



Corporate Supervision Department
Company Law Division

Before Abid Hussain – Executive Director (CSD)

In the matter of
Aruj industries Limited

Number and date of SCN: CSD/ARN/503/2017-158 dated July 25, 2017
Date of hearing: September 20, 2017 & February 26, 2018
Present for Respondent: Mr. Ali Maqsood Butt, Director, Aruj Industries Limited
(Authorized Representative)

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 Aruj Industries Limited (*the "Company"*). The proceedings against the respondent were initiated through show cause notice dated July 25, 2017 (*the "SCN"*) 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. Furthermore, the Commission through S.R.O. 684 (I)/2015 dated July 15, 2016 (*the "SRO-II"*) and SRO 1222 (I)/2015 dated December 10, 2015 (*the "SRO-III"*) directed all public companies to place website link of SECP investor education portal "Jama Punji" (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 and maintain the website in English language along with Urdu language respectively.

3. Review of the Company's website at address www.aruj.com revealed that it was inconsistent with the requirements of the SROs. The Company vide Commission's order dated April 14, 2017 was directed to comply with the requirements of SROs and Circular 43 of 2015. However, review of the website on July 17, 2017 disclosed deficiencies as given below:

- Company's shareholding pattern for the year ended 2016 had not been uploaded.



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- Company's registration and NTN number had not been provided.
- No line item under the head "investor relation" had been maintained.
- Profile of directors had not been maintained.
- Items under the head election of directors and symbol of the Company assigned by the Stock Exchange had not been uploaded.
- Financial highlights for the previous five years have not been uploaded.
- Compliance Certificate had not been uploaded on the website.
- Earnings per share, P/E ratio and break up value as per the latest available yearly financial statements had not been provided.
- Link of "jama punji" is not accessible.
- Urdu version of the website is not available

4. Subsequently, the SCN was issued to the respondent wherein the respondent was called upon to show cause in writing 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 directions given through SROs-I, II & III and Circular No. 43 of 2015.

5. Hearing in the matter was held on February 26, 2018; Mr. Ali Maqsood Butt, director of the Company appeared as authorized representative of the Company. He submitted that the Company had been maintaining a website however he was unaware of the violations of the SROs in particular. He requested for the detail of the deficiencies present on the website of the Company in light of the SROs. He assured of rectifying the defaults at the earliest. The Authorized Representative was given a time period of seven days in this regard. The detail of deficiencies observed on the website of the Company was provided to the Authorized Representative through email on the date of hearing for ensuring compliance.

6. The Authorized Representative in his reply email dated March 5, 2018 stated that the Company is in the process of making changes in the website which would be completed and the website will be up and running by March 8, 2018.



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7. The website of the Company was reviewed on May 2, 2018 however it was observed that website was not fully compliant with the requirements of the SROs and the following deficiencies were still not addressed by the Company:

- Company's shareholding pattern for the year ended 2016 had not been uploaded.
- No line item under the head "investor relation" had been maintained.
- Profile of directors had not been maintained.
- Financial highlights for the previous five years have not been uploaded.
- Compliance Certificate had not been uploaded on the website.
- Earnings per share, P/E ratio and break up value as per the latest available yearly financial statements had not been provided
- Link of "jama punji" is not accessible.
- Urdu version of the website is not available

8. In terms of the Commission's notification SRO 751 (I)/2017 dated August 2, 2017, the powers to adjudicate cases under the SRO-I read with section 495 of the Ordinance have been delegated to the Executive Director (Corporate Supervision Department).

9. In accordance with SRO-I, the detailed mandatory information is required to be placed on website by a listed company under the following heads: (A) Profile of the Company, (B) Governance, (C) Investors Relations, (D) Media, (E) Election of Directors, (F) Investors Information and scanned copy of the Compliance Certificate. The review of website of the Company *www.aruj.com* has revealed that the Company has not complied with the requisite information fully the necessary information has not been placed on its website.

10. I have gone through the facts of the case and submissions of the respondents. I have observed that ample time was provided to the Company for complying with the requirements of the SROs for placement of necessary information on the website, however despite of the reassurances given by the Authorized Representative necessary compliance has not been made till date. Previously, the direction given under Section 472 of the Ordinance dated April 14, 2017 was also not complied by the Company. I, therefore, impose a penalty of Rs.10,000 on Mr. Faisal Khan, Chief Executive of the Company.



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The aforesaid fine 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 vouchers to the Commission. In case of non-deposit of the penalties, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the said fine is imposed on the Respondent in his personal capacity; therefore, he is required to pay the said amount from his personal resources.

ABID HUSSAIN
Executive Director
Corporate Supervision Department

Announced:
May 3, 2018
Islamabad