



Corporate Supervision Department  
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

*In the matter of*

**Karam Ceramics Limited**

Number and date of SCN: CSD/ARN/9324/2016-4625 dated June 17, 2016

Date of Hearing: July 28, 2016

Present for Respondent: Mr. Abdul Sultan and Mr. Manzoor Ali, Authorized  
Representatives

**ORDER**

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

This order shall dispose of the proceedings against the Chief Executive (the "respondent") of Karam Ceramics Limited (the "Company"). The proceedings were initiated through show cause notice (the "SCN") dated June 17, 2016, issued under the provisions of section 495 read with section 476 of the Companies Ordinance, 1984 (the "Ordinance").

2. The brief facts of the case are that the Commission through the notification no. SRO 634 (I)/2014 dated July 10, 2014 (the "SRO-I") directed every public company to maintain a functional website with effect from August 30, 2014 and place stipulated mandatory information thereon. Furthermore, the Commission through the notification no. SRO 684 (I)/2015 dated July 15, 2015 (the "SRO-II"), also directed all public companies to place website link of SECP's investor education portal "JamaPunji" ([www.jampunji.pk](http://www.jampunji.pk)) along with its logo at a prominent place on the homepage of their websites. In terms of the Commission's SRO 1222 (I)/2015 dated December 10, 2015 (the "SRO-III"), every public company was directed to maintain a functional website in English language as well as Urdu language.

3. It was noticed that the Company had, prima facie, contravened the directions of the Commission given vide the SRO-I, SRO-II and SRO-III by not maintaining a functional website. 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 vide the aforesaid



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

Continuation Sheet - 1 -

SROs. In response to the SCN, the respondent chose to appear in person, so a hearing was fixed on July 28, 2016.

4. The company submitted reply on 23 June 2016 and while accepting the default in complying with the requirements of the SRO-I regarding maintaining a functional website, the respondent stated that the requirements of the SROs were being complied with as the Company had maintained the function website. It was further stated the profits of the board of directors, website link of the Commission's investor complaint section and Jamapunji etc. along with compliance certificate have been placed on the website. The respondent further pledged that complete information in accordance with the relevant SROs will be placed in due time.

5. On the date of hearing held on July 28, 2016, Mr. Abdul Sultan and Mr. Manzoor Ali, Authorized Representatives, appeared before the undersigned and submitted that their website is in compliance apart from the option of Urdu Language version, which they assured would be available within two weeks.

6. Before proceeding further, it is necessary to advert to the following relevant provisions of Ordinance:

*In terms of the Commission's SRO-I issued in pursuance of powers conferred by section 506B of the Ordinance, listed companies have been directed to maintain a functional website and provide mandatory information including placement of quarterly and annual accounts and specific information relating to: (A) profile of the company, (B) governance, (C) investors relations, (D) media, (E) election of directors, (F) investors information.*

*The SRO-I further provides that where a company does not comply or makes default in compliance with the requirements of the notification, every officer of the company and every other person responsible for non-compliance shall be punished in accordance with provisions of section 495 of the Ordinance.*

*Sub-section (1) of section 495 of the Ordinance states that 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*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

Continuation Sheet - 2 -

*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.*

In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under SRO 634(I)/2014 dated July 10, 2014 read with section 495 of the Ordinance have been delegated to the Director (Corporate Supervision Department).

7. I have gone through the facts of the case, provisions of the Ordinance, requirements of the SRO-I, and submissions made by the respondent in writing and during the hearing. Subsequent perusal of the Company's website reveals that it has complied the respondent has now maintained its website and has provided information as per requirement of SRO-I, II & III. The company has also placed a website compliance certificate issued by the CEO on its website dated May 30, 2016. Therefore, in exercise of the powers conferred by section 495 of the Ordinance, instead of imposing penalty, I hereby conclude the proceedings with a warning to the respondent to be careful and ensure meticulous compliance with applicable laws and directions of the Commission.

**Armina Aziz**  
Director (CSD)

**Announced:**  
October 04, 2016  
Islamabad