



# Securities and Exchange Commission of Pakistan

Adjudication Division

Adjudication Department

Before Shahzad Afzal Khan,

Director/HOD (Adjudication-I)

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

Date of Hearing

February 08, 2023

## Order-Redacted Version

Order date February 15, 2023 was passed by Director/Head of Department (Adjudication-I) in the matter of Premium Textile Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated December 28, 2022
2. Name of Company	Premium Textile Mills Limited
3. Name of Individual*	The proceedings were initiated against Premium Textile Mills Limited and its Directors
4. Nature of Offence	Under Section 166 of the Companies Act, 2017 read with Sections 169 and 479 thereof and Regulation 27 read with Regulation 37 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 512 of the Companies Act, 2017
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have observed that Mr. ***** and Mr. ***** were elected as independent directors and subsequently Mr. ***** was appointed as Chairman of Board's Audit Committee. It was acknowledged by the Respondents that Mr. ***** and Mr. ***** had served on the board of the Company for more than three consecutive terms from the date of their appointment, however, subsequently the said non-compliance was ratified by replacing both with new independent directors and reconstitution of Board's Audit Committee.</p> <p>In view of the aforesaid, it is stated that contravention of Section 166(g) of the Act and regulation 27(1)(ii), at the relevant point of time, has been established and the same has been admitted by the Respondents as well. The said contraventions are liable for a penalty under section 169 and section 512 of the Act and regulation 37 of the Regulations.</p> <p>In view of the aforesaid, I hereby conclude the proceeding initiated through the SCN by imposing a penalty of <b>Rs. 25,000 (Rupees twenty five thousand only)</b> on the Company and warn all the remaining Respondents to ensure compliance with the relevant provision of the</p>



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	law in future, 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.
6. Penalty imposed	Rs. 25,000/-
7. Current Status of Order	No appeal has been filed by the respondents.