

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to BMA Asset Management Limited

Dates of Hearing

May 18, 2022

Order-Redacted Version

Order dated June 20, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of BMA Asset Management Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated April 13, 2022.
2. Name of Respondent	BMA Asset Management Limited, (the Company), Mr. Salim Khan, Chairman Board of Director, Mr. Shakeib Arshad, Director, Mr. Danial Hashmi, Director, Mian Qasim Saeed Ahmed, Chief Executive Officer/ Director, and Mr. Muhammad Salman, Ex-Company Secretary / CFO, (hereinafter collectively referred to as the Respondents)
3. Nature of Offence	Alleged contraventions of rule 7(1) of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and regulation 38(2)(e)&(f) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) read with Section 282 J of the Companies Ordinance, 1984 (the Ordinance) .
4. Action Taken	Key findings were reported in the following manner: I have reviewed the facts of the case and considered the written as well as verbal submissions of the Respondents and their Representatives in light of the aforesaid legal provisions and observed that the Respondent remained non-compliant with the aforesaid regulatory requirements for a considerable time period. The Company was required to submit its annual accounts for the year ended June 30, 2021, on or before October 28, 2021, whereas, the Company submitted the same on February 10, 2022. Further, the annual and quarterly accounts of the Company's CISs for the year ended June 30, 2021, and for the quarter ended September 30, 2021, were required to be submitted within three months and one month of the closing of the said periods respectively (i.e. annual accounts by September 30, 2021, and 1 st quarter accounts by October 30, 2021), however, the same were submitted on April 25, 2022. Keeping in view the aforesaid non-compliances and subsequent filing of its aforesaid financial statements and that of its CISs, with significant

	<p>delays, the Representative's assertions that the Company was in process of surrendering its Asset Management License and revocation of underlying schemes, cannot be agreed to as the said surrender and revocation do not absolve the Respondents of their statutory obligations and responsibilities. The Respondents were liable to fulfill their regulatory obligations and responsibilities till completion of the aforesaid process of surrendering and revocation. Thus, I am of the considered view that the Respondents by not submitting the aforesaid financial statements/ statutory reports within the respective stipulated time period, have violated rule 7 (1) (da) of the NBFC Rules, 2003 and regulation 38 (2) (e) & (f) of the NBFC Regulations, which attract applicability of the penal provision contained in Section 282 J of the Ordinance. Therefore, in exercise of the powers conferred under Section 282 J of the Ordinance, I hereby impose penalty of Rs.200,000/- (Rupees; Two Hundred Thousand Only) on the Respondent Company on account of the aforesaid established and conceded contraventions/ non-compliances. The rest of the Respondents is hereby warned to ensure compliance with all the regulatory requirements including filing and transmission of the financial statements and other regulatory returns in letter and spirit, in future.</p>
5. Penalty Imposed	Rs. 200,000/-
6. Current Status of Order	Penalty deposited