



Corporate Supervision Department
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Baba Farid Sugar Mills Limited

Number and date of SCN: CSD/ARN/264/2016-2434 dated January 13, 2016
Date of Hearing: January 26, 2016
Present for Respondent: Mr. Hasnain Adam Ali

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 Baba Farid Sugar Mills Limited (the “Company”). The proceedings against the respondent were initiated through show cause notice (the “SCN”) dated January 13, 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 SRO 634 (I)/2014 dated July 10, 2014 (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 SRO 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 at a prominent place on the homepage of their websites.

3. It was noticed that the Company had, prima facie, contravened the directions of the Commission given in the SRO-I & II by not maintaining a functional website. Consequently, 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 SRO-I & II. A hearing was fixed for January 26, 2016. The Company acknowledged the receipt of the SCN by return fax.

4. On the dated of hearing, Mr. Hasnain Adam Ali (the “Authorized Representative”) appeared before the undersigned along with authority letter from the respondent. He stated that all information required under SRO-I & II has been placed. He was apprised of the fact that complete information was not placed on website of the Company. He pledged and assured that complete information in accordance with SRO-I & II will be placed latest by February 1, 2016. The respondent vide his letter dated January 30, 2016 confirmed that all requirements were fulfilled and a certificate to that effect was also attached. The said certificate has been found attached with the respondent aforesaid letter.

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

In terms of the Commission’s SRO 634(I)/2014 dated July 10, 2014 issued in pursuance of powers conferred by section 506 B of the Ordinance, listed companies have been directed to maintain a functional website and



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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 aforesaid notification, inter alia, requires listed companies to place on their website:

- Latest annual accounts at least twenty one days before holding of the annual general meeting ("AGM") and annual accounts and reports adopted by shareholders within seven days after the AGM; and
- Interim accounts i.e. latest available quarterly accounts as well as accounts for the last three quarters.

The SRO 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 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).

6. The review of website of the Company <http://bfsml.com/> has revealed that the Company has not placed the following mandatory information:

S. No.	Heading of SRO-I	Deficient Information
1	B) Governance	i) Sub-heading "Shareholding Pattern" provided but relevant page opening with remarks that this page can't be displayed.
2	F) Investor Information	i) 1 st quarterly accounts for the quarter ended 31.12.2015 placed but relevant page opening with remarks the following remarks: "Oops... Error 404-We are sorry, but the page you are looking for does not exist."
3	Compliance Certificate	Scanned copy of Compliance Certificate not placed on website as well as not submitted to the Commission.

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 the respondent has maintained its website and has

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



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provided most of the information as per requirement of SRO-I even though some information as highlighted in the preceding paragraph is still not placed on website. Therefore, taking cognizance of facts, in exercise of the powers conferred by the SRO-I and 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.

Before parting with the order, I invoke the provision of section 473 of the Ordinance and direct the respondent to place all the mandatory information on the Company's website to fulfill the requirements of SRO-I and submit a compliance certificate within 15 days from the date of receipt of this order. The Company is also expected keep the website updated in future as well.

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:
February 12, 2016
Islamabad