



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	Hascol Petroleum Limited
Show Cause Notice No. & Date:	CSD/ARN/554/2018-562 dated November 06, 2024
Date(s) of Hearing(s):	December 09, 2024
Case represented by:	Mr. Amad Uddin, Chief Financial Officer, Mr. Ummad Ahmed, Company Secretary (Authorized Representatives)
Provision of law involved:	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 No. CSD/ARN/554/2018-562 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 (**the Circular**), against the Board of Directors, Chief Executive Officer (CEO) and Chief Financial Officer (CFO), hereinafter collectively referred to as the **Respondents**, of Hascol Petroleum 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 Quarterly Financial Statements (QFS) with a delay as per the details provided hereunder:

Period ended	Due Date	Date of Filing/Transmitting through e-Services with Registrar/ Commission	Delay (days)
June 30, 2024	August 29, 2024	October 15, 2024	47

3. The aforesaid QFS were also not posted on the Company's website within stipulated timeline. Therefore, the Respondents, *prima facie*, contravened the provisions of Section 237 of the Act read with the Circular by filing/electronically transmitting QFS to the Registrar/Commission with the delay of 47 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 :-

- 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. In response, the Authorised Representative vide letter dated November 20, 2024 filed written response to the SCN, inter alia, stating as under:

- i. The delay in the Half Yearly Financial Statements (HYFS) for period ended 30 June 2024 was mainly due to the delay in the Annual Accounts for which AGM was held on 24 July 2024.
- ii. The HYFS are subject to the limited scope review by the statutory auditors of the Company which also consumed some time for finalization of the accounts. Hence, the HYFS of June 2024 were disclosed on October 2, 2024, and the quarterly report was disseminated through PUCARS on October 15, 2024.
- iii. The delay in circulation of the HYFS of June 2024 was also due to compilation of the quarterly report and translation of the Directors' Report in Urdu.
- iv. Subsequent to issuance of HYFS of June 2024, the Company ensured compliance and the results of nine months / third quarter ended September 30, 2024 were issued well within the due date. The Company is confident that this compliance will now continue.

6. In order to provide the Respondent an opportunity of personal representation, hearing in the matter was fixed for December 9, 2024, wherein Mr. Amad Uddin, Chief Financial Officer and Mr. Ummad Ahmed, Company Secretary appeared as the Authorized Representatives of the Respondents (**the Authorised Representatives**). The Authorised Representatives reiterated the submissions made in its written response dated November 20, 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 Representative, 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. 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



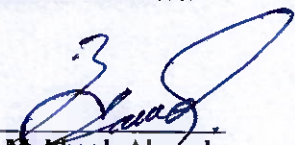
Appellate Bench Order dated March 1, 2023 (Appeal No. 73 of 2022- Gulistan Textile Mills Limited, vs. SECP) it was held that a public listed company has higher responsibility to disseminate true and accurate state of affairs to all the stakeholders in a timely manner so that they may take appropriate decisions. In view of the aforesaid, it has been observed that the Respondents have contravened the provisions of Section 237 of the Act.

- iii. The reason for filing/transmitting the aforesaid QFS with delays is not cogent/justified and Respondents cannot be absolved from their obligations in the matter.

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 above-mentioned period with a delay 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. 450,000/- (Rupees Four Hundred and Fifty Thousand Only)** on the Respondents as follows:

S. No.	Names of the Respondents	Amount of Penalty (Rs.)
1.	Sir Alan Duncan, Chairman	50,000
2.	Mr. Aqeel Ahmed Khan, CEO/Director	50,000
3.	Mr. Farid Arshad Masood, Director	50,000
4.	Mr. Abdul Aziz Khalid, Director	50,000
5.	Mr. Mustafa Ashraf, Director	50,000
6.	Ms. Naheed Memon, Director	50,000
7.	Syed Muhammad Mujtaba Jafarey, Director	50,000
8.	Mr. Amir Amin, Director	50,000
9.	Mr. Amad Uddin, Chief Financial Officer	50,000
Aggregate Penalty		450,000

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.


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

Announced:
 January 28, 2025
 Islamabad

