



**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*

**CHIPPA SECURITIES (PRIVATE) LIMITED**

**ORDER**

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

Number and date of show cause notice: No. ARN/LA/89155-IAN-2716/2017-117  
dated July 14, 2017

This Order shall dispose of proceedings initiated against M/s. Chippa Securities (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 retainership 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 July 14, 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 August 07, 2017 to clarify the position.

3. In response to the above "SCN", the Company has submitted written explanation vide its letter dated July 24, 2017 explaining that the Company is no more operational since the Commission has cancelled its broker's license. The Company has also requested to re-fix the

hearing, which was acceded to and hearing was re-fixed for November 24, 2017, however, no one appeared for hearing. The hearing was finally re-fixed on November 30, 2017, on which date the authorized representative of the Company appeared and requested for extension in time for 30 days to fulfil the requirement, which was acceded to and was advised to do the needful at the earliest. The Company vide its letter dated December 19, 2017 has now informed that it has appointed its legal advisor. Accordingly, the record of the Company has been perused and observed that the Company has appointed its legal advisor on November 30, 2017 and relevant Form 29 notifying the appointment of its legal advisor has been duly filed with the registrar concerned on December 18, 2017, respectively.

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 at least 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. The Company has appointed legal advisor and this information has been submitted to the registrar. I, therefore, take a lenient view, and do not impose any fine on the Company and its Chief Executive. The Company and its Chief Executive are however, advised to be careful in timely compliance with the mandatory provisions of all applicable laws in future.

  
(Mubasher Saeed Saddozai)  
Director (CCD)

Announced:  
January 10, 2018