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## SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

(Adjudication Department-II, Adjudication Division)  
4<sup>th</sup> Floor State Life Building No.2, Wallace Road, Karachi.  
Website: [www.secp.gov.pk](http://www.secp.gov.pk)

CASE No. 37/2023

**BEFORE THE ADJUDICATING OFFICER**

**ORDER UNDER SECTION 130 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017**

**IN THE MATTER OF**

**M/S. BALOCHISTAN BOARD OF INVESTMENT AND TRADE COMPANY**

Case Fixed for Final Hearing: 06-04-2023

**Present:** Usman Masood (Representative)

1. This Order shall dispose of the proceedings initiated under Section 130 of the Companies Act, 2017 ("The Act"), vide Show Cause Notice dated: 28-02-2023 ["the Notice"].
2. The facts of the case are that the company was required to file its Annual statutory return with the Registrar, within 30 days from the date of its Annual General Meeting (AGM) or when no such AGM was held from the last day of the calendar year to which it relates in terms of provisions of section 130(2) of the Act which states that "A Company not having a share capital shall in each year prepare and file with the registrar a return containing the particulars in a specified form as on the date of the annual general meeting or, where no such meeting is held or if held is not concluded, on the last day of the calendar year".
3. However, the record of the company registration office revealed that the company failed to file the Annual statutory return (Form-B) for the year 2022, in violation of the above said provisions of law.
4. The aforesaid violation attracts the penal provisions of sub-section-6(b) of section-130 of the Act which provides that any violation of Section-130 shall be an offense liable to a penalty of Level-1 of the standard scale, i-e up-to Rs.25,000/- and upto Rs.500/- per day during which default continues, as provided u/s 479(2) of the Act. Accordingly, taking cognizance of the matter, a Show Cause Notice dated 28-02-2023 was served to the company, calling upon to Show Cause in my office on 15-03-2023 and subsequently adjourned to 27-03-2023 and 06-04-2023(vide reminder notices dated 16-03-2023 and dated 28-03-2023 respectively), as to why the penalty laid down under the above mentioned section should not be imposed.
5. In response, a letter dated 4<sup>th</sup> April 2023 was received from Mir Hamza Storyani (Policy & Corporate Associate) on behalf of the company. However, Mr. Storyani is neither an office nor authorized by the board of directors of the company.

On the date of final hearing, an official of the company, Mr. Usman Masood, appeared for personal hearing, however, he was not authorized by the competent person. Yet, his submission was taken on record, who submitted in the light of aforementioned letter dated 4<sup>th</sup> April, 2023 that M/s. Balochistan Board of Investment & Trade ("the Company") was fully engaged in the development of Special Economic Zone, Investment Projects in Gawadar, Hub, Chaman Districts and most of our staff were present on the site during the last year for facilitation and enhancement of the province's mega project. Moreover, Company is established nearly in 2018 but fully functioned after 2020 pandemic and have some shortage of human resource as hiring process is ongoing. As some directors are retired from their posts and taking signatures from them is a time taking process. However, this office express regret for the inadvertent non-compliance with the provisions of section 130(2) of the Act, which requires the filing of an annual return on Form B.

He further stated that the company's financial statements are not yet finalized for the year 2022 and accordingly the AGM will be held soon after the audit of the financial statements of the company, which was also confirmed by Mr. Storyani over telephone.

6. The contentions of the representative in the light of reply dated 04-04-2023 that the requirements of Section-130 of the Act could not be complied in accordance with law are not truly justifiable., as it shows negligence on the part of management of the company who is responsible to manage, pursue and make sure that all the statutory requirements of law are fulfilled diligently. However, it has been intimated the AGM for the year 2022 has not yet been held and financial statements for the relevant period have not been finalized due to the reason that all Directors/CEO are government officers holding ex-officio position as members of BoD of the company and as soon as the directors are available the AGM will be held and reported to the registrar accordingly. Notwithstanding, the company could have filed year ended form-A (i.e. made upto 31.12.2022) in terms of the requirements of section 130, which the company has also failed to do so. Hence, a penalty of **Rs. 25,000/-** is hereby imposed on the company in respect of non-filing of year ended annual return (Form-B) for the year 2022. Without prejudiced, the company has admittedly failed to hold its AGM for the year 2022 in violation of the provisions of section-132 of the Act, for which the dealing/concerned Registrar may take cognizance of the default separately.
7. The management of the company is advised to deposit the penalty amount within 30 days from the date of receipt of this order in any designated branches of MCB Bank Limited or UBL Bank and furnish original receipted challan within the above said period and also directed to file the overdue annual return(s) immediately but not later than 30 days from the date of receipt of this order positively.
8. A copy of this order be placed on the record of company maintained by the concerned/dealing Registrar of the Company Registration Office.



**(ZIA UL RASHEED ABBASI)  
ADJUDICATING OFFICER /  
ADDITIONAL REGISTRAR**