



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

Order

In the Matter of

LSE Ventures Limited

Number and Date of SCN: Adj-I/ARN/62/2024-572 dated November 11, 2024

Date(s) of Hearing: December 12, 2024

Present: Mr. Sajjad Hyder
(Authorized Representative)

**UNDER SECTION 237 OF THE COMPANIES ACT, 2017 READ WITH SECTION 479
THEREOF AND CIRCULAR NO. 11 OF 2023 DATED AUGUST 11, 2023**

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (**the Commission**) through Show Cause Notice No. Adj-I/ARN/62/2024-572 dated November 11, 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 No. 11**) against the Board of Directors including the Chief Executive Officer (CEO), and the Chief Financial Officer (CFO), hereinafter collectively referred to as the **Respondents**, of **LSE Ventures 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 and third Quarterly Financial Statements (QFS) with delay of 194 days and 133 days respectively, as detailed hereunder:

Quarter Ended	Due Date	Date of Filing/Transmitting through e-Services/eZfile with the Registrar/ the Commission	Delay (days)
December 31, 2023	February 29, 2024	September 10, 2024	194
March 31, 2024	April 30, 2024	September 10, 2024	133

3. In view of above, the Respondents, *prima facie*, have contravened the provisions of Section 237 of the Act read with Circular No. 11 by filing/transmitting QFS for the period ended December 31, 2023 and March 31, 2024 through e-Services/eZfile with the Registrar/Commission with a delay of 194 days and 133 days, respectively.

4. 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 :-



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- 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, 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."

5. While taking cognizance in the aforesaid matter, the SCN was issued to the Respondents. In response, the Company vide letter dated November 15, 2024 filed written response to the SCN, inter alia, stating therein as under:

- (i) QFS for the period ended December 31, 2023 were posted on the Company's website as soon as the same were finalized in the Board's meeting dated February 29, 2024. Moreover, the said QFS were also disseminated to PSX through PUCARS on March 1, 2024;
- (ii) QFS for the period ended March 31, 2024 were posted on the Company's website as soon as the same were finalized in the Board's meeting dated April 29, 2024. Moreover, the said QFS were also disseminated to PSX through PUCARS on April 30, 2024;
- (iii) The Company has been facing technical issues in transmitting QFS through newly launched eZfile portal in place of e-Services portal during the transitional period after notification of the Companies Regulations, 2024;
- (iv) The default may be condoned taking a lenient view in the matter.

6. In order to provide the Respondent an opportunity of personal representation, hearing in the matter was fixed for December 12, 2024, where Mr. Sajjad Hyder, Company Secretary appeared as the Authorized Representative of the Respondents (**the Authorised Representative**). The Authorised Representative argued that QFS for the period ended December 31, 2023 and March 31, 2024 were posted on the Company's website as soon as the same were finalized. Moreover, the said QFS were also sent to PSX through PUCARS; however, the said QFS were filed with the Commission with delay due to technical issues in transmitting QFS through eZfile. He requested to condone the delay for the stated requirement of law.

7. I have considered the facts of the case based on the relevant provisions of the Act, available record of Company as well as the written and verbal submissions of the Authorised Representative. It is imperative to discuss the following aspect of the matter:

- (i) In terms of Section 237 of the Act, every listed company is required to file/transmit QFS within thirty days and within sixty days from the date of close of its first and second quarters of its year of accounts, respectively. QFS are crucial source of



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information for stakeholders/members. It provides timely insight into a company's financial performance and such information is essential for assessing the company's overall financial health.

- (ii) The provisions of Section 237 of the Act are unambiguous and explicit. In order to ensure transparency, the Company is required to meticulously adhere to the provisions of Section 237 of the Act requiring timely filing/transmission of QFS. Reliance is placed on the SECP Appellate Bench Order dated March 1, 2023 (Appeal No. 73 of 2022- Gulistan Textile Mills Limited, vs. SECP), whereby it was held that a public listed company has higher responsibility to disseminate true and accurate state of affairs to all the stakeholders in a timely manner so that they may take appropriate decisions. In view of the aforesaid, it has been observed that the Respondents have contravened the provisions of Section 237 of the Act.
- (iii) After issuance of Circular No. 11, it was mandatory for the Company to transmit QFS for the period ended December 31, 2023 and March 31, 2024 through e-Services/eZfile latest by February 29, 2024 and April 30, 2024, respectively. However, the Company did not furnish any evidence to substantiate its stance that delay in filing QFS was due to any glitch of eZfile.
- (iv) The reason for filing/transmitting QFS for the period ended December 31, 2023 and March 31, 2024 with delay of 194 days and 133 days, respectively is not cogent/justified and Respondents cannot be absolved from their obligations in the matter.
- (v) The Respondents have not shown *bonafide* efforts in filing its QFS through eZfile.

8. In view of above, I hereby conclude that the provisions of the Act have been violated in the matter. The Respondents are liable to penal action in terms of Section 237(4) of the Act as a result of filing/transmitting the Company's QFS for the period ended December 31, 2023 and March 31, 2024 with a delay of 194 days and 133 days, respectively in contravention of provisions of Section 237(1) of the Act read with Circular No. 11. Therefore, in exercise of powers conferred under subsection (4) of Section 237 read with Section 479 of the Act, I hereby impose an aggregate penalty of **Rs. 40,000/- (Rupees Forty Thousand Only)** on the Respondents as follows:

S. No.	Names of the Respondents	Amount of Penalty (Rs.)
1.	Mr. Muhammad Iqbal, Chairman	5,000
2.	Mr. Aftab Ahmad Ch., Chief Executive	5,000
3.	Ms. Aasiya Raiz, Director	5,000
4.	Ms. Minahil Ali, Director	5,000
5.	Mr. Shahnawaz Mahmood, Director	5,000
6.	Mr. Muhammad Tabassum Munir, Director	5,000
7.	Dr. Zahid Mahmood, Director	5,000
8.	Mr. Muhammad Usman, Chief Financial Officer	5,000
Aggregate Penalty		40,000



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9. The Respondents are hereby directed to deposit the aforesaid penalty in the designated Bank Account maintained in the name of the Securities and Exchange Commission of Pakistan with MCB Bank Limited or United Bank Limited within thirty (30) days of the date of this Order and furnish receipted voucher evidencing payment of the same. In case of non-deposit of the penalty, the proceedings for recovery under Section 485 of the Act as arrears of land revenue will be initiated. It may also be noted that the penalty has been imposed on the Respondents in their personal capacity; therefore, they are required to pay the said amount of penalty from their personal resources.

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

Announced:
January 8, 2025
Islamabad