



Corporate Supervision Department
Company Law Division

Before Abid Hussain – Executive Director

In the matter of

Bawany Air Products Limited

Number and date of SCN: CSD/ARN/152/2015-813 dated November 21, 2017

Date of hearing: February 15, 2018 & February 28, 2018

Present: Mr. M. Hanif Y. Bawany, Chief Executive Officer
Bawany Air Products Limited
Mr. Faisal Bashir, Financial Advisor
Bawany Air Products Limited

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 Bawany Air Products Limited (*the "Company"*). The proceedings against the respondent were initiated through show cause notice dated November 21, 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, 2015 (*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 "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 and maintain the website in English language along with Urdu language respectively.

3. Review of the Company's website at address www.bawanyair.com revealed that it was inconsistent with the requirements of the SROs. The Company vide Commission's Order dated



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April 24, 2017 under Section 472 of the Ordinance was directed to comply with the requirements of SROs and Circular 43 of 2015. However, review of the website on July 27, 2017 disclosed that few deficiencies as given below had still not been removed:

- Profile of directors had not been removed.
- No information regarding online form (including website link of SECP's investor complaint section <http://www.secp.gov.pk/ComplaintForm1.asp>) has been given.
- Financial highlights for the previous five years has not been provided.
- Compliance Certificate has not been uploaded on website.
- The Company has not maintained the requisite information in Urdu language.
- The information has not been mentioned in sequential order under appropriate heads as per requirement of the Circular.

4. Consequently, 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 fixed on February 15, 2018 on which no one appeared on behalf of the Company. The matter was re-fixed on February 28, 2018 on which Mr. M. Hanif Y. Bawany, the Chief Executive of the Company and Mr. Faisal Bashir, Financial Advisor of the Company. It was stated that the financials had been updated on the website whereas they were uncertain about the remaining defects. The Authorized Officer gave fifteen days time for complete compliance with the relevant provisions of law.

6. The Company vide letter dated March 17, 2018 informed that the website has been updated and it was now in conformity with the SRO requirements and the discrepancies as pointed out in the SCN had been removed. The website of the Company was accordingly reviewed and it was observed that the deficiencies pointed out in the SCN were removed.

7. 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).

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8. 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.bawanyair.com has revealed that the Company has made substantial compliance as most of the requisite information has been placed on its website.

9. I have gone through the facts of the case and submissions of the respondents. Keeping in view the fact that the Company has taken the corrective measures and complied with the mandatory requirements of law by updating the website and considering the assurance by the respondent for the future compliance of law, I am inclined to take a lenient view of the matter and hereby conclude the proceedings with a warning to the respondent.

Abid Hussain
Executive Director
Corporate Supervision Department

Announced:
April 4, 2018
Islamabad

