



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

ORDER	
Name of Company:	M/s. Siddiqsons Tin Plate Limited
Show Cause Notice No. & Date:	CSD/ARN/570/2018-753 dated December 24, 2024
Respondents:	(i) Mr. Ibrahim Shamsi, Director; (ii) Ms. Alia Sajjad, Director; (iii) Mr. Abdul Wahab, Director; (iv) Mr. Muhammad Naeem-ul-Hasnain Mirza, CEO; (v) Mr. Munir Qureshi, Director; (vi) Mr. Muhammad Tariq Rafi, Director; (vii) Mr. Muhammad Yousuf Adil, Director; and (viii) Mr. Furrukh Sadiq, CFO.
Date(s) of Hearing(s):	(i) January 15, 2025; (ii) January 22, 2025; (iii) February 19, 2025 (iv) March 05, 2025; and (v) March 18, 2025.
Case Represented by:	Mr. Amir Khan Afridi, M/s. MJ Panni & Associates. (As the 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 27, 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/570/2018-753 dated December 24, 2024 (the SCN) against the Board of Directors, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of M/s. Siddiqsons Tin Plate 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 first quarterly financial statements for the quarter ended September 30, 2024 with the Commission/the registrar, within thirty (30) days of the close of the said quarter i.e. latest by October 30, 2024. Subsequently, in view of the grant of extension by the Commission vide letter dated October 8, 2024, the Company was required to file/transmit the QFS in the extended time i.e. latest by November 29, 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. In taking cognizance of the alleged violation of law, a SCN was served upon the Respondents on December 24, 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. However, no response was submitted by the Respondents.

6. In order to provide an opportunity for personal representation, a hearing in the matter was fixed for January 15, 2025 but no one appeared. Subsequently, hearing in the matter was re-fixed for February 19, 2025. Mr. M. Javed Panni on behalf of the Respondents vide email dated February 11, 2025 sought adjournment which was duly granted and the hearing was re-fixed for March 05, 2025, which was adjourned.

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 March 18, 2025 which was attended by Mr. Amir Khan Afridi, MJ Panni & Associates as the Authorized Representative (the "Representative"). During the course of the hearing, the Representative stated that the Company failed to conclude the audit for the relevant year due to an ongoing dispute/arbitration with a foreign vendor. It was also submitted that compliance with respect to the instant matter remains pending. The magnitude of the dispute is significant enough to have a substantial impact on the company's financials. The Authorized Representatives assured that the Respondents would implement necessary measures to ensure compliance with legal requirements in the future and requested for a lenient view in the matter.

8. The Representative vide an email dated March 18, 2025, made written submissions on behalf of the Respondents, except Respondent namely: Mr. Furrukh Sadiq, CFO, that the Company was unable to file/transmit the QFS for the period ended September 30, 2024 within the extended timeframe due to the incomplete audit of its annual accounts for the year ended June 30, 2024. The delay in completion of audit and finalization of financial statement has resulted from factors such as an outstanding dispute/litigation, the turnover of key personnel, and the rollback of project. The circumstances constituted force majeure, as they were beyond the management's control and directly impacted the preparation of the Company's financial statements. Consequently, the audit process was prolonged, preventing the Company from finalizing its financial statements, holding the AGM and the QFS for the period ended September 30, 2024 within the prescribed time. Moreover, Chief Financial Officer has resigned and left the Company.

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 Representative. 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. Accordingly, the Company was required to file/transmit the QFS for the period ended September 30, 2024 by October 30, 2024 and despite being granted extension till November 29, 2024, it failed to do so.

10. 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.

11. 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.

12. It is observed that the argument of turnover of key personnel doesn't stand any solid ground as the same should never result in a delay in preparing and filing/transmit the company's statutory

obligations. The Company was obligated to implement effective mechanism to address any such circumstances in order to ensure timely compliance. In the case law in the matter of Pakistan Telecommunication Company Limited v. Wateen Telecom Limited (CLD 2019 Lahore 1213): The Lahore High Court held that the failure to maintain a backup system for critical infrastructure was not a force majeure event, but rather a result of the company's own negligence.

13. It is also observed that the Company has not prepared and file/transmit the QFS for the period ended September 30, 2024 till the date of this order. Needless to say, it is a matter of concern that the Respondents have failed to rectify the non-compliance even after lapse of a considerable time.

14. In view of foregoing, I am left with no other option except to pass an ex-parte order against Respondent namely: Mr. Furrakh Sadiq, CFO (who resigned on January 13, 2025) on the merits of the case and basis of record available with this office as he did not appear in the above scheduled hearings.

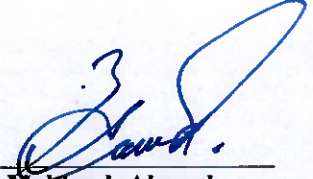
15. In view of the above-stated facts, I am of the considered view that by failing to prepare and file/transmit the QFS for the period ended September 30, 2024 within the stipulated timeline and the extended period, the Respondents have contravened the requirements of sub-Section (2) of Section 237 of the Act. However, in light of the compliance history of the Company and in view of the assurance provided by the Representative on behalf of the Respondents regarding their commitment to exercising greater vigilance in adhering to legal requirements in the future, a lenient view is being deemed appropriate. I, therefore, in exercise of the powers conferred upon me under sub-Section (4) of Section 237 of the Act read with section 479 vide S.R.O. 1545(I)/2019 dated December 06, 2019, hereby, impose an aggregate penalty of **Rs.60,000/- (Rupees Sixty Thousand only)** in the following manner:

S.No.	Name of Respondents	Amount of the Penalty Rs.
1.	Mr. Ibrahim Shamsi, Director	7,500
2.	Ms. Alia Sajjad, Director	7,500
3.	Mr. Abdul Wahab, Director	7,500
4.	Mr. Muhammad Naeem-ul-Hasnain Mirza, CEO	7,500
5.	Mr. Munir Qureshi, Director	7,500
6.	Mr. Muhammad Tariq Rafi, Director	7,500
7.	Mr. Muhammad Yousuf Adil, Director	7,500
8.	Mr. Furrakh Sadiq, CFO	7,500
	Total Amount	60,000/-

Furthermore, the Respondents are advised to ensure achieving all pending compliances in terms of preparation and filing/transmitting the QFS to Registrar/Commission in an urgent manner and report the same to the Supervision Department of the Commission. The Respondents are also advised to remain careful in the future and ensure meticulous compliance with the provisions of law effectively and efficiently.

16. The Respondents 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:
March 27, 2025
Islamabad

