



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

Kohinoor Industries Limited

Number and date of SCN: CSD/ARN/30/2015-3864 dated March 30, 2016
Date of Company's reply: April 11, 2016

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 Industries Limited (the "Company"). The proceedings against the respondent were initiated through show cause notice (the "SCN") dated March 30, 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. On reviewing of website of the Company, it was observed that the Company has not developed / maintained its functional website in compliance with the SRO-I & II.

4. 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 dated of hearing for April 12, 2016. The Company vide its letter dated April 11, 2016 informed that its website has been placed on Internet on April 11, 2016 with the website link 'www.kil.com.pk' and website Compliance Certificate was also submitted therewith.

5. The Company's website was reviewed and observed that it has developed a functional website and placed majority of the mandatory information as per SRO-I and other SRO-II. It is, however, noted profile of only 02 directors have been provided and links of notice of annual general meeting in English as well as Urdu languages are not opening.

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:

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SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department Company Law Division

Continuation Sheet - I -

"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."

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 has revealed that the Company has made substantial compliance with the provisions of SRO-I and SRO-II as it has updated and maintained functional website by placing the mandatory information except deficiencies pointed out in the paragraph 5 of this order. Furthermore, compliance of aforesaid SROs has not been made within the prescribed timeline.

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 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 the order under appropriate heads and inform accordingly 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:
May 31, 2016
Islamabad