



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

Yousaf Weaving Mills Limited

Number and date of SCN: CSD/ARN/156/2015-3677 dated March 16, 2016
Date of hearing: May 9, 2016
Present for Respondent: Mr. Muhammad Shafi, Manager Accounts (the “Authorized Representative”)

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 Yousaf Weaving Mills Limited (the “Company”). The proceedings against the respondent were initiated through show cause notice (the “SCN”) dated March 16, 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. Further, 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. The review of website of the Company revealed that the Company has not maintained its functional website and has not placed the required information in compliance with the SRO-I, II. 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, II along with fixing the date of hearing for March 29, 2016. The respondent vide his letter dated March 28, 2016 submitted reply which is reproduced as under:

“That we are ensuring to follow the compliance of SECP regulation to maintain the functional website. We have placed the Annual Report & information in our site ‘www.chakwalgroup.com’ and are making necessary arrangement to display all other relevant information by following the sequential order as required by you. We would like to request you to allow us 15 days to meet the requirements. Further, we were asked to appear in person on March 29, 2016 but the law and order situation do not allow to travel

SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN
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 - 1 -

for Islamabad for hearings. You are requested to kindly allow any other time to appearing before you in this regard and oblige."

4. While considering the request of the respondent, he was informed that hearing fixed in the matter for March 29, 2016 has been adjourned and next date of hearing shall be communicated after reviewing the functional website as per time given by the Company in its letter referred above. After lapse of time given by the Company, its website was reviewed again and was observed that the Company has not yet complied with Commission's directions given through SRO-I & II by not developing and maintaining its website within time given by it. However, hearing in the matter was re-fixed for May 9, 2016

5. On the date of hearing, Mr. Muhammad Shafi, Manager Accounts (the "Authorized Representative") appeared before me and he submitted that most of the mandatory information has been placed on the Company's website which address is 'http://www.chakwalgroup.com/ywml/home.php'. During the course of hearing, it was highlighted that to date the company has failed to place most of the requisite information on its website. He requested for another week to update the website in accordance with SRO-I & II. His request was acceded to and he was given one week time to make good the default and undo the irregularity.

6. The review of the following three websites of the Company:

'www.yousafweaving.com' (as per its letterhead)

'http://www.chakwalgroup.com/ywml/home.php (as provided by the Authorized Representative in the hearing) and www.chakwalgroup.com (as per the Company's letter dated March 28, 2016)

revealed that the Company has not maintained its website in compliance with the Commission's directions given through SRO-I & II by placing mandatory information on it. No mandatory information has been placed on website address 'www.chakwalgroup.com' except annual reports and on website address 'www.yousafweaving.com', no updated mandatory information has been placed; only accounts till 2012. The website address given by the Authorized Representative 'http://www.chakwalgroup.com/ywml/home.php' is defective as it exhibits 'Ever feel like you're in the wrong place.'

7. 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). The provisions of sub-section (1) of section 495 of the Ordinance are reproduced as under:

"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

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 -

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.”

8. I have gone through the facts of the case, provisions of the Ordinance, requirements of the SRO-I, II and written reply of the respondent as well as submission / pledge of the authorized representatives during the course of hearing to maintain and uploading of mandatory information on the Company's website within a week time from the hearing, The Company has not maintained its functional website in compliance with the direction given by the Commission through SRO-I & II. Hence, I am of the view that the Company is in continuous default Therefore, taking cognizance of the fact, I hereby conclude the proceedings initiated under section 495 (1) of the Ordinance read with section 476 of the Ordinance and SRO-I, impose a fine of **Rs20,000** on the respondent.

The aforesaid fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the "Securities and Exchange Commission of Pakistan" **within thirty days** from the receipt of this order and furnish receipted bank voucher to the Commission. In case of non-deposit of the fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the aforesaid fine is imposed on the respondent in his personal capacity; therefore, he is required to pay the said amount from his personal resources.

9. Before parting with the order, I invoke the provisions of section 473 of the Ordinance and direct the Company and the respondent to develop a standalone functional website of the Company with unique website address and maintain the same by placing all the mandatory information in sequential order of information under appropriate heads as provided in the SRO-I & SRO-II and submit a "**Compliance Certificate**" to the Commission as per paragraph 6 of the SRO-I by July 25, 2016 along with mentioning the Company's website address. The Company is further advised to keep the website updated in future.

10. 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.

Aamina Aziz
Director (CSD)

Announced:
June 27, 2016
Islamabad