



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division

ORDER	
Name of Company:	M/s. Aruj Industries Limited
Show Cause Notice No. & Date:	CSD/ARN/503/2017-383 dated April 29, 2025
Respondents:	1. Mr. Ali Maqsood Butt, Director; 2. Mr. Faisal Khan, Chief Executive Officer; 3. SH. Ghulam Mustafa, Director; 4. Mrs. Durray Zara Butt, Director; 5. Dr. Aruj Butt, Director; 6. Mr. Muhammad Sajjad Hussain, Director; 7. Miss Amara Javaid, Director; and 8. Mrs. Durray Zara Butt, Chief Financial Officer.
Date(s) of Hearing(s):	(i) May 20, 2025; and (ii) May 30, 2025;
Case Represented by:	No One Appeared.
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:	May 30, 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/503/2017-383 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. Aruj Industries Limited (the "Company") hereinafter collectively referred to as the "Respondents" 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 *prima facie* failed to file/transmit the aforesaid quarterly financial statements with the Commission/the 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/the 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).....*

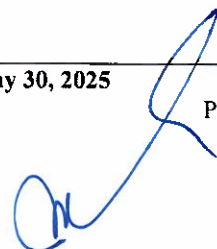
*(4) If a company fails to comply with any of the requirements of this section, every director, including chief executive and chief financial officer of the company who has by his act or omission been the cause of such default shall be liable to a penalty of level 2 on the standard scale."*

5. Taking cognizance of the non-compliance of the requirements of law, the SCN was served upon the Respondents 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. However, no response was submitted by the Respondents.

6. In order to meet the ends of justice and to provide opportunity of being heard to the Respondents, hearing in the matter was fixed for May 20, 2025. However, the Respondents neither appeared in person nor through their representatives. Subsequently, hearing in the matter was re-fixed to provide a final opportunity to the Respondents for personal representation for May 30, 2025. The Respondents again preferred not to appear on the date of scheduled hearing. It is pertinent to record that the hearing notices for both of the scheduled hearings were duly received at the registered office address of the Company i.e. 2-KM off Raiwand- Manga Road, Raiwand, Lahore.

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 especially the compliance history of the Company in relation to the instant matter. 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, have not been timely filed/transmitted with the Registrar/Commission.

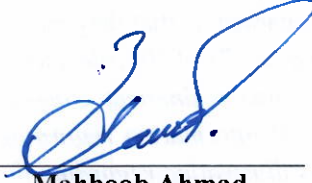
10. In view of the above-stated facts and circumstances, I am of the considered view that by failing to prepare, file/transmit the QFS for the second quarter ended December 31, 2024, the Respondents have contravened the requirements of Section 237(2) of the Act read with the Circular. I have noted that despite provision of multiple hearing opportunities, they failed to participate in the instant proceedings; thereby reflecting their non-cooperative behavior in the matter, therefore, I am left with no other option except to pass an *ex-parte* order against the aforesaid Respondents on the basis of record available with this office.

11. Considering the facts available on record and compliance history with respect to timely filing of QFS, I, therefore, in the exercise of the powers conferred upon me under sub-section (4) of Section 237 of the Act read with Section 479 thereof and S.R.O. 1545(I)/2019 dated December 6, 2019, hereby, impose an aggregate penalty of Rs. **120,000/- (Rupees One Hundred and Twenty Thousand Only)** on the Respondents in the following manner:

S.No.	Name of Respondents	Amount of the Penalty (Rs.)
1.	Mr. Ali Maqsood Butt, Director	15,000
2.	Mr. Faisal Khan, Chief Executive Officer	15,000
3.	SH. Ghulam Mustafa, Director	15,000
4.	Mrs. Durray Zara Butt, Director	15,000
5.	Dr. Aruj Butt, Director	15,000
6.	Mr. Muhammad Sajjad Hussain, Director	15,000
7.	Miss Amara Javaid, Director	15,000
8.	Mrs. Durray Zara Butt, Chief Financial Officer	15,000
	<b>Total Amount</b>	<b>120,000/-</b>

Further, the Respondents are also advised to ensure meticulous compliance with all applicable laws in true letter and spirit, henceforth.

12. 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:  
May 30, 2025  
Islamabad.