



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

(Adjudication Department-II, Adjudication Division)

4th Floor State Life Building No.2, Wallace Road, Karachi.

Website: www.secp.gov.pk

CASE No. AOK-637/2024

BEFORE THE ADJUDICATING OFFICER

ORDER UNDER SECTION 130 READ WITH SECTION 479 OF THE COMPANIES ACT, 2017

IN THE MATTER OF LIMITLESS BRANDS (PRIVATE) LIMITED

Case Fixed for Final Hearing: 06-06-2024

Present: None present for personal hearing

1. This Order shall dispose of the proceedings initiated under Section-130 of the Companies Act, 2017 ("The Act"), vide Show Cause Notice dated 09-01-2024["the Notice"].
2. The facts of the case are that the company was required to file its annual returns within thirty days from the date of the Annual General Meeting (AGM) held in the year or, when no such meeting is held or if held is not concluded, from the last day of the calendar year to which it relates in terms of provisions of section 130(3) of the Act.
3. However, the record of the company registration office revealed that the company failed to file its annual returns for the year 2021 to 2022, in violation of the above said provisions of law.
4. This constituted violation of law and rendered the company liable to penalty of level – 1 on the standard scale, provided under section 130(6)(b) read with section 479(2) of the Act. Accordingly, taking cognizance of the matter, a Show Cause Notice dated 09-01-2024 and subsequent reminders dated 24-01-2024 and 15-03-2024 were served to the company, calling upon to show cause in my office within 10 days from date of show cause notice and reminders thereafter, as to why the penalty laid down under the above mentioned section should not be imposed.
5. In response to the above-mentioned show cause notice, no one appeared before the undersigned for personal hearing. However, a written reply dated 01-04-2024 was received for and on behalf of the company stating therein that :

"We acknowledge the gravity of our oversight and assure you that it was not intentional. During the year 2021, our company underwent a period of business

operations were shutdown, which persisted until the end of the same year. The resumption of our operations, although a positive development, was met with various challenges, including a shortage of staff. Regrettably, amidst these circumstances, the compliance requirements set forth by SECP were inadvertently neglected”.

6. The contentions of the Company that the requirements of Section-130 of the Act could not be complied in accordance with law due to operational challenges faced by the company are not truly justifiable, 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 of law are fulfilled diligently. The aforesaid circumstances, in spite of being conceivable, should have not been a hindrance in making requisite compliance, i-e filling of year ended forms-A (annual Returns). The board of Directors (BoD) could simply instruct it's any officer or even official to file the statutory returns containing the requisite information made upto the period ended on 31st December each year. It is an apparent ignorance and negligence on the part of management which could not be considered as a plausible plea under the eyes of law. Notwithstanding, keeping in view the circumstances narrated hereinabove and assurance given by the Company that the management of the company will ensure timely compliances of statutory requirements as soon as possible, I am convinced to take a lenient view and not inclined to impose a penalty on the directors/officers in personam this time. In this regard, the record maintained by the dealing/concerned registrar, Company Registration Office shows that the company has failed to file its annual returns for the previous year(s) 2021 to 2022. Accordingly, this is a consecutive default of 2 year(s). Hence, a penalty of Rs. 15000/- is hereby imposed on the company without prejudiced.
7. The management of the company is advised to deposit the penalty amount within 30 days 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 and also directed to file requisite financial statements immediately but not later than 30 days from the date of receipt of this order positively.
8. A copy of this order be placed on the record of company maintained by the concerned/dealing Registrar of the Company Registration Office.



Dated: 13-06-2024

**(ZIA UL RASHEED ABBASI)
ADJUDICATING OFFICER /
ADDITIONAL REGISTRAR**