



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. 1699/2021

BEFORE THE ADJUDICATING OFFICER

ORDER UNDER SECTION 23 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 23 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 does not have a common seal as required in terms of section 23 of the Companies Act, 2017 (the "Act").
3. Prima facie, the company has violated the provisions of section 23(1)(2) of the Act, which attracts penal provisions contained in section 23(3) of the Act.
4. This constituted violation of law and rendered the company liable to a penalty of level - 1 on the standard scale provided under section 23(3) read with section 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.
5. On the date of hearing, authorized representative of the Company appeared before me in person. While admitting the default, he stated that we had a common seal of the company. However, the same was lost/ misplaced by the previous official who was responsible to keep all the records and seal of the company. Therefore, the same could not be presented to the inspectors of SECP at the time of inspection. Now we have prepared a new common seal which will be carefully kept in the custody of the company secretary.
6. The contention of the authorized representative of the company for the non-compliance of 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 the compliances are being made. However, keeping in view that company made good of the default and the assurance given by the authorized representative that no such default would be repeated in future and the company shall ensure compliance of statutory requirements, I, hereby taking a lenient view, impose a lump sum penalty of Rs. 5,000/- on the company.

7. 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.
8. 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