



**Securities and Exchange Commission of Pakistan**  
**Company Law Division**  
**Corporatization & Compliance Department**

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*Before*

*Director*

*(Corporatization and Compliance Department)*

*In the matter of*

***AL-FLAH LUBRICANT (PVT.) LIMITED***

***ORDER***

***under section 7 of the Companies (Appointment of Legal Advisers) Act, 1974***

Number and date of show cause notice:                      No. 38/2017/IAN-2200/2017-5019  
dated March 30, 2017

This Order shall dispose of proceedings initiated against M/s. Al-Flah Lubricant (Pvt.) Limited (the "Company") and its Chief Executive for default made in compliance with the requirements of sub-section (1) of section 3 of Companies (Appointment of Legal Advisers) Act, 1974 (the "Act").

2. The brief facts leading to the show cause notice are that the Company was required in terms of sub-section (1) of section 3 of the Act to appoint atleast one legal adviser on retainerhip to advise such Company in the performance of its functions and the discharge of its duties in accordance with law. Sub-rule (1) of rule 4 of the Companies (Appointment of Legal Advisers) Rules, 1975 (the "Rules") provides that every Company shall within fifteen days of the appointment of a legal adviser by it furnish in duplicate to the Registrar of the region in which its registered office is situated, the name, names of the partners in case of a firm, address and remuneration of the legal adviser. However, from the perusal of record, it has been observed that the Company has failed to do so for which a show cause notice dated March 30, 2017 (the "SCN") was issued calling upon the Company and its Chief Executive to explain in writing and to appear in person or through authorized representative for hearing on April 21, 2017 to clarify the position.

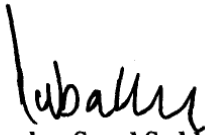
3. In response to the above "SCN", no one appeared on the date fixed for hearing for which the hearing was re-fixed for May 30, 2017, on which date neither anyone attended the hearing nor any written response was received to the Commission rather than the SCN was returned back un-delivered. In the meanwhile the Company vide its letter dated May 13, 2017, has informed that it has appointed its legal advisor. Subsequently, the record of the

Company has been perused and observed that the relevant Form 29 has not been filed by the Company. Accordingly, the Commission vide its letter dated May 24, 2017 has advised the Company to file required Form-29 with the registrar concerned within 7 days failing which the matter shall be decided on the basis of material available on record and on its merits. The relevant Form 29 has however, not been filed despite lapse of considerable time. It appears that the Company has not taken necessary steps for appointing its legal advisor, therefore, the default is considered willful and deliberate.

4. I have gone through the relevant provisions of the Act, and other record of the Company and observed that sub-section (1) of section 3 of the Act requires the Company to appoint atleast one legal adviser on retainership to advise such Company in the performance of its functions and the discharge of its duties in accordance with law. Further, sub-rule (1) of rule 4 of the Rules requires that every Company shall, within fifteen days of the appointment of a legal adviser by it, furnish in duplicate to the Registrar of the region in which its registered office is situated the name (names of the partners in case of a firm), address and remuneration of the legal adviser. I have also perused section 7 of the Act which provide penalty for contravention of the Act.

5. Based on the above, it is apparent that the Company has violated the mandatory requirements of sub-section (1) of section 3 of the Act by not appointing its legal advisor. I, therefore, in exercise of powers conferred under section 7 of the Act, impose a fine of Rs. 5,000/- (Rupees Five thousand only) on the Chief Executive of the Company. The Chief Executive is, hereby, directed to deposit the amount of penalty in the Commission's account within 30 days of the receipt of this Order and furnish original receipt/challan of the same to this office for record and immediately file Form 29 notifying the appointment of legal advisor with the registrar concerned. In case of non-payment of penalty within the specified time, the same will be recovered under the provisions of law.

6. This order is issued without prejudice to any other action(s) that may be initiated against the Company and its Chief Executive officer responsible for the violations of the aforesaid provisions of the law.

  
(Mubasher Saeed Saddozai)  
Director (CCD)

**Announced:**  
February 09, 2018