**Before**

**Abid Hussain – Executive Director/ Head of Department**

**In the matter of Show Cause Notice issued to Maqbool Textile Mills Limited**

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| Dates of Hearing | September 19, 2022 |

**Order-Redacted Version**

Order dated September 28, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Maqbool Textile Mills Limited. Relevant details are given as hereunder:

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| **Nature** | **Details** |
| 1. Date of Action | Show cause notice dated May 16, 2022 |
| 1. Name of Company | Maqbool Textile Mills Limited |
| 1. Name of Individual | The proceedings were initiated against the board of directors of the Company |
| 1. Nature of Offence | Proceedings were initiated in terms of Section 166 of the Companies Act, 2017 (**the Act**) read with Sections 169 and 479 thereof  Brief facts of the case are that the Company held election of directors on March 31, 2021 and elected three independent directors namely \*\*\*\*\*, \*\*\*\*\* and \*\*\*\*\* on its board of directors (**the Board**). The Securities and Exchange Commission of Pakistan (**the Commission**) vide letter dated May 21, 2021 inquired from the Company regarding status of registration/ enrolment of the aforesaid individuals/ independent directors in the databank of Pakistan Institute of Corporate Governance (**the** **PICG**) in terms of Section 166 of the Act. The Company in its reply vide letter dated May 28, 2021 intimated that registration/ enrolment of \*\*\*\*\* in databank of PICG is under process. |
| 1. Action Taken | Key findings were reported in the following manner:  I have gone through the facts of the case, considered both the written and verbal submissions submitted by the Respondents and record available with the Commission. I have observed that Mr. \*\*\*\*\* was elected as independent directors in the election of directors held on March 31, 2021. It was acknowledged that by the Respondents that name of Mr. \*\*\*\*\* was not registered in the databank maintained by PICG at the time of election of directors, however, subsequently the said non-compliance was ratified w.e.f. May 27, 2021 and evidence of registration of Mr. \*\*\*\*\* in databank of PICG, is provided.    Keeping in view the above, it is stated that contravention of Section 166 of the Act, at the relevant point of time, has been established and the same has been admitted by the Respondents as well. However, keeping in view of the fact that non-compliance has now been ratified, therefore taking a lenient view, I hereby conclude the proceeding initiated through the SCN without imposition of any monetary penalty. Nevertheless, the Respondents are hereby warned to ensure compliance of law in letter and spirit.  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. |
| 1. Penalty Imposed | No penalty has been imposed on the respondents. |
| 1. Current Status of Order | No Appeal has been filed by the respondents. |