



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

(Adjudication Department-II, Adjudication Division)
4th Floor State Life Building No.2, Wallace Road, Karachi.
Website: www.secp.gov.pk

CÁSE No. 1880/2023

BEFORE THE ADJUDICATING OFFICER

ORDER UNDER SECTION 132 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017

IN THE MATTER OF M/S. BESA (PRIVATE) LIMITED

Case Fixed for Final Hearing: 27-April-2023

Present: Rashid Ahmed Baloch (Managing Director)

1. This Order shall dispose of the proceedings initiated under Section-132 of the Companies Act, 2017 ("The Act"), vide Show Cause Notice dated 31-03-2023 ["the Notice"].
2. The facts of the case are that the M/S. BESA (PRIVATE) LIMITED. ("the Company") was incorporated on 02.08.2017. It was required to hold its annual general meetings within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year". However, the examination of the company record revealed that the company failed to hold its Annual General Meetings for the years 2018 to 2021 within prescribed time under the law.
3. The afore mentioned facts depict that the company prima facie, violated the provisions of section 132(1) of the Act, which provides that Every company, shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year.
4. The aforesaid violation attracts the penal provisions of sub-section-5(b) of section-132 of the Act which provides that any violation of Section-132 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 31-03-2023 was served to the company calling upon them to Show Cause in my office on 12-04-2023 and subsequently adjourned to 24-04-2023 (vide reminder notice dated 12-04-2023), as to why the penalty laid down under the above mentioned section should not be imposed.

5. On the date of hearing, Rashid Ahmed Baloch (Managing Director) of the Company appeared before me in person. He stated in the light of his reply dated 17.04.2023 that after the incorporation, no board meeting and no AGM could be held due to non-availability of board members mainly for the reasons of their transfer / posting being ex-Officio Directors / Officers of Govt. of Baluchistan and also due to overall Covid-19 and flood situation in the country.
6. The contentions of the company / Managing Director that the requirements of Section-132 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. The aforesaid circumstances, in spite of being conceivable, should have not been a hindrance in making cautious efforts for holding AGM including seeking direction under section 147 of the Act. No submission has been made and nothing has been proved that the company and its management made sincere effects to hold over due AGMs .It is an apparent ignorance and negligence on the part of BoD/CEO/MD which could not be considered as a plausible plea under the eyes of law. Notwithstanding, keeping in view the circumstances narrated hereinabove and assurance given by the managing Director that the management of the company will ensure timely compliances of statutory requirements as soon as possible, I am convinced to take a lenient view and not inclined to impose penalty on the directors/officers in personam this time, particularly considering the fact that all are government officers holding ex-officio position as members of BoD of the company. Yet, this is a consecutive default of four years i.e. 2018 to 2021. Hence, a penalty of Rs. 100,000/- is hereby imposed on the company.
7. The management of the company is advised to deposit the penalty amount within 30 days in any designated branches of MCB Bank Limited or UBL Bank and furnish original receipted challan to this office within the above said period positively and also directed to hold requisite AGMs 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

Dated: 12-05-2023