



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division

#### Order

#### *In the Matter of*

#### **D. G. Khan Cement Company Limited**

Number and Date of SCN: CSD/ARN/36/2023-563  
dated November 06, 2024

Hearing Date: December 11, 2024

Present: Mr. Rashid Sadiq  
as the Authorized Representative

#### **Under Section 237 read with Section 479 of the Companies Act, 2017**

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (**the Commission**), through Show Cause Notice CSD/ARN/36/2023-563 dated November 06, 2024 (**the SCN**) issued under Section 237 of the Companies Act, 2017 (**the Act**) read with Section 479 thereof and Circular No.11 dated August 11, 2023 (**Circular**), against the Board of Directors, Chief Executive Officer (CEO) and Chief Financial Officer (CFO), hereinafter collectively referred to as the **Respondents**, of D. G. Khan Cement Company Limited (**the Company**).

2. The brief facts of the case are that from the perusal of relevant record, it transpires that the Company has filed/transmitted with the Registrar/Commission, its second Quarterly Financial Statements (QFS) with a delay of 34 days as per the details provided hereunder:

Period Ended	Due on	Date of Filing/Transmission of QFS with the Registrar/Commission
December 31, 2023	February 29, 2024	April 03, 2024 (delay of 34 days)

3. The relevant provisions of the Act stipulate as under:

***“237. Quarterly financial statements of listed companies. — 1) Every listed company shall prepare quarterly financial statements within a period of :-***

- a) thirty days from the close of first and third quarters of its year of accounts; and*
- b) sixty days from the close of its second quarter of its year of accounts.*

***2) The quarterly financial statements shall be posted on the company's website for the information of its members and also be transmitted electronically to the Commission.***

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*securities exchange and with the registrar within the period specified under sub-section (1).*

....

*4) If a company fails to comply with any of the requirements of this section, every director, including chief executive and chief financial officer of the company who has by his act or omission been the cause of such default shall be liable to a penalty of level 2 on the standard scale."*

4. In taking cognizance of the matter, a SCN was issued to the Respondents. In response, Mr. Rashid Sadiq, on behalf of the Respondents, as the Authorized Representatives (**the Representative**), vide letter dated November 22, 2024, *inter alia*, submitted as follows:

- The Board of Directors of the Company approved the QFS in their meeting held on February 26, 2024 and transmitted the QFS to PSX on February 28, 2024 and also placed the same on the website of the Company.
- Due to non-availability of the related Form for submitting of the QFS at eZfile, the same were submitted to the Commission through miscellaneous Form under e-Services on February 29, 2024 along with the filling fee.
- On March 11, 2024 the concerned CRO directed the Company to file its QFS under the new filing module namely; eZfile.
- Accordingly, the Company re-submitted its reply vide letter dated March 11, 2024 informing that the QFS were filed through miscellaneous Form in eServices due to non-availability of related Form for submitting the QFS.
- The Company approached the relevant CRO multiple times and highlighted the issue in eZfile in respect of non-availability of the option for filing the QFS.
- The QFS were then also physically filed vide letter dated April 03, 2024 after seeking guidance from the concerned CRO.

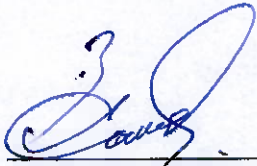
5. To provide an opportunity for personal representation, hearing in the matter was fixed for December 11, 2024 wherein the Representative appeared and reiterated the written response submitted vide letter dated November 22, 2024.

6. I have considered the facts of the case based on the relevant provisions of the Act, available record of the Company, as well as, the written and verbal submissions of the Representative, it is imperative to discuss the following elements:

- In terms of Section 237 of the Act, every company is required to file/transmit QFS within sixty days from the date of close of its second quarter of its year of accounts. QFS are crucial source of information for stakeholders/members. It provides timely insights into a company's financial performance and such information is essential for assessing the company's overall financial health.

- In order to ensure transparency, the Company is required to meticulously adhere to the provisions of Section 237 of the Act for timely filing/transmission of QFS. The Company transmitted the QFS to PSX on February 28, 2024 and also placed the same on its website.
- The Respondents provided screenshots, evidencing the filing of QFS along with requisite information to the Commission through miscellaneous Form under e-Services on February 29, 2024 i.e. within the stipulated time line.

7. In view of the preceding facts, I have concluded that the delay in filing the Company's QFS was caused by a system glitch and cannot be regarded as a default on the part of the Respondents. Considering the given circumstances, I, in exercise of powers conferred under sub-section (4) of Section 237 of the Act, hereby conclude the proceedings initiated through the SCN against the Respondents, without imposing any penalty.



**Mahboob Ahmad**  
Additional Director/Head of Wing  
Adjudication Department – I  
Listed Companies Wing

**Announced:**  
December 13, 2024  
Islamabad

