



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company	M/s Metropolitan Steel Corporation Limited
Show Cause Notice No. & Date:	No. CSD/ARN/62/2015 -816 dated January 06, 2025
Respondents:	(i) Mr. Muhammad Umar Mehkari, Chief Executive Officer; and (ii) Metropolitan Steel Corporation Limited
Date(s) of Hearing(s):	(i) March 19, 2025; and (ii) April 07, 2025
Case represented by:	Muhammad Umar Mehkari, Chief Executive Officer (As Authorized Representative)
Provision of law involved:	Section 510 of the Companies Act, 2017 read with Notification No. S.R.O. 1196(I)/ 2019 dated October 03, 2019
Date of Order:	April 30, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the “**Commission**”) through the Show Cause Notice No. CSD/ARN/62/2015-816 dated January 06, 2025 (“**SCN**”) against M/s Metropolitan Steel Corporation Limited (the “**Company**”) and its Chief Executive Officer (“**CEO**”), hereinafter collectively referred to as the “**Respondents**”, issued under Section 510 of the Companies Act, 2017 (the “**Act**”) read with Notification No. S.R.O. 1196(I)/ 2019 dated October 03, 2019 (the “**Notification**”).

2. Brief facts of the case are that the Company was mandated to maintain a functional website to place complete and accurate information as required in terms of the Notification. The Commission, upon accessing, observed that the official website of the Company (www.msclwire.com.pk) is not operational. In order to probe the matter, the Commission vide letter dated December 03, 2024 sought clarification from the Company regarding non-operationalization of website. In response, the Company vide letter dated December 05, 2024, *inter-alia*, stated that website link is down and they are working on it. The Company further informed that the website will be operational within a month with new server.

3. The aforesaid indicates that the Company is neither maintaining a functional website nor provided any appropriate justification for such failure thereby, *prima-facie*, constituting contravention of the requirement prescribed through the Notification which attracts penal action as provided under Section 510 of the Act. For ease of reference, the relevant provisions are reproduced hereunder:

“510. Power to issue directives, circulars, guidelines.- (1) The Commission may issue such directives, prudential requirements, codes, guidelines, circulars or notifications as are necessary to carry out the purposes of this Act and the rules and regulations made under this Act.

(2) Any person, who obstructs or contravenes or does not comply with any directive, prudential requirements, codes, circulars or notifications, given under this section shall be liable to a penalty of level 3 on the standard scale.”

4. Accordingly, SCN was served upon the Respondents, requiring them to show the cause as to why penal action as provided under Section 510 of the Act may not be taken against them for the aforementioned contravention of the law. In response to SCN, Mr. Abul Mojahid, Company Secretary vide letter dated January 10, 2025, *inter-alia*, submitted that all the information and financials are available on company website i.e. www.msclwire.com.pk. He further informed that the previous website was un-operational due to credit and payments conversions into dollars to wix.com, the overseas vendor/ service provider for web services, and while assuring future compliance requested the Commission not to penalize the Company as the issue has been sorted and new website in operational.

5. In order to provide an opportunity of being heard to the Respondents, hearing in the matter was first fixed for March 19, 2025 which was adjourned on the request of the Respondents. Later, in order to meet the

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ends of justice, hearing in the matter was re-fixed on April 07, 2025 when Mr. Muhammad Umar Mehkari, Chief Executive Officer (“CEO”) appeared on behalf of the Respondents as their *Authorized Representative*. The Authorized Representative reiterated the written response to SCN and, *inter-alia*, submitted that the previous website was maintained by a foreign service provider however their operations suspended due to overseas payments issues to be made in US Dollars. The Authorized Representative further informed that the Company has shifted to a local service provider who has developed a new website of the Company which is operational and all the required information is placed therein. In light of the same the Authorized Representative requested lenient view while assuring future compliance.

6. I have gone through the provisions of the Notification relevant to the instant proceedings and considered the facts of the case, along with written and verbal submissions of the Respondents and their Authorized Representative. I have also perused Section 510 of the Act, which stipulate penal provisions for contravention of the afore-referred provisions of the Notification. I am of the considered view that the requirements of the Notification in terms of maintenance of a functional website to place complete and accurate information therein is mandatory for the listed companies and the Respondents were required to comply with the same without fail which required them to develop a mechanism to regularly review the functionality and completeness of Company’s website.

7. It is observed that the intent of the legislature while mandating the maintenance of website for the listed companies was to enhance transparency, improve corporate governance and increase investor confidence in the listed companies. The said requirement ensures that investors, stakeholders and the public have easy access to crucial information about the company's operations, financial performance and corporate policies, and provides greater visibility to the company’s activities and governance, which fosters accountability. Additionally, the maintenance of a website serves as a platform for the company to disseminate essential disclosures, including financial statements, annual reports, notices, and other regulatory filings, in a timely and accessible manner thus facilitating informed decision-making. The benefit of the aforesaid requirement is multifold as it not only enhances the credibility of listed companies but also strengthens investor protection by ensuring that they have access to reliable and up-to-date information.

8. The Respondents themselves in their reply to SCN and the Authorized Representative during the hearing held on April 07, 2025 admitted that the link to the website of the Company remained down however the issue was later resolved and the website of the Company is now operational with all required information and documents placed therein. However it is observed that subsequent compliance of the given requirements of the law, although have been given due weightage, but does not exonerate the Respondents from their primary responsibility of ensuring maintenance and functionality of the website at all times.

9. After careful consideration of all the facts of the case in light of the relevant provisions of the law, and the written and verbal submissions made by the Respondents, I am of the considered view that the aforesaid contravention with the requirements of the Notification at relevant point in time has been established beyond doubt which attracts penal action in terms of Section 50 of the Act. I have also given due attention to the grounds presented by the Authorized Representative in respect of the said non-compliance and the fact that the website of the Company was subsequently made operational and that none of the stakeholders have filed any complaint during the transition period. I, therefore, in exercise of the powers conferred upon me under Section 510 of the Act read with SRO 1545(I)/2019 dated December 06, 2019, hereby conclude the proceedings initiated through SCN with a strict **Warning** to the Respondents. The Respondents are also advised to ensure meticulous compliance with the applicable legal and regulatory framework in future.



Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:
April 30, 2025
Islamabad.

Order in the matter of M/s. Metropolitan Steel Corporation Limited and its CEO dated April 30, 2025