



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

Adam Sugar Mills Limited

Number and date of SCN: CSD/ARN/277/2016-3103 dated February 3, 2016
Date of Company's reply: February 11, 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 Adam Sugar Mills Limited (the "Company"). The proceedings against the respondent were initiated through show cause notice (the "SCN") dated February 3, 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. Furthermore, 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. On reviewing of website of the Company as per its website address www.adam.com.pk/adamsugar.html, it was observed that the Company has not place the following information in violation of the SRO-I & II:

- Website link of SECP Investor Education Portal 'JamaPunji' (www.jampunji.com) along with its logo in contrary to the requirements of the SRO-II;
- Annual report for the year ended September 30, 2015 ;
- 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>);
- Scanned copy of the compliance certificate.
- Not mentioned date on which website was updated.

Moreover, Mr. Mohammad Yousuf, a shareholder of the Company had also filed a complaint that annual report for the year ended 30.09.2015 was not available on the Company's website.

4. 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



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department Company Law Division

Continuation Sheet - 1 -

complying with the Commission's direction given in the SRO-I & II. A date of hearing was also fixed for February 18, 2016. The respondent vide his letter dated February 11, 2016 replied to the SCN as under:

"We have updated / completed all the required information on our website. The printed annual report for the year ended 30 September, 2015 was mailed to each and every shareholder and the notice of AGM was also published in newspapers. The annual report was placed on website but due to the large volume of data the data was corrupted. This has been rectified. The election of directors will be held in January 2017 and we will complete this section on website well before that. Website compliance certificate is enclosed and it has been placed on website also. We assure you of our compliance with your requirements and will be more prompt in future. We request you to please drop penal proceedings and cancel hearing through video link scheduled for 18 February, 2016".

The respondent's reply was considered and he was informed vide Commission's letter dated February 17, 2016 that the hearing fixed for February 18, 2016 stand adjourned and the matter shall be concluded on the basis of his reply and review of the Company's website.

5. The Company's website was reviewed and the following observations are made:

S. No.	Headings of SRO 634 (I)/2014 dated July 10, 2014	Observations
1	B. Governance <ul style="list-style-type: none">• Profile of Board of Directors	Names of directors have been provided without their profile.
2	F. Investor Information <ul style="list-style-type: none">• As per the latest available yearly financial statement: Earning per share, P/E ratio and breakup value	Information regarding Earning per share, P/E ratio and breakup value has not been provided as per the latest available yearly financial statement.
3	Compliance Certificate	Chief Executive Officer's declaration in second paragraph of the Certificate is reproduced as under: <i>"I also undertake to make necessary arrangements that financial statements, reports and other information for the year ending 30 September, 2016 shall be made available on website throughout the period as prescribed in the aforesaid notification".</i> Second paragraph of declaration as per SRO-I <i>"That the annual financial statements, reports and other information relating to the company shall remain available for at least next three years.</i>

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).

7th Floor, NIC Building, 63-Jinnah Avenue
Islamabad, Pakistan

PABX: + 92-51-9207091-4, Fax: +92-51-9100454, 9100471, Email: webmaster@secp.gov.pk, Website: www.secp.gov.pk



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department Company Law Division

Continuation Sheet - 2 -

6. In accordance with SRO-I, the detailed mandatory information is required to be placed on website by a listed company under the following heads: (A) Profile of the Company, (B) Governance, (C) Investors Relations, (D) Media, (E) Election of Directors, (F) Investors Information and scanned copy of the Compliance Certificate. The review of website of the Company adam.com.pk/adamsugar.html has revealed that the Company has made substantial compliance as most of the requisite information has been placed on its website. However, the deficiencies observed have been highlighted in preceding paragraph of the order.

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 Company. I am of the view that even though there are minor observations as highlighted in paragraph 5 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 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 the order under appropriate heads and submit a compliance certificate as per SRO-I within 07 days from the date of receipt of this order. 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:
March 7, 2016
Islamabad