



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director (CSD)

In the matter of

Sana Industries Limited

Number and date of SCN: CSD/ARN/300/2016-3730 dated March 21, 2016

Date of Company's reply: April 9, 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 Sana Industries Limited (the "Company"). The proceedings against the respondent were initiated through show cause notice (the "SCN") dated March 21, 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 its functional website and has not placed the following mandatory information in compliance with the SRO-I & II:

- (a) Placement of website link of SECP investor education portal "JamaPunji" (www.jamapunji.pk) along with its logo which is available on SECP's website (www.secp.gov.pk) at a prominent place on the homepage of Company's website as per SRO-II;
- (b) Shareholding pattern under heading "Governance" of SRO-I;
- (c) Information required under heading "Investor Relations" of SRO-I;
- (d) The following information required under heading "Investor Information" of SRO-I:
 - i. Financial highlights for previous five years;



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- ii. Accounts for the quarter ended March 31, 2015;
 - iii. As per the latest available yearly financial statement: Earnings per share, P/E ratio and breakup value; and
- (e) Scanned copy of the "Compliance Certificate" has not been placed on the Company's website as per SRO-I.

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 date of hearing for March 30, 2016. The Company vide its letter dated March 22, 2016 informed that the Company Secretary / Chief Financial Officer is on leave and is expected back within 15 days and requested to extend the date for receiving the reply upto April 15, 2016. Considering the request of the Company, hearing in the matter was re-fixed for April 15, 2016.

5. The respondent vide his letter dated April 9, 2016 submitted the following reply:

"Due to negligence on our part, our website was not updated as per SRO-I and SRO-2 for which we regret very much. Now, we have updated our website and have given almost all the information and requirements as per the above SROs. We regret very much for our negligence and request your good self to kindly condone this. We assure you that the website information would be regularly updated by us in future."

The matter was also discussed telephonically and the Company vide its letter dated April 14, submitted Website Compliance Certificate.

6. The Company's website was reviewed and observed that it has updated and maintained functional website by placing mandatory information as per SRO-I and other SRO-II.

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 thousand rupees and, in the case of a continuing non-compliance, to a further fine not

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exceeding two thousand rupees for every day after the first during which such non-compliance continues."

7. 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 compliance with the provisions of SRO-I and other SRO-II as it has updated and maintained functional website by placing the mandatory information but the said compliance has not been made within the timeline prescribed under the aforesaid SROs.

8. I have gone through the facts of the case, provisions of the Ordinance, requirements of the SRO-I & II, written reply of the Company assuring of future compliance and the Company has 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.

Amina Aziz
Director (CSD)

Announced:
May 31, 2016
Islamabad