



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

**Chief Executive
Johnson & Phillips (Pakistan) Limited**

Number and date of SCN: CSD/ARN/33/2015-3655 dated March 15, 2016

Date of hearing: April 12, 2016

Present for Respondent: Chaudhary Muhammad Usman, Advocate
(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 Johnson & Phillips (Pakistan) Limited (the “Company”). The proceedings against the respondent were initiated through show cause notice (the “SCN”) dated March 15, 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.

3. The review of website of the Company at website address ‘www.johnsonphillips.pk’ revealed that the Company has not placed the mandatory information required under SRO-I. 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, along with fixing the date of hearing for March 29, 2016. The respondent vide his letter dated March 18, 2016 requested for extension in the dead line by three weeks for engaging Counsel and preparation of a comprehensive reply to the Commission. Considering the request of the respondent, hearing in the matter was re-fixed for April 12, 2016.



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4. On the date of hearing Chaudhary Muhammad Usman (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 after receiving the SCN. He also assured to upload the deficient information in few days. He requested for taking a lenient view as the respondent is monitoring the matter personally and shall be remain most vigilant in future for observance of compliance of law within prescribed time. He was given two weeks' time for placing of complete information required under SRO-I on the Company's website. The respondent vide his letter dated April 19, 2016 informed that the Company has made compliance as required under SRO-I & II and a copy of compliance certificate was also submitted therewith.

5. The review of website of the Company 'www.johnsonphillips.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- Categories of shareholders (Shareholding pattern) is defective as no information regarding share held by directors, chief executive officer, and their spouse and children has been provided;
- iii- No information with regard to online form / contact details of person designated for assisting and handling investor grievances has been provided as required under SRO-I;
- iv- Earning per share, P/E ratio and breakup value has not been provided as per SRO-I and
- v- Financial highlights for previous five years have not been provided.

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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7. I have gone through the facts of the case, provisions of the Ordinance, requirements of the SRO-I, II 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 5 of this 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 5 of this order under appropriate heads by July 25, 2016 and inform the Commission 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 27, 2016
Islamabad