



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

ORDER	
Name of Company:	M/s Saudi Pak Consultancy Company Limited
Show Cause Notice No. & Date:	Adj.1/ARN/66/2025-210 dated March 17, 2025
Name(s) of Noticee(s):	(i) Syed Najmul Hasnain Kazmi, Director/ Chairman (ii) Mr. Niaz Ahmed Khan, Director/CEO (iii) Mr. Muhammad Waqar, Director (iv) Mr. Muhammad Naeem Khan, Director (v) Mr. Muhammad Zahoor, CFO
Date(s) of Hearing(s):	April 09, 2025
Case Represented by:	(i) Syed Najmul Hasnain Kazmi, Director/ Chairman (ii) Mr. Niaz Ahmed Khan, Director/CEO (iii) Mr. Muhammad Waqar, Director (iv) Mr. Muhammad Naeem Khan, Director
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
Date of Order:	May 08, 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/66/2025-210 dated March 17, 2025 (the SCN) against the Board of Directors, Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of M/s Saudi Pak Consultancy Company Limited (the "Company") hereinafter collectively referred to as (the "Noticee(s)") 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 ("QFS") 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 a public listed company was required to file/electronically transmit its Quarterly Financial Statements ("QFS") for the first quarter ended September 30, 2024 with the Registrar/Commission, within thirty (30) days of the close of the said quarter i.e. latest by October 30, 2024. However, as per the relevant record of the Commission, it has *prima facie* failed to file/transmit the aforesaid QFS with the Registrar/Commission.

4. As per the requirements of the Circular, all listed companies are *inter alia* required to file their 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."

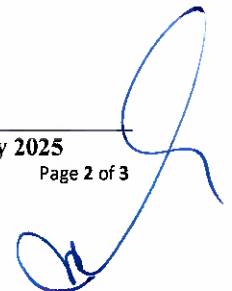
5. Taking cognizance of the alleged violation of law, SCN was served upon the Noticee(s) on March 17, 2025 to show the cause in writing as to why a penal action may not be taken against them for non-compliance of the requirements of Section 237 of the Act read with the Circular. In response to the SCN, Mr. Muhammad Zahoor (CFO) of the Company, vide letter dated March 26, 2025, *inter alia*, made the following submissions:

- (i) The Company has always been committed to regulatory compliance, however in this instance, technical difficulties were faced with uploading of financial statements on the Commission's eZfile portal.
- (ii) They submitted written complaints to the Commission as well as verbal follow-ups regarding the issue of uploading of financial statements.
- (iii) The Company, despite their efforts was unable to get their issue resolved by the Commission and this inability of filing/posting QFS through the Commission's portal was beyond their control.
- (iv) The Company uploaded the accounts on its website and further requested to reconsider the SCN and not impose any penalty.

6. In order to provide an opportunity for personal representation, a hearing in the matter was fixed for April 09, 2025. On the date of hearing, Syed Najmul Hasnain Kazmi, Mr. Niaz Ahmed Khan (also representing Mr. Muhammad Zahoor), Mr. Muhammad Waqar and Mr. Muhammad Naeem Khan appeared in person. During the hearing, the Noticee(s) reiterated the stance taken vide letter dated March 26, 2025. They further assured strict regulatory compliance in future and requested for leniency.

7. The CFO of the Company through letter dated April 09, 2025 submitted that QFS for the period ended September 30, 2024 had been prepared within the stipulated time but they are still unable to upload the QFS through eZfile portal of the Commission. However, the Company provided the QFS along with the aforesaid letter from which it transpired that the QFS prepared within the stipulated time, i.e. on October 29, 2024.

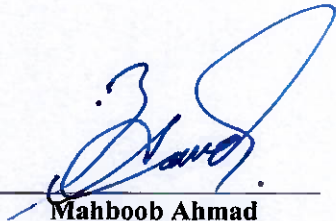
8. I have gone through the relevant provisions of Section 237 of the Act and the requirements of the Circular and considered the facts of the case, available record of the Company, as well as written submissions of the CFO and verbal submissions of the Noticee(s). I have also perused Section 237(4) of 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/third 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.

9. 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.

10. In view of the above-stated facts and circumstances, I am of the considered view that by failing to file/transmit the QFS for the quarter ended September 30, 2024, within the prescribed timeframe, the Noticee(s) have contravened the requirements of Section 237(2) of the Act read with Circular. However, considering the fact that the Company was facing technical glitch with regards to filing of QFS through eZfile portal, approached the Commission for removing of technical glitch, the subsequent submission of QFS in physical form with the Commission on May 08, 2025 and assurance given for exercising greater vigilance in adhering to the statutory requirements in future. I, therefore, in exercise of the powers conferred upon me under sub-section (4) of Section 237 of the Act read with S.R.O. 1545(1)/2019 dated December 06, 2019, hereby, conclude the instant proceedings with a strict **WARNING** to the Noticee(s). The Noticee(s) are also advised to ensure meticulous compliance with all applicable laws in the future.



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

Announced:
May 08, 2025
Islamabad

