



Corporate Supervision Department  
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

**Resham Textile Industries Limited**

Number and date of SCN: CSD/ARN/283/2016-3405 dated February 24, 2016

Date of Company's reply: February 26, 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 Resham Textile Industries Limited (the "Company"). The proceedings against the respondent were initiated through show cause notice (the "SCN") dated February 24, 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.

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](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.

3. It was noticed that the Company had, prima facie, contravened with the directions of the Commission given in the SRO-I by not placing the mandatory information accordingly on its 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 in the SRO-I. The Company vide its letter dated February 26, 2016 replied to the SCN which is summarized as under:

- That almost all the information required in the circulars is available on the Company website, though the format has not been followed and updates were provided in the old format;



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## Corporate Supervision Department Company Law Division

Continuation Sheet - I -

- The Company is most law abiding and regrets that due to the quality of its official, it is facing some embarrassment;
- The Company undertakes that as directed by the Commission the entire format will be changed according to the circulars quoted by it on to priority basis by March 2, 2016.

4. 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>F. <u>Investor Information</u></b> <ul style="list-style-type: none"><li>• Free float of shares of Company</li></ul>	Information regarding free float of the shares of Company has been provided under heading "Investor Relations" instead of "Investor Information".
2	Compliance Certificate	Sub-heading "Compliance Certificate" has been provided under heading "Investor Relations" but the said certificate has not been placed as well as not submitted to the Commission.

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).

5. 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 [www.reshamtextile.com](http://www.reshamtextile.com) has revealed that the Company has made substantial compliance as most of the requisite information has been placed on its website. However, compliance certificate has not been placed on website of the Company as well as not submitted to the Commission.

6. 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 4 of the order, the Company has substantially complied with



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## Corporate Supervision Department Company Law Division

*Continuation Sheet - 2 -*

the requirements of SROs. Therefore, taking cognizance of the fact, I hereby conclude the proceedings section 495 (1) of the Ordinance without any adverse order.

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 4 of the order under appropriate heads and submit a compliance certificate within 15 days from the date of receipt of this order.

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.

**Amna Aziz**  
Director (CSD)

**Announced:**  
March 4, 2016  
Islamabad