

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Service Fabrics Limited

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Date of Hearing

December 19, 2019, January 06, 2020, January 14, 2020, January 31, 2020, February 18, 2020

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**Order-Redacted Version**

Order dated February 27, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Service Fabrics Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated July 26, 2019
2. Name of Company	Service Fabrics Limited
3. Name of Individual	The proceedings were initiated against the board of directors of the Company i.e. Service Fabrics Limited
4. Nature of Offence	In view of alleged violations of Listed Companies (Code of Corporate Governance) Regulations, 2017.
5. Action Taken	<p>Key findings of default of Regulations were reported in the following manner:</p> <p>I have examined and observed that the respondents are in contravention of the provisions of the Regulations read with Section 512 of the Act. The respondents have failed to provide written submission in response to the SCN. The submission by Mr. Zahir shah that winding up of the Company pending in court constrained the Company from complying the statutory requirements is not justifiable is neither relevant nor did Mr. Zahir Shah provide any supporting information that could validate such restriction by court or law. Therefore, it is evident that the Company, failed to comply with the requirements of the Regulations. I have however observed that the subject Regulations were repealed, vide notification SRO 1163 (I)/2019 dated September 25, 2019, through the Listed Companies (Code</p>



**Securities and Exchange Commission of Pakistan**  
**Adjudication Division**  
**Adjudication Department-I**

	<p>of Corporate Governance) Regulations, 2019 (“CCG Regulations, 2019”) were issued. Therein, the non-compliances observed under the subject proceedings are no longer mandatory rather based on comply or explain basis under the CCG Regulations, 2019.</p> <p>Warning order dated February, 2020 was passed by Executive Director (Adjudication-I).</p>
2. Penalty Imposed	No Penalty was imposed.
3. Current Status of Order	No Appeal has been filed by the respondents

Redacted version issued on September 01, 2020 for placement of website of the Commission.