



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

Al-Khair Gadoon Limited

Number and date of SCN: CSD/ARN/385/2016-1303 dated October 18, 2016
Date of hearing: November 08, 2016
November 25, 2016
January 11, 2017
Present for Respondent: None.

ORDER

UNDER SECTION 495 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984

This order shall dispose of the proceedings initiated against Chief Executive (the "respondent") of Al-Khair Gadoon Limited (the "Company") initiated through show cause notice (the "SCN") dated October 04, 2016, issued under the provisions of section 495 read with section 476 of the Companies Ordinance, 1984 (the "Ordinance") and S.R.O. 634(I)/2014 dated July 10, 2014 (the "SRO-I").

2. The brief facts of the case are that the Commission through the SRO-I directed every public listed and public unlisted company to maintain a functional website with effect from August 30, 2014 and place stipulated mandatory information thereon. Further, the Commission through S.R.O. 684 (I)/2015 dated July 15, 2016 (the "SRO-II"), also directed all public companies to place website link of SECP investor education portal "JamaPunji" (www.jampunji.pk) along with its logo, available on SECP's website (www.secp.gov.pk) at a prominent place on the homepage of their website. Moreover, the Commission through SRO 1222 (I)/2015 dated December 10, 2015 (the "SRO-III") directed all public companies to maintain their websites by placing the requisite information in Urdu language.

3. The web search revealed that Company has not maintained its functional website and a website of Al-khair Gadoon Group (www.alkhairgroup.com) has a reference of the Company and its address. The Company also has failed to place thereon mandatory information in compliance with the SRO-I, II & III and No. 43 of 2015. Subsequently, the SCN was issued to the respondent wherein he was called upon



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to show cause in writing within seven days from the date of the SCN as to why penal action may not be taken against him under sub-section (1) of section 495 of the Ordinance for not complying with the Commission's direction given in the SRO-I, II & III. Reply to the SCN was however not received. .

4. Therefore, hearings in the matter were fixed on November 08, 2016, November 25, 2016 and finally on January 11, 2017 however no one appeared on these hearing opportunities.

5. In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under the SRO-I read with section 495 of the Ordinance have been delegated to the Director (Corporate Supervision Department). The provisions of sub-section (1) of section 495 of the Ordinance are reproduced as under:

"Where any directive is given or order is issued by the Court, the officer, the Commission, the registrar or the Federal Government under any provision of this Ordinance, non-compliance thereof within the period specified in such direction or order shall render every officer of the company or other person responsible for non-compliance thereof punishable, in addition to any other liability, with fine not exceeding fifty thousand rupees and, in the case of a continuing non-compliance, to a further fine not exceeding two thousand rupees for every day after the first during which such non-compliance continues."

6. I have gone through the facts of the case, provisions of the Ordinance, requirements of the SRO-I, II & III. It is regrettably noted that the respondent did not send any reply to the Show Cause Notice and also failed to appear himself or through a representative on the three hearing opportunities provided by the Commission. I have noted that the Company is not maintaining its independent website and the group website also does not provide the information as required in the SRO-I, II & III in relation to the Company. The default committed by the Company is therefore established. Furthermore, despite the SCN issued and lapse of the considerable time, the Company has failed to undo the default. In fact the respondent have demonstrated complete disregard of the law and have not even responded to the SCN, hence this proceedings are being decided on an ex-parte basis. Therefore, taking cognizance of the fact, I hereby conclude the proceedings initiated under section 495 (1) read with section 476 of the Ordinance and SRO-I, impose a fine of Rs. 40,000 on the respondent.



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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 from the receipt of this order and furnish receipted bank voucher to the Commission. In case of non-deposit of the fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the aforesaid fine is imposed on the respondent in his personal capacity; therefore, he is required to pay the said amount from his personal resources.

9. Before parting with the order, I invoke the provisions of section 473 of the Ordinance and direct the respondent to set up a website for the Company and display/place all the relevant information under appropriate heads as provided in the SRO-I and submit a compliance certificate as per paragraph 6 of the SRO-I by February 13, 2017. The Company is also advised to keep the website updated in future.

10. It may be noted that continued non-compliance with the Commission's direction may render the respondent liable for action under sub-section (2) of section 495 of the Ordinance.

Amina Aziz
Director (CSD)

Announced:
January 13, 2017
Islamabad

