



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director

In the matter of

Al-Noor Healthcare & Education Services (Pvt.) Limited

Number and date of notice: EMD/242/I/176/2011-1235 dated December 24, 2014
Date of hearings: March 31, 2015
Present: Mr. Kanwar Tanveer Anjum, Authorized Representative

ORDER

**UNDER SECTION 226 READ WITH SECTION 229 AND SECTION 476 OF THE COMPANIES
ORDINANCE, 1984**

This order shall dispose of the proceedings initiated against the directors including the Chief Executive (the "respondents") of Al-Noor Healthcare & Education Services (Pvt.) Limited (the "Company") through show cause notice ("SCN") dated December 24, 2014 issued under the provisions of section 226 read with section 229 and section 476 of the Companies Ordinance 1984 (the "Ordinance").

2. The brief facts of the case are that examination of annual financial statements for the years ended June 30, 2012 and 2013 ("the Accounts") filed under Section 242 of the Companies Ordinance, 1984 ("the Ordinance") by the Company revealed that an amount of Rs18.348 million (2012: Rs18.608 million) is payable on account of 'Long-term Deposits' from students which are interest free and repayable at the end of their respective period. The Commission through letter dated October 28, 2014 advised the Company to furnish supporting documentary evidence of compliance with provisions of section 226 of the Ordinance with regard to the afore-referred 'Long-term Deposits'.

3. In response, the Company through letter dated December 08, 2014 submitted as under:

- i). During the time of new admissions in the year 2011-12 a sum of Rs30,000/- was deposited by each student as security refundable at the time of completion of their degree program;
- ii). However, in accordance with the essence of section 226 of the Ordinance, this amount was never wrongly utilized for any other purpose. It will not be out of place to mention here that we are maintaining a separate bank account in Bank Alfalah to meet day to day expenses. It is further clarified that the collection of security from the students was discontinued from year 2012-2013; and

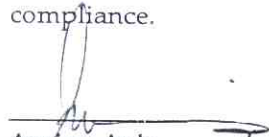


SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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Company Law Division

Continuation Sheet - 1 -

- iii). It is further clarified that the collection of security from students was discontinued from year 2012-13.
4. As the Company did not provide supporting documentary evidence confirming that these 'Long-term Deposits' were kept or deposited in a special account with a scheduled bank in accordance with the requirements of law, therefore, the SCN was issued to the respondents for, prima facie, violation of the provisions of section 226 of the Ordinance. The respondents through letter dated January 10, 2015 in response to SCN stated that amount of security collected during session 2008-09 has been refunded and that collected in session 2009-10 will be refunded by the end of Jan 2015. It was also confirmed that the amount of security were kept in Askari Bank Limited which is a scheduled bank and further collection of security has been discontinued.
5. A hearing in the matter was held on March 31, 2015 before the undersigned and the respondents appeared through their authorized representative. They mainly reiterated their earlier stance and further submitted that amount of security deposits has never been used by the Company, even though it was not kept in a special bank account. They further submitted copies of cheques as evidence of payment of security deposits to the students and confirmed that requirements of security deposits from student for future sessions has been abolished. They assured of strict future compliance with applicable legal provisions.
6. Having gone through the facts of the case, submission of the respondents and considering the fact that the Company has repaid material amounts of security deposits to the students and has discontinued the practice of collecting security deposits from students, I hereby conclude the proceedings with a warning to the respondents to be careful in future. Further the respondents are directed in terms of section 473 of the Ordinance to transfer the remaining amount of security deposits to a separate bank account as per requirements of section 226 of the Ordinance and report compliance.


Amina Aziz
Director (CSD)

Announced:
April 1, 2015
Islamabad