



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

Before

Director

(Corporatization and Compliance Department)

In the matter of

LIMESTONE (PVT.) LIMITED

ORDER

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

Number and date of show cause notice: No. ARN/LA/99622/2017-50412-IAN-2669/2017-117 dated July 14, 2017

This Order shall dispose of proceedings initiated against M/s. Limestone (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 02, 2017 to clarify the position.

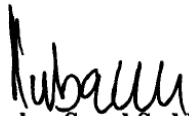
3. In response to the above "SCN", the Company has informed that legal advisor has already been appointed, however, the relevant Form 29 could not be filed with the concerned company registration office due to oversight. The Company also sought extension in time for filing of the required Form 29 vide its letter dated July 31, 2017 which was acceded to by the Commission and extension of 10 days was allowed to the Company. However, from the

perusal of record later on, it was noticed that the appointment of legal advisor was not intimated on relevant form to the company registration office for which the matter was again fixed for hearing on February 07, 2018 which was again not attended by any one. 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 16, 2018