



Corporate Supervision Department  
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

**SFL Limited**

Number and date of SCN: CSD/ARN/271/2016-2833 dated January 25, 2016  
Date of Hearing: February 9, 2016  
Present for Respondent: None

**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 SFL Limited (the “Company”). The proceedings against the respondent were initiated through show cause notice (the “SCN”) dated January 25, 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](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 the directions of the Commission given in the SRO-I & II by not maintaining a functional 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 vide the SRO-I & II. A hearing in the matter was also fixed for February 9, 2016. The Company vide its letter dated January 28, 2016 replied to SCN and informed that the Company respects all the notifications and has taken every possible measure to comply with the same. It was also informed that the website address as provided at serial no. 6 of the SCN was not correct as the functional website of the Company is <http://www.sapphire.com.pk/sfl/>



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4. On the date of hearing, no one appeared before the undersigned. However, website of the Company was reviewed and it was observed that the Company had maintained its functional website <http://www.sapphire.com.pk/sfll/> but the following non-compliances were observed:

S. No.	Headings of SRO-I and compliance with S.RO.684(I)/2015	Deficient information / Remarks
1	Compliance S.RO.684(I)/2015 dated July 15, 2015	Website link of SECP investor education portal "Jamapunji" ( <a href="http://www.jamapunji.pk">www.jamapunji.pk</a> ) along with its logo has been placed under heading "Investors Relations" <b>instead</b> of placing at prominent place on the homepage of the website;
2	B) Governance	i) Sub-heading "Share Holders" has been provided <b>instead of</b> "Shareholding pattern" ii) Name of auditor has been provided under heading "Investors" <b>instead of</b> "Governance".
3	C) Investor Relations	i) Name of Company Secretary given <b>but</b> not provided the objective (i.e. for assisting and handling investor grievances); ii) A separate sheet has been provided for "Site map" <b>instead of</b> under heading "Investor Relation".
4	F) Investor Information	i) Financial highlights for previous five years have <b>not</b> been provided.
7	Compliance Certificate	Scanned copy of "Compliance Certificate" has <b>not been</b> placed at website as well as <b>not</b> submitted to the Commission as per serial No. 6 of SRO-I.

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 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





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- 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. 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 <http://www.sapphire.com.pk/sfil/> has revealed that the Company has made substantial compliance as most of the requisite information has been placed on its website. However, but the some shortcomings which have been highlighted in paragraph 4 of the order have been observed.

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 non-compliances as highlighted in preceding paragraph, the Company has substantially complied with the requirements of SROs. Therefore, taking cognizance of the fact instead of imposing penalty in terms of section 495 (1) of the Ordinance, I hereby conclude the proceedings with a warning to the respondent.



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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 and fulfill other requirements in terms of SRO-I & II 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.

**Amina Aziz**  
Director (CSD)

**Announced:**  
February 16, 2016  
Islamabad