



Corporate Supervision Department  
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

-Mubarak Textile Mills Limited

Number and date of SCN: CSD/ARN/376/2016- dated October 04, 2016

Date of hearing: December 20, 2016 and January 04, 2017

Present for Respondent: None-letter received dated December 29, 2016

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 Al-Mubarak Textile Mills Limited (the “Company”) initiated through show cause notice (the “SCN”) dated October 04, 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](http://www.jampunji.pk)) along with its logo, available on SECP’s website ([www.secp.gov.pk](http://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 web search revealed that Company has not maintained its functional website and has failed to place thereon 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 within seven days from the dated of the SCN 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 4, 2016 but no one



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appeared on the date of hearing. However, the Company vide its letter dated May 5, 2016 replied as under:

*"The Company had its website functional since last 02 years. Late in April 2016, management has instructed to upgrade it accordance with best practices of Code of Corporate Governance. Same function in progress and will be accomplished in coming week. In view of the above, it is requested that the aforesaid show cause notice may kindly be withdrawn, as management is committed to comply with all statutory and legal requirements including displaying of information on website."*

4. The Company's website was reviewed after receiving its above response and was observed that it is deficient as regards mandatory information required under the aforementioned SROs. Therefore, hearings in the matter were fixed for December 20, 2016 and January 04, 2016 but no one appeared. The Company, however, vide letter dated December 29, 2016 submitted that its resources are limited and it cannot meet the requirements of the Commission.

5. 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."*

6. 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. It is regretfully noted that despite the commitment the information highlighted in paragraph 6 has not been uploaded on the Company's website. The default committed by the Company is established. Furthermore, despite lapse of the time allowed, the Company has failed to undo the



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default. Therefore, taking cognizance of the fact, I hereby conclude the proceedings initiated under section 495 (1) read with section 476 of the Ordinance and SRO-I, impose a fine of Rs20,000 on the respondent.

The aforesaid fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the "Securities and Exchange Commission of Pakistan" **within thirty days** from the receipt of this order and furnish receipted bank voucher to the Commission. In case of non-deposit of the fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the aforesaid fine is imposed on the respondent in his personal capacity; therefore, he is required to pay the said amount from his personal resources.

9. Before parting with the order, I invoke the provisions of section 473 of the Ordinance and direct the respondent to display/place all the relevant information highlighted in paragraph 6 of this order on the Company's website by following the sequential order of information under appropriate heads as provided in the SRO-I and **submit a compliance certificate** as per paragraph 6 of the SRO-I by August 20, 2016. The Company is also advised to keep the website updated in future.

10. 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:  
January 5, 2017  
Islamabad

