



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

Kohinoor Spinning Mills Limited

Number and date of SCN: CSD/ARN/286/2016-3435 dated February 26, 2016
Date of hearing: March 9, 2016
Present for Respondent: Mr. Hasan Ahmad, Company Secretary,
(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 Kohinoor Spinning Mills Limited (the “Company”). The proceedings against the respondent were initiated through show cause notice (the “SCN”) dated February 26, 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) 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 noticed that the Company had, prima facie, contravened with the directions of the Commission given in the SRO-I & II by not developing its standalone website and had not placed the mandatory information on it. 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.

4. On the date of hearing, Mr. Hasan Ahmad, Company Secretary (the “Authorized Representative”) appeared before the undersigned and he was questioned about the development of website and placement of mandatory information thereon as per direction given by the Commission



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department Company Law Division

Continuation Sheet - 1 -

through SRO-I & II. The authorized representative informed that the Company has developed its website with its group under address 'www.chawalgroup.com/kohinoorspinningmills/its/home.php' and all the mandatory information has been placed thereon. Moreover, the respondent vide his letter dated March 10, 2016 received by the Commission on March 14, 2016 also informed that the Company's website under the aforesaid address is alive and he also submitted Compliance Certificate therewith.

5. 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	C. Investor Relation 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/ComplaintFormI.asp)	Heading of SECP Complaint form has been given but the website link of SECP's investor complaint section: http://www.secp.gov.pk/ComplaintFormI.asp is not opening.
2	F. Investor Information Interim accounts i.e. latest available accounts as well as for the last three quarters	1 st quarterly accounts for the quarter ended September 30, 2015 has not been placed.
3	Compliance Certificate	<u>Chief Executive Officer's declaration in second paragraph of the Certificate is reproduced as under:</u> "I also undertake to make necessary arrangements that financial statements, reports and other information for the year 30 th June 2016 shall be made available on website throughout the period as prescribed in the aforesaid notification". <u>Amendment required in the above paragraph of declaration in accordance with SRO-I</u> <ul style="list-style-type: none">• Add words " <i>the annual</i>" before words "financial statements";• Delete words "for the year 30th June 2016 shall be made available on website throughout the period as prescribed in the aforesaid notification"; and• Add words "<i>relating to the company shall remain available for at least next three years</i>" after words "other information".

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).

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

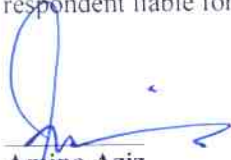
Continuation Sheet - 2 -

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 'www.chawalgroup.com/kohinoorspinningmills/its/home.php' 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.

7. I have gone through the facts of the case, provisions of the Ordinance, requirements of the SRO-I & II and arguments of the authorized representative as well as written reply of the respondent. I am of the view that even though there are minor observations as highlighted in paragraph 5 of this order, the Company has substantially complied with the requirements of SRO-I & II. 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 in future 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 this order under appropriate heads and submit a revised Compliance Certificate within 10 days from the date of receipt of this order and place the same on the Company's website as well.

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 15, 2016
Islamabad