



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s. Imperial Limited
Show Cause Notice No. & Date:	Adj-I/ARN/64/2024-380 dated April 29, 2025
Names of Noticee(s):	1. Mr. Waqar Ibn Zahoor Bandey, Chairman 2. Mr. Naveed M. Sheikh, Director/Chief Executive Officer 3. Mr. Muhammad Tariq, Director 4. Mr. Ibrahim Naveed Sheikh, Director 5. Mr. Shahzad Ullah Khan, Director 6. Mr. Najam Faiz, Director 7. Mrs. Fakhra Chaudhry, Director 8. Mr. Farooq Ahmed, Chief Financial Officer
Date(s) of Hearing(s):	(i) May 26, 2025
Case Represented by:	Mr. Ibrahim Naveed Sheikh, Director/Chief Executive Officer (Representing himself and as Authorized Representative of Noticee(s) no 1,3,5,6,7 & 8) Mr. Naveed M. Sheikh, Director (representing himself)
Provision of Law involved:	Section 237 of the Companies Act, 2017 read with Section 479 thereof and Circular No.11 of 2023 dated August 11, 2023
Order dated:	June 02, 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. Adj-I/ARN/64/2024-380 dated April 29, 2025 (the “SCN”) against the Board of Directors, Chief Executive Officer (the “CEO”) and Chief Financial Officer (the “CFO”) of M/s. Imperial 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 December 31, 2024 with the Commission and the registrar, within thirty (60) days of the close of the said quarter i.e. latest by March 01, 2025. As per the relevant record of the Commission, it has filed the QFS through eZfile on April 18, 2025 with a delay of 48 days. It has also observed that the Company filed the QFS without the filing fee, therefore, deemed not filed in terms of Section 469 of the Act.

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.

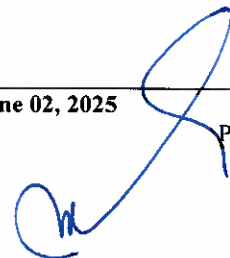
(2) *The quarterly financial statements shall be posted on the company's website for the information of its members and also be transmitted electronically to the Commission, securities exchange and with the registrar within the period specified under subsection (1).*

(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 April 29, 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 May 10, 2025, *inter alia*, made the following submissions:

- (i) We sincerely appreciate the Commission's understanding and the leniency extended to us regarding the delay in submitting the quarterly financial results for the period ended September 30, 2024. This gesture underscores the Commission's commitment to fostering a collaborative regulatory environment.
- (ii) The Company incorporated in 2007, has maintained an exemplary record of timely compliance with all statutory filings, including quarterly and annual financial results, since its inception. The recent delay represents an isolated incident in an otherwise unblemished history of adherence to regulatory timelines.
- (iii) As elaborated vide submission dated January 13, 2025, and during the hearing on January 24, 2025, the delay in filing the first quarterly financial results stemmed from unforeseen complexities in finalizing the Annual Accounts for FY 2024. These challenges, which were beyond the control of the Management and Board, inadvertently affected subsequent submissions. We emphasize that this was an exceptional situation and not reflective of systemic oversight.
- (iv) It is highlighted that the Financial Results for the third quarter ended March 31, 2025, were duly approved by the Board within the stipulated timeline and promptly uploaded to PUCARS in full compliance with regulatory requirements. This underscores our renewed focus on ensuring timely filings.
- (v) In light of the above, we respectfully urge the Commission to consider the extenuating circumstances that led to the delay. The Company reaffirms its unwavering commitment to complying with the Act and all applicable regulations moving forward. We have implemented enhanced internal controls to prevent recurrence, including closer coordination with auditors and staggered timelines for financial closures.



6. In order to meet the ends of justice and to provide opportunity of being heard to the Noticee(s), a hearing in the matter was fixed for May 26, 2025, which was attended by Mr. Ibrahim Naveed Sheikh, Director/Chief Executive Officer (*Representing himself and as Authorized Representative of Noticee(s) no 1,3,5,6,7 & 8*) and Mr. Naveed M. Sheikh, Director (*representing himself as the Noticee no. 2*). During the course of the hearing, the Authorized Representative and the Noticee no. 2 reiterated the response to the SCN submitted vide letter dated May 10, 2025 and assured compliance with the requirements of law in future and requested for a leniency in the matter.

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 sixty (60) days from the date of close of its second 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. Furthermore, the aforementioned QFS for the second quarter ended December 31, 2024, although were filed/transmitted with the Registrar/Commission with a delay of 48 days but without the payment of the fee therefore deemed not filed in terms of Section 469 of the Act.

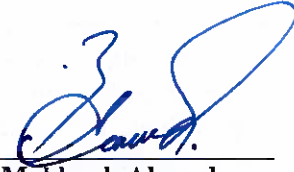
10. The justifications provided by the Noticee(s) and the Authorized Representative, do not absolve them of their statutory obligations. Ensuring timely compliance with legal and regulatory requirements is the fundamental responsibility of the BOD and management, regardless of internal challenges.

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. Due consideration has also been given to the previous compliance history of the Company. 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. 40,000/- (Rupees Forty Thousand only)** on the Noticee(s) in the following manner:

S.No.	Names	Amount of Penalty (Rs.)
1.	Mr. Waqar Ibn Zahoor Bandey, Chairman	5,000
2.	Mr. Naveed M. Sheikh, Director/Chief Executive Officer	5,000
3.	Mr. Muhammad Tariq, Director	5,000
4.	Mr. Ibrahim Naveed Sheikh, Director	5,000
5.	Mr. Shahzad Ullah Khan, Director	5,000
6.	Mr. Najam Faiz, Director	5,000
7.	Mrs. Fakhra Chaudhry, Director	5,000
8.	Mr. Farooq Ahmed, Chief Financial Officer	5,000
	Total Amount	40,000/-

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:
June 02, 2025
Islamabad.