



Corporate Supervision Department
Company Law Division

Before Amina Aziz – Director

In the matter of

United Brands Limited

Number and date of notice: CSD/ARN/242/2015-2236-42 dated January 12, 2016
Date of hearing: February 29, 2016
Present: Mr. Khan Mustafa Saleemi-Legal Counsel
Syed Atik Ali –CFO
Shariq Zafar – Assistant Manager Finance

ORDER

UNDER SUB-SECTION (3) OF SECTION 245 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984

This order shall dispose of the proceedings initiated vide show cause notices dated January 12, 2016 issued to chief executive and directors (“respondents”) of United Brands Limited (“Company”) for default made in complying with the provisions of Sub-section (1) of Section 245 read with Section 476 of the Companies Ordinance, 1984 (“Ordinance”).

2. The brief facts of the case are that as per record, the Company failed to file interim financial statements (“Quarterly Accounts”) for following period with the Commission within stipulated time, as per requirements of section 245 of the Ordinance.

Period Ended	Filed on	Delay(days)
30-Sep-13	22-Nov-13	22
31-Dec-14	04-May-15	65

Consequently, the show cause notice (“SCN”) was issued to the respondents whereof they were called upon to show cause in writing as to why penal action may not be taken against them under sub-section (3) of section 245 of the Ordinance for not filing the aforesaid Quarterly Accounts in a timely manner as stipulated by the law. In response to SCN the respondents vide letter dated February 24, 2016 accepted the default and ensure timely compliance of the filing in future.



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3. In order to provide opportunity of personal hearing; the case was fixed before the undersigned for February 29, 2016. Mr. Khan Mustafa Saleemi- legal counsel appeared on behalf of respondents and reiterated the submission made in the written reply.

4. In terms of the Commission's notification SRO 1003(I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 245 of the Ordinance have been delegated to Director (Corporate Supervision Department).

5. Before proceeding to decide this case, I consider it necessary to highlight the importance of the strict observance of the mandatory requirements of law. The protection of the investors/shareholders is one of the primary objectives of the Ordinance. These are shareholders who provide seed for the capital formation of the Company. It is their lawful right to receive timely, adequate and meaningful information. It is the annual and interim accounts, which provide information to the investors about the affairs of the company. It has unfortunately been noted that the directors of the Company have failed to comply the requirements of law and have not circulated the quarterly accounts to the shareholders nor filed with the Commission within the prescribed time.

6. It is clear from the record that the Company did not file the aforesaid Quarterly Accounts in physical form with the Commission in a timely manner; however, considering the otherwise satisfactory compliance history of filing of quarterly accounts with the Commission, instead of imposing fine, I hereby conclude the proceedings with a warning to the respondents to be careful in future and ensure meticulous compliance with provisions of section 245 of the Ordinance.


Amina Aziz
Director

Announced:
March 21, 2016
Islamabad