



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

Chief Executive
Jubilee Spinning & Weaving Mills Limited

Number and date of SCN: CSD/ARN/292/2016-4178 dated May 2, 2016

Date of hearing: May 25, 2016

Present for Respondent: Mr. Rashid Sadiq, Chief Executive Officer, RS Corporate Advisory (Pvt.) Limited
(the “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 Jubilee Spinning & Weaving Mills Limited (the “Company”). The proceedings against the respondent were initiated through show cause notice (the “SCN”) dated May 2, 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 review of website of the Company at website address ‘www.jsw.com.pk’ revealed that the Company has not maintained its functional website and has not placed mandatory information in compliance with the SRO-I, II & III and No. 43 of 2015. Consequently, the SCN was issued to the respondent whereof he 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 direction given in the SRO-I,II & III along with fixing the date of hearing for May 16, 2016. The respondent vide his letter dated May 10, 2016 submitted the reply which is reproduced as under:

- (i) *The Company’s website is fully functional with all the requisite information and documents as required under the Notifications. The address of the website is www.jsw.com.pk;*
- (ii) *The web link of SECP Investor Education Portal ‘Jamapunji’ (www.jamapunji.com) alongwith its logo is duly placed on website of the Company;*
- (iii) *The annual reports for the current as well as previous two years are duly placed on the website of the Company as required by the Notifications;*



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- (iv) *The interim account i.e. latest available accounts as well as for last three quarters are also duly placed on the website of the Company as required by the Notifications;*
- (v) *A copy of the compliance certificate is placed on the website of the Company. A copy of the same is attached herewith;*
- (vi) *All other information and documents required under the Notifications are placed on the website of the Company;*

In view of the above, you will kindly appreciate that the Company is fully compliant with the Notifications with regard to the maintenance of a fully functional website. The Company further assures the Commission that it will remain compliant in future also. It is requested that the proceedings initiated under section 495 may please be dropped without any adverse action against the Company.

4. The hearing on May 16, 2016 was adjourned on request of Mr. Rashid Sadiq (the "Authorized Representative") and was re-fixed for May 25, 2016 through video link facility from Company Registration Office of the Commission, Lahore. On the date of hearing the Authorized Representative appeared before me and he submitted that the mandatory information required under the aforementioned SROs has been placed on website of the Company. He also assured future compliance of law within prescribed time.

5. The review of website of the Company 'www.jsw.com.pk' has revealed that the Company has made substantial compliance as most of the requisite information has been placed on its website. However, the following shortcomings have been observed:

- i- Profile of Board of Directors has not been provided as per SRO-I;
- ii- No information with regard to online form / contact details of person designated for assisting and handling investor grievances (including website link of SECP's investor complaint section: <http://www.secp.gov.pk/ComplaintForm1.asp>) has been provided except giving a heading "Investor Complaint to SECP" as required under SRO-I;
- iii- Annual report for the year ended June 30, 2013 has not been placed; and

Not maintain website with the requisite contents in Urdu language as required under SRO-III.

6. 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."

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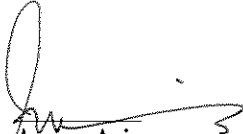
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7. I have gone through the facts of the case, provisions of the Ordinance, requirements of the SRO-I, II & III and written reply of the respondent as well as submission / pledge of the authorized representatives during the course of hearing, I am of the view that even though there are observations as highlighted in paragraph 7 of the order, the Company has substantially complied with the requirements of SROs. Therefore, taking cognizance of the fact, I hereby conclude the proceedings initiated under section 495 (1) of the Ordinance with a warning to the respondent to be careful in future and ensure meticulous compliance with applicable laws and directions of the Commission within prescribed time.

Before parting with the order, I invoke the provision of section 473 of the Ordinance and direct the respondent to place the information highlighted in paragraph 6 of the order under appropriate heads within 15 days from the date of order and inform accordingly. The Company is also advised to keep the website updated in future.

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:
June 20, 2016
Islamabad