



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s Karam Ceramics Limited
Show Cause Notice No. & Date:	CSD/ARN/324/2016-586 dated June 26, 2025
Name(s) of Noticee(s):	(i) Syed Mazhar Ali Nasir, CEO/Director; and (ii) M/s. Karam Ceramics Limited.
Date(s) of Hearing(s):	July 15, 2025
Case represented by:	Syed Mazhar Ali Nasir, CEO/Director (as the Authorized Representative on behalf of the Noticee(s))
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:	July 25, 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/324/2016-586 dated June 26, 2025 (**"SCN"**) against M/s Karam Ceramics Limited (**the "Company"**) and its Chief Executive Officer, 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 review of website of M/s. Karam Ceramics Limited (**the "Company"**) at "www.karamceramics.com" revealed that the Company was not maintaining its website as per the requirements of the SRO. In order to probe the matter, the Commission vide its letter dated December 30, 2024 communicated a detailed list of non-compliances for which the Company in its response vide letter dated February 22, 2025 attributed its non-compliance to technical issues. The Company further informed that the necessary data was uploaded from their end and to resolve the issue permanently they have engaged experts in the field and the issues have been resolved and after a thorough review the Company confirmed that the website is fully functional, updated and compliant with SRO 1196/2019.

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) on June 26, 2025 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.

5. In response to SCN, the Company vide its letter dated June 30, 2025, *inter alia*, submitted as follows:

"Website is currently undergoing rectification. We are in the process of developing a new and fully functional website to ensure compliance with the requirements outlined in the referenced SRO. Below is a status update in accordance with the specified clauses of the SRO:

#ceal
1-1-2025

Clause 2A, Sub-clause 1(a):

The associated company, M/s Swat Ceramics (Pvt) Limited, is currently listed under the heading "Our Company" in the website navigation bar.

Clause B, Sub-clause 1(a)i(i) (ii):

- i. The names and profiles of the directors are available on the website.
- ii. The pattern of shareholding has recently changed and under revision and will be updated shortly.
- iii. The name of the current auditor, Crowe Hussain Chaudhury & Co. is displayed on the website.

Clause C, Sub-clause 1(c)(ii), (iii), and (iv):

- i. Notice of the General Meeting for the year 2024 is available on the website.
- ii. A site map is also available.

Clause D, Sub-clause 2(g):

- The next election of directors is scheduled to be held on October 24, 2025.

Clause E, Sub-clause 2(g):

- The website currently contains correct information to the best of our knowledge.

Clause F, Sub-clause 2(h)(i), (v), and (vii):

- Due to unresolved technical issues, we intend to launch a new website to fully meet the mandatory requirements.

In light of the above, we respectfully request that a period of one month be granted to enable us to complete and deploy a compliant and professionally developed website containing all requisite information."

6. In order to meet the ends of justice by providing an opportunity of being heard to the Noticee(s), hearing in the matter was fixed for July 15, 2025; which was attended by Syed Mazhar Ali Nasir (CEO/Director) as the "Authorized Representative" on behalf of all the Noticee(s). The Authorized Representative during the hearing, *inter-alia*, submitted that:

- (i) The website is currently undergoing rectifications as the management has initiated the complete revamping of its website for which board approval has already been sought.
- (ii) The earlier management team, which maintained the website and had the legacy data with it, has already left. Accordingly, the new management is in the process to revamping the website which is almost 90% complete.
- (iii) Due to staff turnover the legacy data of the Company was not available with the new management to timely update/revive the web site. However, the Company has arranged to place critical data relating to financials on the website to the best of its efforts.
- (iv) Majority shareholding of the Company is with the management of the Company which are all members of the same family; therefore, the impact on general public for non-availability of the website is minimal.
- (v) The current management of the Company has been trying to revive the overall operations of the Company since 2022/2023 which is taking some time and efforts.
- (vi) A lenient view is requested as the management is fully committed to ensure compliance by July 31, 2025 with the launch of the revamped website.

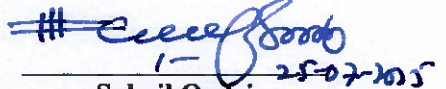
7. I have gone through the relevant provisions of the SRO read with Section 510 the Act and have considered the facts of the case, as well as written and verbal submissions made by the Noticee(s) through the Authorized Representative. It is pertinent to note that in the present era of digital access 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 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

Handwritten signature and date:
25-07-2025

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 spirit.

8. In light of the foregoing and the admissions 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.20,000/- (Pak Rupees Twenty Thousand Only)** on the Company with an **ADVICE** to Noticee no. (i) to ensure meticulous compliance with all applicable laws in the future.

9. The Company is further **ADVISED** to complete the ongoing process at the earliest to ensure that the website is duly available to public in an earliest possible manner and accordingly report the compliance of the same to the Supervision Division of the Commission in due course.


Sohail Qadri
Director/ HOD
Adjudication Department-I

Announced:

Dated: July 25, 2025

Islamabad

