



Corporate Supervision Department
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Mahmood Textile Mills Limited

Number and date of SCN: CSD/ARN/383/2016-1275 dated October 14, 2016

Date of Hearing October 28, 2016

Present for Respondent Mr. Muhammad Amin, Authorized Representative

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 **Mahmood Textile Mills Limited** (the "Company"). The proceedings were initiated through show cause notice (the "SCN") dated October 14, 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) 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 & SRO-III by not providing the complete information and by not following the sequential order in line with the requirements of the SROs. 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



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - I -

of the Ordinance for not complying with the Commission's direction given vide the aforesaid SROs.

4. The company submitted reply to the SCN through letter dated October 25, 2016 and stated that all of the discrepancies pointed out by the Commission had been rectified.

5. On the date of hearing, the Authorized Representative, Mr. Muhammad Amin appeared before the undersigned and informed that the website was now in complete compliance with the SROs.

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.

The SRO-II and SRO-III require public companies to maintain their websites in Urdu as well as English languages and place website link and logo of SECP's investor education portal JamaPanji.

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 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.



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 2-

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 on the date of hearing. Subsequent perusal of the Company's website reveals that it has maintained its website and has provided most of the information as per requirement of SRO-I, SRO-II & SRO-III. Therefore, in exercise of the powers conferred by section 495 of the Ordinance, instead of imposing penalty, I hereby conclude the proceedings without any adverse order and advise the respondent to be careful and ensure meticulous compliance with applicable laws and directions of the Commission.

Amna Aziz
Director (CSD)

Announced:
November 10, 2016
Islamabad