



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

Order

In the Matter of

Goodluck Industries Limited

Number and Date of SCN: CSD/ARN/117/2015-597 dated November 14, 2024

Date(s) of Hearing: December 12, 2024

Present: Mr. Muhammad Nisar, Legal Counsel
(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. CSD/ARN/117/2015-597 dated November 14, 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 **Goodluck Industries 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) for the period ended December 31, 2023 with a delay of 35 days, 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	April 4, 2024	35

3. In view of the above, the Respondents, *prima facie*, contravened the provisions of Section 237 of the Act read with the Circular No. 11 by filing/electronically transmitting QFS to the Registrar/Commission with a delay of 35 days.

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 :-

- 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.*

.....
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."*



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5. While taking cognizance in the matter, a SCN was issued to the Respondents and in response, the Company vide letter dated November 26, 2024 filed written response to the SCN, inter alia, stating therein as under:

- (i) QFS for the previous period ended September 30, 2023 were transmitted through SECP's designated email address i.e. financial.statements@secp.gov.pk on October 30, 2023.
- (ii) Following the aforesaid method, QFS for the period ended December 31, 2023 were also transmitted through the designated email on February 27, 2024.
- (iii) The Listed Companies Department vide letter dated March 8, 2024 advised the Company to file QFS for the period September 30, 2023 through e-Services/eZfile.
- (iv) The Company transmitted QFS for the period ended December 31, 2023 through eZfile portal on April 4, 2024.
- (v) Delayed filing of QFS for the period ended December 31, 2023 was inadvertent and occurred merely due to technical issues in eZfile faced by the Company.
- (vi) The default was unintentional; therefore, it may be condoned.

6. In order to provide the Respondent an opportunity of personal representation, hearing in the matter was fixed for December 12, 2024, wherein Mr. Muhammad Nisar (Legal Counsel) appeared as the Authorized Representative of the Respondents (**the Authorised Representative**). The Authorised Representative reiterated the submissions and arguments made in the written response dated November 26, 2024.

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 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 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.
- (iii) The Commission facilitated the listed companies through issuance of Circular No. 11, which states that "The Securities and Exchange of Commission of Pakistan (the "SECP") in exercise of powers conferred under Section 510 of the Companies Act, 2017 (the "Act") read with Section 458A of the Act i.e. Measures for greater ease of



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doing business and in supersession of Circular No. 24 dated October 19, 2017, hereby directs the listed companies to file annual and quarterly financial statements together with the reports as required to be submitted under the applicable provisions of the Act, through e-Services of the SECP within the stipulated time under the Act.”. If the Company was facing any technical issue in filing QFS through eZfile, it should have sought guidance from the relevant department well before the due date; however, the Company did not furnish any evidence to substantiate its aforesaid stance.

- (iv) The reason for filing/transmitting the aforesaid QFS with delay of 35 days is not cogent/justified and Respondents cannot be absolved from their obligations in the matter.

8. In view of above, I hereby conclude that the provisions of the Act have been violated in the matter. However, keeping in view the track record of compliance of the Company in respect of filing of QFS and fact that the Company has followed the previous practice of transmitting QFS through designated email address, I, hereby close the instant proceedings without any adverse action. Nonetheless, the Respondents are hereby warned to ensure meticulous compliance of the provisions of Section 237 of the Act, in future.

A handwritten signature in blue ink, appearing to read 'Mahboob Ahmad', is written over a horizontal line.

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

Announced:
January 8, 2025
Islamabad

