



Securities and Exchange Commission of Pakistan

Adjudication Division
Adjudication Department-I

Before

Amir M. Khan Afridi, Director/Head of Department

In the matter of

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

Dates of Hearing

April 28, 2021

Order-Redacted Version

Order dated April 30, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Nadeem Textile Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated February 19, 2021
2. Name of Company	Nadeem Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Nadeem Textile Mills Limited
4. Nature of Offence	Proceedings were initiated in terms of section 166 of the Companies Act, 2017 for non-compliance of directions of the Commission.
5. Action Taken	<p>I have analyzed the facts of the case and it is observed that the independent directors namely Mr.***** and Mr. ***** elected in the EOGM held on March 20, 2020 were not registered in the databank of PICG at the time of aforementioned elections in contravention to the requirements of Section 166 of the Act. Subsequently Mr. ***** resigned and Mr. ***** was appointed to fill the casual vacancy. Both, Mr. ***** and Mr. ***** registered in databank with PICG subsequent to proceedings initiated under the subject SCN. The respondents acknowledged the lapse in compliance with law.</p> <p>I have gone through the fact of the case, I am of the considered view that the respondents failed to elect independent directors from the databank of PICG at the time of election of directors in contravention / non-compliance of Section 166 of the Act, hence, the Respondents have rectified the aforesaid non-compliance; I hereby, in exercise of the power under Section 169 of the Act hereby impose a penalty of Rs. 100,000/- (one hundred thousand only) on the Company. The directors of the company are hereby warned to be careful and ensure timely compliance of the law in the future.</p>



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	<p>The aforesaid fines 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. In case of non-deposit of the said penalty, proceedings under Section 485 of the Act will be initiated for recovery of the same as arrears of land revenue. 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 their personal resources.</p> <p>The Order is issued without prejudice to any other action that the Commission may initiate against the Respondents in accordance with the law on the matter subsequently investigated or otherwise brought to the knowledge of the Commission.</p>
6. Penalty Imposed	A Penalty of Rs. 100,000/- (Rupees two hundred thousand only) was imposed on the Company.
7. Current Status of Order	No Appeal has been filed by the respondents.