



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
Adjudication Department –II  
Lahore.

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*Through Courier*

NO. ADJ-II/LHR/4693

May 02, 2024

The Chief Executive/ Director,  
M/S. Mas Associates (Pvt.) Limited  
1-A, Danepure Road, G.O.R-1,  
Lahore.

**SUBJECT: ORDER IN RESPECT OF SHOW CAUSE NOTICE SCN NO./AO-LHR/2419  
DATED MARCH 20, 2024 IN THE MATTER OF M/S. MAS ASSOCIATES  
(PVT.) LIMITED**

Dear Sir/ Madam,

Please find enclosed herewith copy of the final "Order", in the title matter for proceedings under Section(s) 233 read with section 479 of the Companies Act, 2017, for your record and necessary action.

Mohsin Syed  
Additional Registrar/Adjudication Officer,  
Adjudication Department-II, Lahore.

Cc: Incharge Corporate Registry Department, Lahore.



Securities and Exchange Commission of Pakistan  
Adjudication Department –II, Adjudication Division, 3<sup>rd</sup> & 4<sup>th</sup> Floor,  
7- Edgerton Road, Lahore. [www.secp.gov.pk](http://www.secp.gov.pk)



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
ADJUDICATION DEPARTMENT -II  
LAHORE

Through Courier

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BEFORE MOHSIN SYED, ADDITIONAL REGISTRAR /ADJUDICATION OFFICER,  
ADJUDICATION DEPARTMENT -II, LAHORE.

*In the Matter of*

**M/S. MAS ASSOCIATES (PRIVATE) LIMITED**

Number and date of SCN: SCN No. /AO-LHR/2419 dated March 20, 2024  
Dates of Hearing: March 29, 2024 and April 09, 2024  
Present: Mr. Naeem-ul-Islam, authorized person, representing all the respondent(s).

**ORDER**  
**UNDER SECTION 233 READ WITH SECTION 479**  
**OF THE COMPANIES ACT, 2017**

This Order shall dispose of the proceedings against M/S. Mas Associates (Private) Limited (*"the company"*) and its directors including the chief executive (*"the Respondents"*), initiated through Show Cause Notice (*"the SCN"*) dated March 20, 2024 issued under the provisions of Section 233 read with Section 479 of the Companies Act, 2017 (*"the Act"*).

2. Brief facts of the case are, that *"the company"* had failed to file its audited financial statement(s) for the year ended 2023 with the *"Registrar"* within the stipulated timeline, pursuant to Section(s) 233 of *"the Act"*. Without any prejudice, the company had contravened the aforesaid provisions of *"the Act"* and rendered the company liable to a penalty of level-1 on the standard scale, as provided under Section 233(4) read with Section 479 of *"the Act"*.

3. Consequently, the aforesaid SCN dated March 20, 2024 was issued to *"the respondents"* to show cause in writing as to why penal action as enunciated under Section 233 (4) read with Section 479 may not be taken against *"the company"* for failing to conform to the provisions of Section(s) 233 of *"the Act"*, *ibid*.

4. In the matter of aforesaid SCN, initial opportunity of hearing was provided to *"the company"* by fixing hearing on March 29, 2024 by serving the Show Cause notice on March 20, 2024 at the registered office of *"the company"*, however, both the company and its chief executive/director(s) had failed to appear personally or through an authorized representative on the scheduled date and time of the said hearing. Thereafter, another opportunity of hearing was provided to the company, through its chief executive/director(s) by serving vide hearing notice bearing NO. AO-LHR/2992 sent at the registered office of the company, however, Mr. Naeem-ul-Islam, an authorized representative had appeared on April 09, 2024 in person at CRO Lahore, on the behalf of all the respondent(s) and argued the case. Mr. Islam initiated the case with a stance, that it's a law-abiding company, that gives due care to compliance of every prevailing law(s) and the *"regulation(s)"*, however, he stated the fact that owing to the restructuring of finance and accounts department, these returns/financial statements were inadvertently overlooked and could



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not be filed within timelines by the relevant staff and further informed the undersigned about the delayed filing of the aforesaid financial statements for the year 2023 with the "Registrar", company registration office, Lahore, during the course of proceedings. The arguments of the learned representative were heard at length and duly considered and the same fact about delayed filing of the said financial statements for the year 2023, was also verified and confirmed by the Registrar, CRO, Lahore.

5. Before proceeding further, it is necessary to advert to the relevant provisions of the law and Section 233 of the Companies Act, 2017 which unambiguously stipulates that:

*Sub-section (1) of Section 233 "Without prejudice to the provisions of sub-section (5) of section 223, after the audited financial statements have been laid before the company at the annual general meeting and duly adopted, a copy of such financial statements together with reports and documents required to be annexed to the same, duly signed in the manner provided by sections 226, 232 and 251, shall be filed by the company with the registrar within thirty days from the date of such meeting in case of a listed company and within fifteen days in case of any other company."...*

*Sub-section (4) of Section 233 provides: that Any contravention or default in complying with requirements of this section shall be an offence liable—*

- (a) in case of a listed company, to a penalty of level 2 on the standard scale; and*
- (b) in case of any other company, to a penalty of level 1 on the standard scale*

6. It is clear from the abovementioned scripts of the law that "the company" was in default of Section 233 (1) of "the Act" as it had failed to file the annual audited financial statements for the year ended 2023, with the "Registrar" and within the timeline provided, therein. The nature, seriousness and impact of the breach shows that the act of "the company" was deliberate and the violation has raised serious concerns over the systemic weaknesses of the management systems and internal controls of the company necessitating the need to take serious cognizance and stern action by the Commission by seeing the nature and gravity of the default in the instant case.

7. In terms of the Commission's Notification S.R.O. 1546 (I)/2019 dated December 06, 2019, the powers to adjudicate cases under Section 233 of "the Act" have been delegated to the undersigned as Adjudication Officer, Adjudication Department-II, Lahore.

8. As regards the matter at hand, I have analyzed the facts of the case, relevant provisions of "the Act" and have also heard arguments of the representative and let me state the fact that the afore-mentioned provisions of the law are unambiguous and explicit and the fact that timing is essence of accounts and, the disclosure requirements of these accounts have been kept to a bare minimum. Financial statements and other returns prepared accurately and in a timely manner provide to its users a reliable source of information regarding a company's financial position and performance, besides illustrating the results of the management's stewardship of resources entrusted on to it. In order to ensure transparency, all companies must meticulously adhere to the relevant law(s) for preparation and circulation of financial statements. Directors are obligated to ensure that such mechanisms are in place, and appropriate actions be taken, whereby financial and operational reporting of the company is timely achieved, whilst ensuring due compliance of the law.



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## SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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9. Considering the facts of the case, proceedings and other record presented before the undersigned, I am compelled to infer and decide the case as the company has complied with the mandatory requirements of Section 233 of "the Act", during the pendency of the adjudication proceedings and the same fact has also been verified by the Registrar, Lahore. Before proceeding with the decision, I would also like to highlight that directors of the company are required to exercise the utmost care in making business decisions in order to fulfill their fiduciary duties. Duty of care requires directors to make business decision after considering all available information, requirements of laws/regulations with regard to operations of the company and then act in a judicious manner while promoting the company's best interest, however, as the company has complied with the requirements of Section 233 of "the Act", during the adjudication proceedings, therefore, I, while exercising the powers delegated vide S.R.O. 1546 (I)/2019 dated December 06, 2019, hereby condone penalty, with a "warning" to "the company" for future adherence to the law, in letter and spirit, to conclude "the SCN" proceedings.

Mohsin Syed  
Additional Registrar/ Adjudication Officer,  
Adjudication Department-II, Lahore.

**Announced:**  
May 02, 2024,  
Lahore.

The Chief Executive,  
M/S. Mas Associates (Private) Limited,  
1-A, Danepure Road,  
G.O.R-1,  
LAHORE.

