



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

Before

Director

(Corporatization and Compliance Department)

In the matter of

TOWER KONNECT (PVT.) LIMITED

ORDER

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

Number and date of show cause notice:

No. HO-LA/47-IAN-2372/2017 -7439
dated May 02, 2017

This Order shall dispose of proceedings initiated against M/s. Tower Konnect (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 May 02, 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 May 17, 2017 to clarify the position.

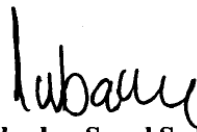
3. In response to the above "SCN", the Company's representative appeared on the date of hearing and requested for the extension in time for appointment of legal adviser which was acceded to by the Commission and 14 days extension in time was allowed to the Company. Later on the hearing was re-fixed for December 08, 2017, however, neither anyone appeared nor any written explanation was received to the Commission. Subsequently, a reminder was

sent at the registered office address of the Company which was also returned back undelivered. The record of the Company has been perused and it has been observed that the Company has not appointed its legal advisor. 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 06, 2018