



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

ORDER	
Name of Company:	M/s. Berger Paints Pakistan Limited
Show Cause Notice No. & Date:	CSD/ARN/89/2015-588 dated June 27, 2025
Name(s) of Noticee(s):	(i) Dr. Mahmood Khan, Chief Executive Officer/Director; and (ii) M/s. Berger Paints Pakistan Limited through its Chief Executive Officer
Date of Hearing:	July 24, 2025
Case represented by:	Mr. Abdul Hanan, Head of Corporate Affairs of M/s. Hussain Corporate Advisors <i>As the Authorized Representative on behalf of the Noticee(s).</i>
Provision of law involved:	S.R.O. 1196(I)/2019 dated October 03, 2019 read with Section 510 of the Companies Act, 2017.
Date of Order:	August 11, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through Show Cause Notice No. CSD/ARN/89/2015-588 dated June 27, 2025 ("SCN") against M/s. Berger Paints Pakistan Limited (the "Company") and its Chief Executive Officer (CEO), hereinafter collectively referred to as the "Noticee(s)", for contravention of the requirements of S.R.O. 1196(I)/2019 dated October 03, 2019 (the "SRO") read with Section 510 of the Companies Act, 2017 (the "Act").

2. The Commission, vide the SRO, directed all public companies to maintain a functional website and place thereon the requisite information by substantially following the prescribed sequential order; where any violation of the provisions of SRO attracts penal action in terms of clause 8 of the SRO read with sub-section (2) of Section 510 of the Act; which in-turn provides that any person, who obstructs or contravenes or does not comply with any directive, prudential requirements, codes, circulars or notifications, shall be liable to a penalty of level 3 on the standard scale.

3. Brief facts of the case are that a review of the Company's website at 'www.berger.com.pk' revealed that the Company was not maintaining its website in accordance with the requirements of the SRO. In order to probe the matter, the Commission, vide its letter dated February 03, 2025, communicated a detailed list of non-compliances to which the Company, in its response vide letter dated February 25, 2025, attributed its non-compliance to oversight and maintenance issues. The Company further informed that the necessary details, as required, have been updated on the website and that it remains committed to regulatory compliance and transparency.

4. Having not being satisfied with the response, cognizance was taken for the alleged violation of law and SCN was served upon the Noticee(s) to show the cause in writing as to why a penal action may not be taken against them for non-compliance of the requirements of the SRO. In response to SCN, the Company Secretary, vide letter dated July 10, 2025, requested an extension in submitting the reply to SCN which was duly granted.

5. Subsequently, Mr. Abdul Hanan, Head of Corporate Affairs of M/s. Hussain Corporate Advisors, as the Authorized Representative of the Noticee(s) (the "Authorized Representative"), vide letter dated July 19, 2025, *inter alia*, submitted as under:

"We respectfully submit the following status of the Company's website for your kind consideration:

Handwritten signature and date:
11-08-2025

a) Governance: The appointment of Director i.e., Ms. Roohi R. Khan and legal advisor i.e., Zafar & Associates, has already been updated on the Company's website.

b) Election of Directors: As per the regulations, we had posted the notice and proxy form, along with profiles of the directors contesting the election for 2023, on website. However, this information was inadvertently removed due to maintenance and upgrades to our website. We have now taken corrective action and restored all necessary documents related to the 2023 election on our website.

c) Investor Information: The Company's website has now been updated with the latest free float data for 2024, along with the most recent PACRA ratings.

d) Profile of the Company: The names of other associates from the website are updated.

e) Investor Relations: We have acknowledged the issue and consult with our web designer about implementing a site map and search option.

f) Media: I would like to clarify that our registered address has been updated on our website. Additionally, we have responded to Pakistan Stock Exchange's (PSX) inquiries regarding the unusual volume movements in a letter dated September 05, 2024.

In that correspondence, we confirmed that we do not possess any material or price-sensitive information that could affect the market price or volume of our shares. As a result, we have not published that announcement on our website, as our primary communication concerning this issue is aimed at PSX and there was no material price sensitive information to be disclosed.

g) We also consult the website designer to have the contents in sequence order. Our goal is to ensure full compliance with the SRO, and we are dedicated to making these updates within the next three months.

In view of the above, it is respectfully submitted that as this is the first-time default of provision of the SRO and the Company has subsequently complied with most of the requirements of the law before submission of the response of SCN; therefore, the proceedings may be concluded without any adverse orders."

6. In order to meet the ends of justice by providing an opportunity of being heard to the Noticee(s), a hearing in the matter was fixed for July 24, 2025, which was attended by the Authorized Representative. During the hearing, the Authorized Representative reiterated the response earlier furnished to SCN and, *inter alia*, submitted that the Company is already in the process of rectifying the website. It was explained that while some of the areas identified in the earlier communication by the Commission and the subsequent SCN have already been updated, the remaining required information will also be updated and will follow the prescribed sequential order as required under the SRO. Therefore, the Authorized Representative requested a leniency in the matter.

7. I have gone through the relevant provisions of the SRO read with Section 510 of the Act and have considered the facts of the case, as well as the written and the verbal submissions made by the Noticee(s) through their Authorized Representative. It is pertinent to note that in the present era of digital access and prowess, a functional and regularly/effectively updated company website is not merely a regulatory formality but a critical instrument for fostering transparency, disclosure, equitable access to information and enhancing stakeholder engagement. Through the SRO, the Commission has underscored the importance of structured online disclosures by prescribing the minimum content and

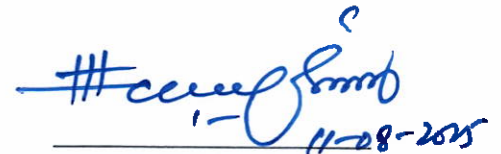
Accepted
11-08-2025

sequence to be followed by all public companies. This regulatory step is aimed at enabling investors, shareholders, analysts, and the general public to access accurate and timely corporate information with ease. Non-adherence to these requirements undermines market confidence, creates information asymmetries and detracts from the principles of good governance and corporate accountability that the regulatory regime seeks to uphold in letter and spirit.

8. In light of the foregoing and the admission made by the Noticee(s), it has been established beyond doubt that the Company has failed to meet the requirements of the SRO. Due consideration has also been given to the fact that the Noticee(s) have shown a positive approach in respect of realizing the importance of maintaining and displaying current and correct information on the Company's website while also assuring to exercise greater vigilance in adhering to the legal/regulatory requirements in future. I, therefore, in exercise of powers conferred upon me under Section 510(2) of the Act read with S.R.O. 1545(I)/2019 dated December 6, 2019, hereby impose penalty of **Rs.10,000/- (Pak Rupees Ten Thousand Only)** on the Company/Noticee(s) No. (ii) and a **Warning** to Noticee(s) No. (i). The Noticee(s) are advised to ensure meticulous compliance with all applicable laws in the future.

9. The Noticee(s) are further **ADVISED** to update the required remaining information at the earliest to ensure that the website is fully compliant with the SRO in an earliest possible manner and accordingly, report the compliance of the same to the Supervision Division of the Commission in due course.

10. The Noticee(s) No. (ii) is hereby directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue pursuant to provision of Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997.



Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:

Dated: August 11, 2025

Islamabad

