



Corporate Supervision Department
Company Law Division

Before Ms. Amina Aziz – Director (CSD)

In the matter of

Premium Textile Mills Limited

Number and date of SCN: CSD/ARN/355/2016-734 dated August 31, 2016

Date of Hearing November 22, 2016

Present for Respondent Ms. Ayesha Ghazal, Authorized Representative

ORDER

UNDER SECTION 495 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984

This order shall dispose of the proceedings against the Chief Executive (the "respondent") of Premium Textile Mills Limited (the "Company"). The proceedings were initiated through show cause notice (the "SCN") dated August 31, 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 notification no. 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 the notification no. SRO 684 (I)/2015 dated July 15, 2016 (the "SRO-II"), also directed all public companies to place website link of SECP's investor education portal "JamaPunji" (www.jampunji.pk) along with its logo at a prominent place on the homepage of their websites. In terms of the Commission's SRO 1222 (I)/2015 dated December 10, 2015 (the "SRO-III"), every public company was further directed to maintain a functional website in English language as well as Urdu language.

3. It was noticed that the Company had, prima facie, contravened the directions of the Commission given vide the SRO-I, II & III as it did not maintain 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 aforesaid SROs.

4. The company through letter dated 22 November, 2016 informed us that most of the non-compliances were removed and that Urdu Language compliance will be done within a month.

5. On the date of hearing, the Authorized Representative, Ms. Ayesha Ghazal appeared before the undersigned and informed that the website was now updated and that they will comply with the Urdu Language requirement within 4 weeks.

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

SECURITIES AND EXCHANGE
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SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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In terms of the Commission's SRO-I issued in pursuance of powers conferred by section 506B 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 SRO-I 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.

The SRO-III further require public companies to maintain their websites in Urdu as well as English languages.

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).

7. It is important to highlight here that the Ordinance has been repealed while promulgating Companies Ordinance, 2016 ("Ordinance 2016"). However, provisions of Section 509(1)(f) of the Ordinance 2016 clearly provides that pending proceedings shall be concluded as provided in the Ordinance :

"509. Repeal and savings. — (1) The Companies Ordinance, 1984 (XLVII of 1984), hereinafter called as repealed Ordinance, shall stand repealed, except Part VIII A consisting of sections 282A to 282N, from the date of coming into force of this Ordinance and the provisions of the said Part VIII A along with all related or connected provisions of the repealed Ordinance shall be applicable mutatis mutandis to Non-banking Finance Companies in a manner as if the repealed Ordinance has not been repealed:

Provided that repeal of the repealed Ordinance shall not-

(f) affect any inspection, investigation, prosecution, legal proceeding or remedy in respect of any obligation, liability, penalty, forfeiture or punishment as aforesaid, and any such inspection, investigation, prosecution, legal proceedings or remedy may be made, continued or enforced and any such penalty, forfeiture or punishment may be imposed, as if this Ordinance has not been passed".



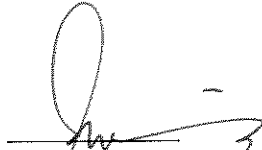
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8. I have gone through the facts of the case, provisions of the Ordinance, requirements of the SRO-I, II & III, and submissions made by the respondent on the date of hearing. Subsequent perusal of the Company's website reveals that it has now provided most of the information as per requirement of SRO-I, II & III. Therefore, in exercise of the powers conferred by 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 by ensuring that all the required information is provided as per requirements of the SROs

The respondent is further directed in terms of section 473 of the Ordinance to comply with the requirement of placement of information in Urdu Language on its website.



Amina Aziz
Director (CSD)

Announced:
December 15, 2016
Islamabad

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