. The Authorized Representatives assured that due compliance with the provisions of the CCG, COE and the Act will be ensured in the future and requested leniency in the instant matter.

12. I have gone through the relevant provisions of Regulations 33(2) and 34(2) of the CCG 2017 and Section 290.149 of the COE 2015 and Regulations 32(2) and 33(2) of the CCG 2019 and Section 540.5 of the COE 2019 and considered the facts of the case, as well as the written and the verbal submissions made by the Noticee(s) through their Authorized Representatives. I have also perused provisions of Regulation 41 of the CCG 2017, Regulation 37 of the CCG 2019 and Section 512(2) of the Act which stipulate penal action for contravention of the afore-referred requirements. It is pertinent to observe that Regulation 33(2) of the CCG 2017 explicitly prohibits the appointment of any audit firm or partner that is non-compliant with the IFAC Code of Ethics as adopted by ICAP, While Regulation 34(2) of the CCG 2017 mandates a rotation of the engagement partner after every five (05) years to mitigate familiarity threats and preserve professional skepticism, Section 290.149 of the COE 2015 further reinforces this requirement by stipulating that a key audit partner may serve a public interest entity for a maximum period of five (05) years, after which a mandatory two-year Cooling-off Period must be observed. These provisions are fundamental to ensuring that audit opinions remain independent, free from undue influence, and reflective of the true and fair view of a company's financial position. Non-adherence to these requirements undermines the credibility of financial reporting and the confidence of shareholders and investors.

13. Similarly, Regulations 32(2) and 33(2) of the CCG 2019, retained and reinforced the core principle that no company shall appoint an external auditor or engagement partner who is non-compliant with IFAC's ethical guidelines and rotate the engagement partner after every five (05) years. Furthermore, Section 540.5 of the COE 2019 introduced enhanced safeguards and clarified the concept of cumulative service periods, limiting the tenure of an engagement partner for a public interest entity to a maximum of five (05) cumulative years, followed by a mandatory five (05) consecutive years cooling-off period. The intent behind this more stringent limitation was to mitigate long association risks and ensure periodic refresh of independent audit judgment. Compliance with these rotation and cooling-off requirements is not merely procedural, rather it is a substantive measure to uphold audit independence and protect stakeholders' trust in the audit process.

14. The arguments put forth by the Authorized Representatives that the non-compliance arose due to lack of understanding and clarity is untenable, as the requirements of the CCGs and the COEs are mandatory in nature and constitute an essential part of the regulatory framework. The principle *ignorantia juris non excusat* (ignorance of the law excuses no one) is well established and particularly applicable to listed entities and their boards, which are expected to demonstrate the highest standards of regulatory awareness and compliance.

15. Furthermore, the assertion of the Authorized Representatives that compliance with the IFAC Guidelines on the Code of Ethics primarily rests with the external auditor is misconceived. While auditors have a professional duty to comply with the COEs, the responsibility for ensuring that only compliant auditors are appointed squarely rests with the Company's BOD, as required under Regulation 33(2) of the CCG 2017 and Regulation 32(2) of the CCG 2019. In addition, Section 246(2) of the Act explicitly provides that auditors shall be appointed in the annual general meeting on the recommendation of the BOD, after obtaining the auditors' consent, and that notice of such appointment shall be circulated to members accordingly. Therefore, the BOD is duty-bound to perform due diligence prior to making such recommendations and cannot shift or

Handwritten signature and date:
#Carol Ghand
20-11-2025

absolve itself of this statutory responsibility to the auditors under any circumstances, as the BOD is and must be fully aware of its obligations and bears ultimate responsibility for compliance.

16. The contention of the Authorized Representatives that subsequent compliance was made by effecting the rotation of the Engagement Partner in the financial year 2023 is devoid of merits. It is a trite principle that post-facto compliance cannot efface or nullify an established violation of the requirements of law. Reliance in this regard is placed upon the judgment passed by the Appellate Bench of the Commission in the matter of *AKD Investment Management Limited vs. Director/HoD Adjudication-I* (cited as 2024 CLD 762), wherein it was held that “subsequent rectification actions do not absolve the Appellants from committed violations.” Similarly, in the case cited as 2017 CLD 1019, it was rightfully held by the Appellate Bench of the Commission that “...subsequent compliance cannot be a substitute of statutory [requirements]...the company being a public limited company has a responsibility to ensure full compliance of the provisions of the [law], therefore, the violation...cannot be excused and the penalty was rightly imposed on the Appellants.”

17. The reliance of the Authorized Representatives on past lenient decisions of the Commission is untenable, as each case is decided on its own facts and circumstances. Such decisions cannot be applied to subsequent cases in a mechanical manner and do not create any binding precedent in the matter at hand. Every matter is adjudicated independently, taking into account its specific facts, the duration and extent of the default, and the degree of oversight exercised by the Board. Moreover, it is observed that Noticee No. (i) i.e., Mr. Mohammad Sharif, had passed away prior to the initiation of the adjudication proceedings and therefore, the instant proceedings are being dropped against him on compassionate grounds.

18. In light of the foregoing, I am of the considered view that the contravention of the requirements of Regulations 34(2) and 33(2) of the CCG 2017 read with Section 290.149 of the COE 2015 and Regulations 33(2) and 32(2) of the CCG 2019 read with Section 540.5 of the COE 2019 have been established beyond doubt. Nevertheless, taking into consideration that the Noticee(s), through their Authorized Representatives, have admitted the default and undertaken to ensure strict compliance with the applicable provisions of the law in future by exercising greater vigilance in adhering to legal and regulatory requirement, I, in exercise of the powers conferred upon me under Regulation 41 of the CCG 2017 and Regulation 37 of the CCG 2019 read with Section 512(2) of the Act, S.R.O. 1545(I)/2019 dated December 06, 2019 and S.R.O. 1910(I)/2022 dated October 13, 2022, hereby conclude the instant proceedings by imposing an aggregate penalty of **Rs. 90,000/- (Pak Rupees Ninety Thousand Only)** on Noticee(s) No. (ii) to (xii) (except Noticee No. i) in the following manner and by **Warning** the Noticee No. (xiii) i.e., the Company:

S. No.	Name of Noticee(s)	Period(s)	Violation w.r.t COE 2015 read with CCG 2017	Violation w.r.t COE 2019 read with CCG 2019
1	Mr. Hamza Shakeel	2018	5,000/-	-
2	Mr. Iqbal Mehboob	2018 & 2021	5,000/-	5,000/-
3	Mr. Muhammad Amin	2018 & 2021	5,000/-	5,000/-
4	Mr. Khurum Salim	2018 & 2021	5,000/-	5,000/-
5	Mr. Bilal Sharif	2018 & 2021	5,000/-	5,000/-
6	Mr. Muhammad Salim	2018 & 2021	5,000/-	5,000/-
7	Mr. Muhammad Shaheen	2018 & 2021	5,000/-	5,000/-
8	Mr. Adil Shakeel	2018 & 2021	5,000/-	5,000/-
9	Mrs. Samia Bilal	2021	-	5,000/-
10	Mr. Mustafa Tanvir	2021	-	5,000/-
11	Mr. Asif Elahi	2021	-	5,000/-
Total			40,000/-	50,000/-

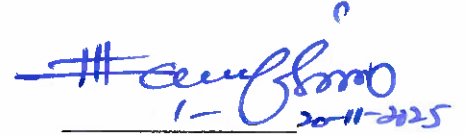
The Noticee(s) are further advised to ensure meticulous compliance with the applicable legal and regulatory framework in the future.

19. The Noticee(s) are, hereby, directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission

#ceemf
1-5000
20-11-2025

forthwith. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue pursuant to provision of Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997 ("SECP Act").

20. Without prejudice to the above, in case the Noticee(s) are aggrieved by this Order may, within thirty (30) days of the Order, may prefer to file review application in terms of Section 32B of the SECP Act or may file an appeal to Appellate Bench of the Commission in terms of Section 33 of the SECP Act in accordance with the procedure for filing an appeal as laid down under the Securities and Exchange Commission of Pakistan (Appellate Bench Procedure) Rules, 2003.



Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:

Dated: November 20, 2025

Islamabad