

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

In the matter of Bawany Air Products Limited

Date of Hearing

January 23, 2020 and February 18, 2020

Order-Redacted Version

Order dated February 28, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Bawany Air Products Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated December 24, 2019
2. Name of Company	Bawany Air Products Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Bawany Air Products Limited
4. Nature of Offence	Violations under section 499 read with section 479 of the Companies Act, 2017
5. Action Taken	Key findings of default were reported in the following manner: 2. I have reviewed relevant record of the Company and reply submitted and arguments made during the course of hearing. It is pointed out that the directors' report annexed with annual audited financial statements for the year ended June 30, 2019 highlighted that an amount of Rs. 8.28 million was payable to employees provident fund and was outstanding, and also auditor rendered adverse opinion on annual audited financial statements for the year ended June 30, 2019, which inter alia, included basis, for non-payment of contributions of employees provident fund. It is observed that despite period of six months was allowed vide order dated November 19, 2018 for making amounts payable to employees' provident fund, the Respondents, however, failed to comply with the direction of the Commission within



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Adjudication Division
Adjudication Department-I

	<p>given time. The Authorized Representative, admitted default for non-compliance of direction given under section 475 of the Act vide order passed dated November 19, 2018.</p> <p>3. In view of the foregoing, I am of the considered view that direction given under section 475 of the Act (corresponding section 473 of the Ordinance), vide order dated November 19, 2018, has not been complied by the Respondents, hence, they are liable for penalty provided in terms of section 499(1) of the Act. Therefore, I, in term of sub-section (1) of section 499 of the Act, hereby impose a penalty of Rs. 70,000/- (Rupees seventy thousands only) on the Respondents for the aforesaid non-compliance.</p> <p>4. The aforesaid fine must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the "Securities and Exchange Commission of Pakistan" within thirty days from the receipt of this order and furnish receipted bank vouchers to the Commission. In case of non-deposit of fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the said fine is imposed on each of the Respondents in his/her personal capacity; therefore, he/she is required to pay the said amount from personal resources.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission, violation of the Act.</p> <p>Penalty order dated February 28, 2020 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A penalty of Rs. 70,000/- (Seventy thousands only) was imposed on the Respondents.
7. Current Status of Order	No Appeal has been filed by the respondents