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**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN****Adjudication Department- I****Adjudication Division**

<b>ORDER</b>	
Name of Company:	<b>M/s. Hascol Petroleum Limited</b>
Show Cause Notice No. & Date:	CSD/ARN/554/2018-525 dated June 04, 2025
Name(s) of Noticee(s):	1. Mr. Mustafa Ashraf, Director; 2. Mr. Farid Arshad Masood, Director; 3. Sir Alan Duncan, Director; 4. Mr. Aernout Willem Boot, Director; 5. Ms. Naheed Memon, Director; 6. Mr. Amir Amin, Director; and 7. Mr. Amad Uddin, Chief Financial Officer.
Date(s) of Hearing(s):	July 10, 2025
Case Represented by:	Mr. Amad Uddin, Chief Financial Officer; and Mr. Ummad Ahmed, Company Secretary.  ( <i>Authorized Representatives</i> )
Provision of law involved:	Section 237 read with Section 479 of the Companies Act, 2017
Order dated:	July 11, 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the “**Commission**”) through the Show Cause Notice No. CSD/ARN/554/2018-525 dated June 04, 2025 (the “**SCN**”) against the Board of Directors and Chief Financial Officer (the “**CFO**”) of M/s. Hascol Petroleum Limited (the “**Company**”) hereinafter collectively referred to as the “**Noticee(s)**” under Section 237 read with Section 479 of the Companies Act, 2017 (the “**Act**”) and Circular No.11 of 2023 dated August 11, 2023 (the “**Circular**”).

2. The provisions of sub-section (1) of Section 237 of the Act requires all public listed companies to prepare its quarterly financial statements within thirty days of the close of their first and third quarters of their year of accounts and within sixty days of the close of their second quarter of their year of accounts.

3. The brief facts of the case are that the Company being public listed company was required to electronically transmit its first quarterly financial statements for the quarter ended March 31, 2025 with the Commission and the registrar, within thirty (30) days of the close of the said quarter i.e. latest by April 30, 2025. As per the relevant record of the Commission, it had failed to file the QFS with the Registrar/Commission.

4. As per the requirements of the Circular, all listed companies are *inter alia* required to file their Quarterly Financial Statements (“**QFS**”) through eService/eZfile of the Commission, and such filing is considered as compliance of Section 237(2) of the Act with respect to

filing/transmission of QFS to the Commission/Registrar. The relevant provisions of law are reproduced hereunder:

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

*(3).....*

*(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 non-compliance of the requirements of law, SCN was served upon the Noticee(s) on June 04, 2025 to show the cause in writing as to why a penal action may not be taken against them for non-compliance of the requirements of Section 237 of the Act read with the Circular. In response to the SCN, the Company Secretary vide letter dated June 16, 2025, *inter alia*, made the following submissions:

- (i) The delay in dissemination of the said Quarterly Accounts primarily resulted from the delay in convening the Annual General Meeting (AGM) of the Company. As communicated in our application dated March 25, 2025 seeking an extension for holding the AGM, the delay was inadvertent and arose due to exceptional circumstances. However, the said request was not acceded to by the Commission.*
- (ii) The Board of Directors approved the annual financial statements for the year ended December 31, 2024 in its meeting held on May 15, 2025. These accounts were thereafter placed before the shareholders and duly approved in the 23rd AGM held on June 11, 2025. The resolutions passed in the AGM have been duly disseminated through PUCARS on the Pakistan Stock Exchange.*
- (iii) The Board meeting for consideration and approval of the first quarterly financial statements is scheduled on Monday June 23, 2025. The said Quarterly Accounts will be disseminated in compliance with the applicable regulatory requirements upon approval by the Board.*

(iv) *In light of the above, we humbly request the Commission to take a lenient view and condone the delay in transmission of the first quarterly financial statements for the period ended March 31, 2025.*

(v) *We remain committed to ensuring full compliance with all applicable laws and regulations and assure the Commission that necessary measures are being taken to prevent recurrence of such delay in the future.*

6. In order to provide the Respondent an opportunity of personal representation, hearing in the matter was fixed for July 10, 2025, wherein Mr. Amad Uddin, Chief Financial Officer and Mr. Ummad Ahmed, Company Secretary appeared as the Authorized Representatives of the Noticee(s) (**the Authorized Representatives**). The Authorized Representatives reiterated the submissions made in its written response dated June 16, 2025 and further stated that the delay in finalization of annual financial statements and the QFS was due to some observations made by the Auditors of the Company.

7. I have gone through the relevant provisions of Section 237 of the Act and the requirements of the Circular, and considered the facts of the case and available record of the Company particularly the compliance history of the Company in relation to the filing/transmission of QFS. I have also perused Section 237(4) of the Act, which stipulates penal provisions for contravention of the afore-referred provisions of law. I have noted that in terms of Section 237(2) of the Act, every listed company is required to file/transmit its QFS within thirty (30) days from the date of close of its first quarter of its year of accounts. QFS are a crucial source of information for the stakeholders, especially shareholders, of a public listed company. It provides timely insights into a company's financial performance and such information is essential for assessing the company's overall financial health.

8. The provisions of Section 237 of the Act unambiguously and explicitly obligate the Company to file/transmit its QFS in a timely manner. In this respect, reliance is placed on an Order passed by the Appellate Bench of the Commission on March 01, 2023 (*in 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 another case cited as 2024 CLD 672 [*Appeal No. 77 of 2021 decided on August 25, 2023*], the Appellate Bench of the Commission held that “...*interim financial statements prepared accurately and in timely manner, provide a reliable source of information regarding a company's financial position and performance to its users, besides illustrating regarding the results of the management's stewardship of resources entrusted to it...*” The significance of transmitting quarterly financial statements of a listed company in a timely manner is also echoed in 2024 CLD 635 – Appeal No. 78 of 2021 decided on August 25, 2023, and 2024 CLD 415 – Appeal No. 97 of 2020 decided on August 25, 2023.

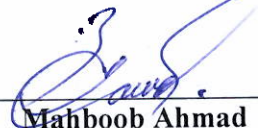
9. The justifications provided by the Notice(s) and the Authorized Representative, do not absolve them of their statutory obligations. Ensuring timely compliance with legal and regulatory requirements is the statutory responsibility of the Noticee(s), regardless of internal challenges.

10. It is pertinent to note that ensuring timely compliance with legal and regulatory requirements is the fundamental responsibility of the BOD. Under the fiduciary duty to obey law, "Directors have a duty to comply with the law". In 2019 CLD 355 Islamabad [Inam Ullah Khan vs Aksa Solutions Development Services (Pvt.) Ltd] wherein it was highlighted that, "It is settled law that Director of a company are saddle with the duty of loyalty, trust and utmost good faith. They are under a duty to act with diligence and care. Such a duty is termed as 'fiduciary'. The Directors, therefore, owe a fiduciary duty towards the shareholders and company".

11. In view of the preceding facts, I am of the considered view that by failing to file/transmit the QFS to the Commission and to upload the same on the Company's website within the prescribed timeframe, the contravention with the requirements of Section 237 of the Act has been established beyond doubt which attracts penal action in terms of sub-section (4) of Section 237 of the Act. I have given due attention to the grounds presented by the Authorized Representative and the Noticee(s) on the said non-compliance. I, therefore, in exercise of the powers conferred upon me under sub-section (4) of Section 237 of the Act, hereby, impose an aggregate penalty of **Rs. 350,000/- (Rupees Three Hundred and Fifty Thousand only)** on the Noticee(s) in the following manner:

S. No.	Names of the Noticee(s)	Amount of Penalty (Rs.)
1.	Mr. Mustafa Ashraf, Director	50,000
2.	Mr. Farid Arshad Masood, Director	50,000
3.	Sir Alan Duncan, Director	50,000
4.	Mr. Aernout Willem Boot, Director	50,000
5.	Ms. Naheed Memon, Director	50,000
6.	Mr. Amir Amin, Director	50,000
7.	Mr. Amad Uddin, Chief Financial Officer	50,000
<b>Total</b>		<b>350,000</b>

12. The Noticee(s) are, hereby, directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue pursuant to provision of Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997.

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

Announced:  
 July 11, 2025  
 Islamabad.