



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division

ORDER	
Name of Company:	Citi Pharma Limited
Show Cause Notice No. & Date:	Adj-1/ARN/20/2022-590 dated November 13, 2024
Respondents:	(i) Mr. Nadeem Amjad, Chairman/Director; (ii) Mr. Rizwan Ahmad, CEO/Director; (iii) Dr. Zameer Ul Hassan, Director; (iv) Ms. Saira Aslam, Director; (v) Mr. Muhammad Naeem, Director; (vi) Mr. Abdul Jaleel Shaikh, Director; (vii) Ms. Farzin Khan, Director; and (viii) Mr. Asif Iqbal, CFO
Date(s) of Hearing(s):	(i) December 16, 2024; (ii) January 14, 2025; and (iii) February 04, 2025
Case Represented by:	Mr. Asif Iqbal, CFO (Authorized Representative)
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:	March 18, 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-1/ARN/20/2022-590 dated November 13, 2024 (the SCN) against the Board of Directors, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of M/s. Citi Pharma Limited (the "Company") hereinafter collectively referred to as the Respondents 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").

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. Sub-section (2) of Section 237 of the Act requires the listed companies to post on their website quarterly financial statements for information of members and also electronically transmit the same to the Commission, securities exchange and with the registrar within the period specified under sub-section (1).

3. The brief facts of the case are that the Company being public listed company was required to electronically transmit its third quarterly financial statements for the quarter ended March 31, 2024 with the Commission and the registrar, within thirty (30) days of the close of the said quarter i.e. latest by April 30, 2024. However, as per the relevant record of the Commission, it has prima facie failed to file/transmit the aforesaid quarterly financial statements with the Commission/registrar.

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 alleged violation of law, a SCN was served upon the Respondents on November 13, 2024 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, Mr. Asif Iqbal, CFO of the Company vide letter dated November 26, 2024 on behalf of the Respondents *inter alia* made the following submissions:

- (i) The delay is regretted, as it was caused by a technical issue with the SECP portal, preventing the submission of the QFS despite their timely preparation. Multiple attempts to resolve the issue with the the SECP's IT Department had been unsuccessful and screenshot of the portal error are attached.
- (ii) The delay was beyond the Respondents' control, therefore, it is requested that no penalty be imposed.
- (iii) The Respondents remain committed to compliance and will undertake all necessary measures to prevent such occurrence in future.

6. In order to provide an opportunity for personal representation, a hearing in the matter was fixed for December 16, 2024. However, Respondent sought adjournment, thereby vide an email dated December 16, 2024 and another hearing was fixed for January 14, 2025 but no one appeared.

7. In order to meet the ends of justice and to provide a final opportunity for personal representation, a hearing in the matter was re-fixed for February 04, 2025, which was attended by Mr. Asif Iqbal, CFO, as the Authorized Representative (the "AR"). During the hearing, the AR reiterated the stance taken vide letter dated November 26, 2024.

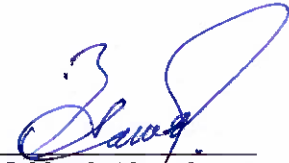
8. Subsequently, the Company vide its email dated February 13, 2025, *inter alia*, submitted that it made concerted efforts to resolve the issue by contacting the Commission. Initially, no response was received from the Commission. Subsequently, upon contacting a representative via phone, it was advised to file a formal complaint on the SECP-XS Portal (**Portal**). However, the complaint remained unresolved. A screenshot of the filed complaint was provided and the technical issue of the eZfile has since been resolved. Consequently, the QFS for the period ended March 31, 2024, have now been successfully submitted. Moreover, the delay, which was entirely due to the aforementioned technical difficulties, is regretted.

9. 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, available record of the Company, as well as written and verbal submissions of the AR. 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 third quarter of its year of accounts. QFS are a crucial source of information for the stakeholders, especially shareholders, of a publicly 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. In terms of Section 237 of the Act, every company is required to file/transmit QFS within thirty days from the date of close of its third 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.

10. 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.

11. It has been revealed that the Company provided a screenshot of the filed complaint to support its argument that the delay in the submission of the QFS was primarily due to a technical error on the eZfile. However, the screenshot indicated a date of November 29, 2024, which was well past the due date. Furthermore, the QFS was ultimately filed with the Commission on February 3, 2025. The subsequent compliance does not absolve the Respondents from the default under Section 237 of the Act. Furthermore, it has been observed that the QFS for the quarter ended March 31, 2024 placed on the PSX website on April 30, 2024.

12. In light of the foregoing, the contraventions of the requirements outlined in the sub-section (2) of Section 237 of the Act have been duly established. However, considering the fact that the Respondents failed to timely comply with the requirement of Section 237 of the Act due to technical glitch in eZfile. The subsequent compliance in filing of QFS has been made. The assurance provided by the AR on behalf of the Respondents for exercising greater vigilance for adhering to legal requirements in future and recognizing the Company's compliance history, I in exercise of the powers conferred under sub-section (4) of the Section 237 of the Act read with S.R.O. 1545(I)/2019 dated December 6, 2019 conclude these proceedings with a strict WARNING to the Respondents. The Respondents are also advised to ensure meticulous compliance with all applicable laws henceforth.



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

**Announced:**  
March 18, 2025  
Islamabad