



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

Ruby Textile Mills Limited

Number and date of SCN: CSD/ARN/145/2015-3128 dated February 3, 2016
Date of hearing: February 18, 2016
Present for Respondent: Mr. Faisal Sami, 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 Ruby Textile Mills Limited (the “Company”). The proceedings against the respondent were initiated through show cause notice (the “SCN”) dated February 3, 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. Furthermore, 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. It was observed that it has not developed and maintained a functional website in contrary to the requirements of SRO-I and SRO-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 (I) of section 495 of the Ordinance for not complying with the Commission’s direction given in the SRO-I &II along with fixing hearing for February 18, 2016.

4. On the date of hearing, Mr. Faisal Sami Sial (the “Authorized Representative”) appeared before me and he was questioned about the development and maintenance of website as per direction given by the Commission through SRO-I & II. The authorized representative pledged that complete information in accordance with SRO-I & II will be placed on Company’s website within a week time. The Company vide its letter dated February 27, 2016 informed the Commission as under:

“We have re-established a functional website as on 20th February, 2016, stating the following heading under the notification Nos S.R.O. 634 (I)/2014 of 10th July, 2014 and S.R.O. 684 (I)/2015 of 15th July, 2015: Profile of the Company, Governance, Investor’s relations, Media, Election of Directors and



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Investor's information and all the required annual and quarterly accounts have been placed on website. However, we are in process to place the compliance certificate and will be placed before 5th March, 2016."

5. The Company's website was reviewed and the following observations are made:

S. No.	Headings of SRO-I and SRO-II	Observations
1	SRO-II Placement of Jamapunji Logo on Company's homepage along with access to Jamapunji portal	Jamapunji Logo on Company's homepage along with access to Jamapunji portal has not been placed.
2	A. Profile of Company-SRO-I i. Vision, mission and details of permissible business activities	Vision, mission statements have not been provided.
3	B. Governance-SRO-I i. Profile of Board of Directors ii. Name of auditor of the Company	iii. Names of directors have been provided without their profile. iv. Name of auditor of the Company not provided.
4	C. Investor Relations-SRO-I i. Online form / contact details of person designated for assisting and handling investor grievances (including website link of SECP's investor complaint section: http://www.secp.gov.pk/ComplaintForm1.asp). ii. Site map and search facility	i. Company's Online form / contact details of person designated for assisting and handling investor grievances has not been provided. ii. Site map and search facility have not been provided.
5	E. Election of Directors-SRO-I	Information with regard to "Election of Directors" has been provided under heading "Governance" instead of "Election of Directors"
6	F. Investor Information i. Symbol of the company assigned by stock exchange ii. Financial highlights for previous five years iii. As per the latest available yearly financial statement: Earning per share, P/E ratio and breakup value iv. Name and address of shares registrar of Company v. Free float of the shares of Company	No information with regard to items i-v has been provided.
7	Compliance Certificate	Scanned copy of compliance certificate has not been placed on the Company's website as well as the same has not been 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).

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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. Furthermore, placement of Jamapunji Logo on Company's homepage along with access to Jamapunji portal is mandatory as per SRO-II. The review of website of the Company <http://www.rubytexile.com.pk> has revealed that the Company has made substantial compliance as most of the requisite information has been placed on its website. However, the deficiencies observed have been highlighted in preceding paragraph of the order.

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 observations as highlighted in paragraph 5 of the order, the Company has substantially complied with the requirements of SROs. Therefore, taking cognizance of the fact, I hereby conclude the proceedings initiated under section 495 (1) of the Ordinance with a warning to the respondent to be careful and ensure meticulous compliance with applicable laws and directions of the Commission within prescribed time.

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 5 of the order under appropriate heads and submit a compliance certificate as per SRO-I within 07 days from the date of receipt of this order. The Company is also advised to keep the website updated in future.

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:
March 10, 2016
Islamabad