



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN
(COMPANY REGISTRATION OFFICE)

4th Floor State Life Building No.2, Wallace Road, Karachi.

Website: www.secp.gov.pk

CASE No. 1685/2021

BEFORE THE ADJUDICATING OFFICER

ORDER UNDER SECTION 151 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017

IN THE MATTER OF M/s BANARAS NATIONAL FOUNDATION

Present: **Qamar Ul Hassan**

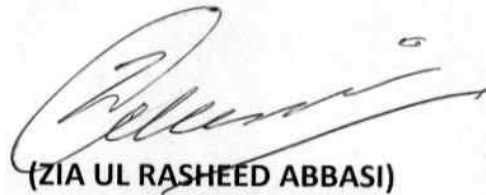
(Authorized Representative / Officer of the Company)

Date of hearing: 12-08-2021

1. This Order shall dispose of the proceedings initiated under Section 151(1) of the Companies Act, 2017 ("The Act"), vide Show Cause Notice dated 25-06-2021 ("the Notice").
2. And whereas, an inspection order dated 30-01-2020 and supplementary order dated 04-02-2020 were issued by the commission to inspect the books of accounts, record and documents of the company. During inspection it as revealed that the company has failed to keep /maintain books of proceedings of general meetings as required under section 151(1) of the Companies Act, 2017 (the "Act").
3. However, Sub Section (1) of Section 151 of the Act provides that every company shall keep records of:
 - a) Copies of all resolutions of members passed otherwise than at general meetings; and
 - b) Minutes of all proceedings of general meetings along with the names of participants, to be entered in properly maintained books.
4. Prima facie, the company has violated the provisions of section 151(1)(b) of the Act, which attracts penal provisions contained in section 151(5) ibid.
5. The provisions of Section 151(5) of the Act provides that any contravention or default in complying with the requirements of this section shall be an offence liable to a penalty of Level-1 of the standard scale, i-e upto 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 25-06-2021 was served to the company through its Chief Executive as well as the directors of the company, calling upon them to Show Cause in my office on 27-07-2021, subsequently adjourned to 05-08-2021 and finally to 12-08-2021, as to why the penalty laid down under the above-mentioned section should not be imposed.
6. On the date of hearing, authorized representative of the Company appeared before me in person. While admitting the default, he stated that our company is

running a charitable hospital for poor and needy people. However, at the time of inspection our account, Mr. Mustanfar got brain hemorrhage and could not provide proper documents/ record to the inspection team.

7. The contention of the authorized representative of the company that they could not provide books of proceedings of general meetings in accordance with the law is not a justifiable excuse, as it shows negligence on the part of management of the company who is responsible to manage, pursue and make sure that financial statements and other statutory returns are duly being filed by the company within statutory time period. However, keeping in view that the assurance given by the authorized representative that the company will keep /maintain books of proceedings of general meetings as per the requirement of law, I am convinced to take a lenient view. Hence, a penalty of **Rs: 10,000/=** is hereby imposed on the company only.
8. The management of the company is advised to deposit the penalty amount within 10 days from the date of receipt of this order in any designated branches of MCB Bank Limited or UBL Bank and furnish original paid challan to this office within the above said period and also directed to make good of the default immediately.
9. A copy of this order be placed on the record/file of the company for future reference and further appropriate action to be taken by the concerned registrar in accordance with the law.



(ZIA UL RASHEED ABBASI)
ADJUDICATING OFFICER /
ADDITIONAL REGISTRAR

Dated: 12-08-2021