



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. 1702/2021

BEFORE THE ADJUDICATING OFFICER

ORDER UNDER SECTION 232 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 232 of the Companies Act, 2017 ("The Act"), vide Show Cause Notice dated 25-06-2021 ("the Notice").
2. Whereas, section 232 of the Act provides that the financial statements, including consolidated financial statement, if any, must be approved by the board of the company and signed on behalf of the board by the chief executive and at least one director of the company, and in case of a listed company also by the chief financial officer.
3. 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's financial statement of the review period from 2011 to 2019 were not authenticated as required in terms of Section 232(1) of the Companies Act, 2017 (the "Act").
4. This constituted violation of law and rendered the company liable to penalty of level – 1 on the standard scale, provided under section 232(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 our company 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. We have, however, now made good of the default and request you to take a lenient view.

6. The contention of the authorized representative of the company that financial accounts could not be authenticated 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 all the statutory requirements are duly being followed and maintain by the company according to law. However, considering the business status (i.e. charitable hospital) and keeping in view that the company has now made good of the default and the assurance given by the authorized representative that the management of the company will ensure to follow and maintain all statutory requirements in future, I am convinced to take a lenient view. Hence, a penalty of **Rs: 5,000/=** is hereby imposed on the company only.
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 to this office within the above said period positively.
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 RASHÉED ABBASI)
ADJUDICATING OFFICER /
ADDITIONAL REGISTRAR

Dated: 12-08-2021