



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

Order	
Name of Company	Diamond Industries Limited
Number and Date of SCN:	CSD/ARN/562/2018-307 dated June 3, 2024
Date(s) of Hearing:	July 29, 2024; August 09, 2024; October 11, 2024; and December 31, 2024
Present:	No one appeared
Provisions of Law involved:	Section 237 of The Companies Act, 2017 read with Section 479 thereof

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/562/2018-307 dated June 3, 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 and the Chief Executive Officer (CEO), and the Chief Financial Officer (CFO), hereinafter collectively referred to as the **Respondents**, of Diamond Industries Limited (**the Company**).

2. The brief facts of the case are that from the perusal of relevant records, it transpires that the Company filed/transmitted with the Registrar/Commission, its second Quarterly Financial Statements (QFS) with a delay of 61 days as details provided hereunder:

Quarter Ended	Due Date	Date of Filing/Transmitting QFS through e-Services with the Registrar/Commission	Delay (days)
December 31, 2023	February 29, 2024	April 30, 2024	61

3. The aforesaid QFS were also not posted on the Company's website within stipulated time. Therefore, the Respondents, *prima facie*, contravened the provisions of Section 237 of the Act read with the Circular by not filing/electronically transmitting QFS to the Registrar/Commission within the prescribed timeline.

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 :-

- thirty days from the close of first and third quarters of its year of accounts; and*
- 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. Taking cognizance of the matter, the SCN was issued to the Respondents as to why penalty may not be imposed on them for contravening the provisions of Section 237 of the Act read with Section 479 thereof and the Circular. The Respondents did not submit any reply in respect of the same.

6. In order to provide the Respondents an opportunity of personal representation, hearing in the matter was fixed for July 29, 2024. However, the Company Secretary vide letter dated July 26, 2024 requested for adjournment in the matter due to non-availability of the Chief Executive Officer. Accordingly, hearing in the matter was fixed on August 09, 2024 and October 11, 2024. However, the Respondents neither responded nor appeared at the scheduled hearings. Subsequently, a final hearing in the matter was re-fixed on December 31, 2024, with a clear notice stating "final hearing opportunity" and that non-appearance would result in the issuance of an order based on the available record. The aforesaid final hearing notice was also sent at the registered address of the Respondents. Despite this final notice, the Respondents neither responded nor attended the hearing. In order to conclude the proceedings by conducting the hearings, efforts were made to contact the Respondents via telephone using the landline number on the Company's letterhead, and the mobile number of the Company's Secretary available on record, However, despite aforementioned efforts, no one appeared for hearing.

7. I have considered the facts of the case based on the relevant provisions of the Act, and material available on record and it is imperative to discuss the following elements:

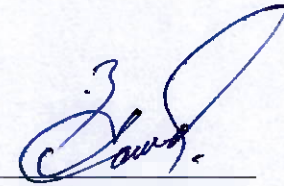
- i. In terms of Section 237 of the Act, every listed company is required to file/transmit QFS within sixty days from the date of close of its second quarter of its year of accounts while also requiring their placement on the official website. QFS are crucial source of information for stakeholders/members. It provides timely insights into a company's financial performance and such information is essential for assessing the company's overall financial health.
- 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 for 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) wherein 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. It is important to note that despite multiple hearing opportunities and attempts to contact the Respondents, they failed to participate in the proceedings or submit any response regarding non-compliance; thereby reflecting their non-cooperative behaviour in the matter. Therefore,

I am left with no other option except to pass an ex-parte order in the subject proceedings on the basis of available record with this office.

8. In view of above, I have concluded that the provisions of the Act have been violated and it renders the Respondents liable to penal action in terms of Section 237 of the Act as a result of filing/transmitting the Company's QFS for the period ended December 31, 2023 with a delay of 61 days in contravention to provisions of Section 237 of the Act. Therefore, in exercise of powers conferred under sub-section (4) of Section 237 of the Act, I hereby impose an aggregate penalty of **Rs. 60,000 (Rupees Sixty Thousand Only)** on the Respondents as follows:

S. No.	Names of the Respondents	Amount of Penalty (Rs.)
1.	Mr. Iftikhar Shaffi, Director	7,500
2.	Mr. Nazir Ahmad, Director	7,500
3.	Mr. Imran Kabir, Director	7,500
4.	Ms. Seema Iftikhar, Director	7,500
5.	Mr. Muhammad Sameer, Director	7,500
6.	Mr. Hashim Aslam Butt, Director	7,500
7.	Mr. Mohib Hussain, Director	7,500
8.	Mr. Munawar Hussain, CFO	7,500
Aggregate Penalty		60,000

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 12, 2025
Islamabad

