

Section Number	Title	Reference to other Laws and Sections	Short explanation
1.	Short title, extent and commencement	Article 246, 247(3) of the Constitution of Pakistan (Definition of tribal areas & applicability of ord.)	Name; covered geographical area, applicability.
2.	Definitions	-	-
3.	Meaning of subsidiary and holding company	-	Beneficially owns, controls or holds voting securities; or have power to elect directors (>50%).
4.	Ordinance not to apply to certain corporations	-	Trading corp., co-operative society or a university.
5.	Application of ordinance to non-trading companies with purely financial objects	-	-
6.	Ordinance to override memorandum, articles, etc.	-	Hierarchical series: Ord.>MOA>AOA>Agreement>Resolution.
7.	Jurisdiction of courts	-	-HC or Civil court empowered by FG at place of reg. office. -For w/up longest duration reg. office preceding 6months be considered.
8.	Constitution of company benches	-	One or more by CJ of HC.
9.	Procedure of the court	-	Final judgment not later than 90 days from petition, adjourned not for >14days at once or 30 in all.
10.	Appeals against court orders	-	Appeal against w/up order of court empowered u/s 7 challenged in SC where P/up cap. >1mn, if <1mn or no s/cap on grant of SC. Judgment w/in 90days.
11.	Deleted	-	-
12.	Powers and functions of the commission	-	-
13.	Reference by the federal government or commission to the court	-	-
14.	Obligation to register certain associations, partnerships, etc, as companies	-	Organization(s) carrying on business with the objective of gain having >20members liable to be registered, otherwise personal liability. Exceptions noted.
15.	Mode of forming a company	Promoters guide: Formation & Incorporation of companies (Prior approval from relevant authority + Documents & procedure)	Subscribe to MOA & comply with requirements. 3(PLC), 2(PVT), 1(SMC). May be limited by shares, guarantee or unlimited.
16.	Memorandum of company limited by shares	-	Name, Place, Object, Liability, Authorized Capital.
17.	Memorandum of company limited by guarantee	-	Name, Place, Object, Liability + undertaking, Authorized Capital (if having s/cap).
18.	Memorandum of unlimited company	-	Name, Place, Object.
19.	Printing, signature, etc. of memorandum	Clause 46, Table A (W/out sanction in GM, O/S borrowing at any time should not exceed issued capital)	Printed, divided, signed, dated and deemed power to borrow.
20.	Restriction on alteration of memorandum	-	Cannot be altered, except to the cases, mode & extent provided in Ord.
21.	Alteration of Memorandum	Rule-3 of Companies (General Provision and Form) Rules, 1985 + Guidelines for making Alteration in MOA (Application w/in 60 days of SR by a responsible officer + Information & Enclosures)	-Cases: Object, place. -Extent & mode: Place & Object S.S (1). To be confirmed by commission.
22.	Power of commission when confirming alteration	-	Either wholly or in part, on such terms & conditions deemed appropriate by commission.
23.	Exercise of discretion by commission	-	May order purchase of interest of dissident members personally by sponsors & not the company.
24.	Procedure on confirmation of the alteration	-	-Certified copy of order of commission + altered MOA to be filed with registrar for registration w/in 90days of passing of order by commission. The registrar shall certify the registration under his hand. -Extension may be granted by the commission.
25.	Effect of failure to register within 90 days	-	Alteration, order and proceedings become null & void if not filed w/in 90days or w/in such extended time granted b the commission. Application for revival order may be filed w/in

			further 90days.
26.	Registration of Articles	-	-Ltd. By shares may adopt Table A, mandatory for others to register AOA with MOA, signed by subscribers of MOA. -For Guarantee Ltd. Or Unlimited: State Authorized cap. (if have s/cap) Or # of members (if no S/cap) -List & enumerate voting & other rights attached to different classes of shares and securities issued or to be issued by the company.
27.	Printing, signature, etc., of articles	-	Printed, divided, signed & dated.
28.	Alteration of articles	-	Through SR & Resolution passed by 3/4 th of affected class (if effect of alteration is substantive).
29.	Forms of memorandum and articles	-	Table B,C,D & E of 1 st Sch.
30.	Registration of memorandum and articles	Rule-4 of Companies (General Provision and Form) Rules, 1985 (4 copies [1 stamped] + declaration by CA, CMA or director or other officer)	-MOA+AOA+ Declaration of compliance with req. of ord. -Supply deficiency or appeal to higher authority in case of refusal, w/in 30days of refusal order.
31.	Effect of memorandum and articles	-	Bind the co. & members, covenant on part of each member to observe provisions of MOA, AOA & Ord.
32.	Effect of registration	-	The registrar shall certify the incorporation of a company.
33.	Conclusiveness of Certificate of Incorporation	-	Evidence of compliance with all req. of Ord. in respect of registration.
34.	Effect of alteration in memorandum or articles	-	Members are not bound by the alteration which increases their liability or require them to subscribe for more shares unless he agrees in writing.
35.	Copies of memorandum and articles to be given to members	-	W/in 14days of request on payment of prescribed amount.
36.	Alteration of memorandum or articles to be noted in every copy	-	MOA & AOA to be in conformity with altered MOA & AOA.
37.	Prohibition of certain names	Rule-5 of Companies (General Provision and Form) Rules, 1985 (Enquiry of availability of proposed name from registrar by sponsors or responsible officer) Circular 25/2003 (Word Bank of any of its derivatives not allowed unless approved by SBP) SECP Guidelines for company name selection + Company name availability guide (Rules + prohibition of certain names)	-Name is inappropriate, deceptive, designed to exploit the religious susceptibilities of the people -Identical with the name of the company already in existence. -Use of word "The" in the beginning of the name -Name containing a country name unless justified -Names that create misleading impression about the business activities undertaken by the company -Names of the company under liquidation -Names that signifies patronage of Govt. departments
38.	Rectification of name of a company	-	May with the approval & shall if registrar directs (b4 expiration of 3yrs. from registration) w/in 30days of direction.
39.	Change of name by a company	-	SR + Approval of registrar.
40.	Registration of change of name and effect thereof	-	-Registrar shall issue a new certificate of incorporation altered to meet the circumstances of the case, and so the change of name shall be complete -Continue to mention is former name along with its new name on the outside of every business place and in all the documents referred u/s 143 -Change of name shall not affect the rights & obligations of the company
41.	Alteration of names of commencement of ordinance and change of status of company	-	-
42.	Power to dispense with "Limited" in the name of charitable and other companies	Circular 29/2009 (Conditions for grant of license) Rule-6 of Companies (General Provision and Form) Rules, 1985 (Enclosures to be submitted with the application for grant of license).	Commission may waive req. to write "Limited" to a co. promoting of arts, commerce, science, religion, charity etc.
43.	Provisions as to companies limited by guarantee	-	No share of profit to non-member.

44.	Conversion of public company into private company	Rule-7 of Companies (General Provision and Form) Rules, 1985 (Application for permitting conversion w/in 60 days of S/R) Regulation 30 of Listing Regulations of KSE (Guarantee) Limited (Procedure for voluntary delisting) SMC Rules 2003 (Formalities & Modalities of conversion of SMC into Pvt. company, Role of CS & Nominee directors, Conversion from Pvt. co to SMC)	With the approval of commission.
45.	Prospectus or statement in lieu of prospectus to be filed by private company ceasing to be a private company	SMC Rules 2003 (Modalities & formalities for conversion)	Alteration of AOA + File Prospectus or S.I.L.P.
46.	Consequences of default in complying with conditions constituting a company a private company	-	Cessation of privileges & exemptions availed by a Pvt. Co. but may be relived of the consequences of such non compliance on an application made to the commission
47.	Liability for carrying on business with less than three or, in the case of a private company, two members	-	Members severally liable for debts incurred during the non-compliance period of after 6 months.
48.	Service of documents on company	-	To the company or officer at reg. office by post under certificate or by reg. post, or personal delivery angst. an acknowledgement.
49.	Service of documents on registrar	Circular 02/2001 (Fax the notices of AGM/EOGM to the commission on the same day on which it is sent to the share holders), 5/2002 (Above Fax + Copies of newspapers in which notices are published be sent to the commission w/in 7days of publication) Rules-8, 9, 27, 28, 30, 32 and 33 of Companies (General Provision and Form) Rules, 1985	By reg. post, personal delivery angst, acknowledgement.
50.	Service of notice on members, etc.	Rule 10 of Companies (General Provision and Form) Rules, 1985 (Using courier service for the purpose is allowed). Circulars- 4/1999, 18/2000, 1/2008, 2/2000	Personal delivery or by post at reg. add., in Pak., if any. If no reg. add., in Pak., then newspaper adv., published generally will accomplish the purpose. Notice of AGM to: member, legal representative of member & auditor.
51.	Authentication of documents and proceedings	Circular 7/2004 (Documents under the signature of a director of a company may be accepted for registration).	By CEO, director or Co. Sec.
52.	Prospectus to be dated	-	Date of prospectus=Date of its publication.
53.	Matters to be stated and reports to be set out in prospectus	Rule-4 of Balloters, Transfer agents & underwriter Rules 2001 (Qualification of underwriters) Rule 3,4 & 8 of The Companies (Issue of Capital) Rules, 1996	-Certification (by CEO & CFO), Subscription days (not less than 7 and not more than 30 days after the issue of prospectus) -Form of application to be accompanied with the prospectus (exceptions noted) -Non-applicability of this section is prescribed in certain situations.
54.	Expert to be unconnected with the formation or management of company	-	Expert's statement shall not be included in the prospectus unless he has given that statement purely in his professional capacity, i.e. he is not engaged in the promotion, formation or management of the company.
55.	Expert's consent to issue prospectus containing statement by him	-	A prospectus containing the statement of an expert shall not be issued unless he has given his written consent to the issue & has not withdrawn it, and the statement to the fact that he has given the consent and has not withdrawn it appears in the prospectus.
56.	Penalty and interpretation	-	Definition: Engineer, valuer, accountant or any other person whose profession

			gives him the authority to a statement made by him.
57.	Approval, issue and registration of prospectus	Rule-11 of Companies (General Provision and Form) Rules, 1985 (application for approval be accompanied with 3 copies of prospectus + required documents + affidavit that all the information in the prospectus and attached documents are correct & true)	-Approval of the commission to be obtained within 60 days preceding its issue, a copy of prospectus be delivered to registrar with prescribed contents (expert's consent; copy/memorandum of contracts; statement of adjustments), facts to be disclosed on the face of it. -Refusal of registration by registrar if consent of auditor, L.A, attorney, banker or broker to act in that capacity not attached, or other req. not fulfilled.
58.	Terms of contract mentioned in prospectus or statement in lieu of prospectus not to be varied	-	Except approval or authority given in GM.
59.	Civil liability for misstatements in prospectus	-	- Liabe persons for untrue statement: Director, proposed director in prospectus, promoter, (expert, auditor, L.A, attorney, banker & broker: liable only for untrue statement made by him) -Defenses are available to Directors and experts u/s 55 & 57(5).
60.	Criminal liability for misstatements in prospectus	-	-Person authorizing the issue of prospectus shall be liable in respect of any untrue statement. Imprisonment up to 2 years or Rs. 2,000 fine or both unless proved blameless. -Experts' u/s 55 & 57(5) are not liable under this section.
61.	Document containing offer of shares or debentures for sale to be deemed prospectus	-	- Structure: Company>Issuing House>G.P. -Document shall be deemed to be a prospectus, company liable for its issue & allotment is valid if: issue to G.P. w/in 1 year after allotment or agreement to allot; no consideration received by the company on date of offer for sale; offer made in pursuant of the understanding to which company was directly or indirectly a party. - Additional disclosures in prospectus: Net amount to be received by the company & place and time of inspection of the contract. - Signed by: 2 directors or not less than 1/2 of partners of the firm.
62.	Offer of shares or debentures for sale by certain persons + Issue of securities outside Pakistan	Rule 9 of The Companies (Issue of Capital) Rules, 1996 (Offer size=Lower of Rs. 100mn or 25% of capital; if intended to issue at premium then comply with the requirements of Rule 4 of these rules).	Sale to public by 10% owner with the SECP approval & Signed as above.
63.	Interpretation of provisions relating to prospectus	-	Untrue statement or Omission=Misleading in form & context.
64.	Newspaper advertisement of prospectus	-	Newspaper publication of prospectus may omit contents of MOA or signatories, or # of shares subscribed by them.
65.	Construction of references to offering shares or debentures to the public etc.	-	-Section of public includes existing members or debenture holders or clients of the person issuing the prospectus. -No offer or invitation shall be treated as made to public if renouncing right is not available to the person to whom the offer or invitation is made or renouncing right is made available if the favor of domestic concern (person pre-identified by the issuer).
66.	Penalty for fraudulently inducing persons to invest money	-	-
67.	Application for, and allotment of, shares and debentures	-	Allotment to be made only if made on of application form and of such minimal amount prescribed by the commission. Such application shall be irrevocable.
68.	Restriction as to allotment	-	- Prospectus issued: Minimum subscription in full received in cash in a separate bank account until certificate of

			COB is obtained. -S.I.L.P issued: Min. subscription (specified in MOA or AOA OR whole s/cap to be issued in cash.) in full received in cash -Private Company: Full nominal amount received in cash.
69.	Statement in lieu of prospectus	-	-File S.L.I.P with the registrar at least 3 days before allotment signed by every director and proposed director. -Criminal liability for untrue statement includes imprisonment for 2 years or fine of Rs. 10,000 or both.
70.	Effect of irregular allotment	-	-Allotment made in contravention of section 68 or 69 is voidable at the instance of the applicant w/in 30 days of Statutory Meeting or allotment even if the company is in the course of w/up. -Proceedings to recover loss or damage shall not be commenced after the expiry of 2 years from the date of allotment.
71.	Repayment of money received for shares not allotted	-	-Decision of successful & unsuccessful applications w/in 10days of closing of subscription days & repay money of unsuccessful applications w/in further 10days of decision. -If refund not made w/in 15days, directors (jointly & severally) liable to repay with surcharge unless proved guiltless.
72.	Allotment of shares and debentures to be dealt in on stock exchange	Regulation 9 of Listing Regulations of KSE (Guarantee) Limited (Inform the Exchange about subscription received w/in 5days of closure of subscription days + dispatch of share certificates w/in 30days of closure of subscription list)	-Any allotment made will be void if application for listing is not applied before 7days of issue of prospectus of application not granted within 21days+ further 21days of closure of subscription list. Notify to the applicant of the fact w/in prescribed further 21days. -Repayment should be made within 8days of becoming liable to repay otherwise directors will be personally responsible to repay with surcharge unless proved blameless.
73.	Return as to allotments	Rule-12 of Companies (General Provision and Form) Rules, 1985 (contracts verified by affidavit of responsible officer or by certificate of public officer having custody of original documents) Rule 8 of The Companies (Issue of Capital) Rules, 1996 (Issue of shares for consideration otherwise than in cash).	W/in 30days of allotment file with the registrar a return of allotment stating prescribed particulars including the contracts in writing if allotment made otherwise than in cash and resolution authorizing the issue in case of bonus issue and issue at discount along with the sanction order of the commission & order of commission where discount exceeds 10%. (Read with complete section).
74.	Limitation of time for issue of certificates	Regulation 9 of Listing Regulations of KSE (Guarantee) Limited (W/in 30days of closure of subscription days)	W/in 90days of allotment or 45 days (5days in case of CDC) of application for transfer of shares or debentures.
75.	Issue of duplicate certificates	-	-W/in 45days of application if originals are proved to have been lost, destroyed, defaced, mutilated or torn and is surrendered to the company after making necessary inquiry & may charge fee not exceeding the prescribed amount or actual expenses of enquiry - Notify to the applicant w/in 30days of application in case of any impediment.
76.	Transfer of shares and debentures	Regulation 13 & 14 of Listing Regulations of KSE (Guarantee) Limited -(W/in 45days of application [5 days in case of CDC] after verification of signature of share holder in 48hrs) -Company shall not charge transfer fee & shall issue transfer receipt immediately on receiving shares for transfer Circular 16/2000 (Destruction of physical share certificates [after	On an application made by transferor or transferee on delivery of properly stamped transfer deed to the company. If the T.D. is lost or destroyed, transfer may be made upon the satisfaction of directors and after demanding an indemnity.

		6months or 3years of transfer as the case may be] and transfer deed [after 3years of transfer] in the presence of CEO & auditors of the company)	
77.	Directors not to refuse transfer of shares	-	Transfer of fully paid shares not to be refused unless the T.D. is invalid or defective. Notify the applicant w/in 30days (5days in case of CDC).
78.	Notice of refusal to transfer	-	W/in 30days along with the reasons thereof so that he can re-lodge the application after removing defect. Appeal can also be made to the commission against the refusal w/in 2 months of the receipt of notice of refusal to transfer or w/in 2 months of the expiry of 30days period referred above (Section 78A).
79.	Transfer to successor-in-interest	-	To be made on an application made by the nominee filing the evidence of nomination along with the application. Company may ask for a suitable indemnity before transfer.
80.	Transfer to nominee of deceased member	-	-Member may deposit a nomination in the name of one or more successors (not other than spouse, mother, father, sister, son, daughter & step or adopted child) specifying the extent of interest of each nominee. -Nomination may be varied if at any time substituted by other nomination. Or become invalid on happening of a contingency or if the nominee predeceases the member (Read with complete section)
81.	Transfer by a nominee of legal representative	-	Transfer of shares of debentures by a nominee shall be valid as if he had been a member.
82.	Power to pay certain commissions, and prohibition of payment of other commissions, discounts, etc.	Regulation 10 of Listing Regulations of KSE (Guarantee) Limited (Payment of brokerage to the members of Exchange w/in 30 days of closure of subscription days @ of min. 1% of shares sold through them)	-Lawful, where payment is authorized by AOA, amount not > fixed by SECP, disclosed in prospectus, S.I.L.P or deemed prospectus or other statement delivered to registrar & disclosure of # of shares agreed to subscribe by the persons. -Brokerage \leq 1%.
83.	Application of premium received on issue of shares	-	Writing off preliminary expenses; writing off expenses, commission or discount allowed on issue of shares or debentures; premium payable on redemption of redeemable preference shares; fully paid bonus shares.
84.	Power to issue shares at discount	Guidelines for issue of shares at discount (Conditions) -Amortization of discount w/in 5 years -Not allowed to financial sector where issue is proposed to meet equity/paid up capital requirement -Commission may impose conditions as deemed fit	Allowed after 1 year of COB; Passed by company in GM and sanctioned by the commission, specifying maximum rate of discount and issued w/in 60days of sanction by the commission.
85.	Redemption of preference shares	-	Only fully paid, out of reserves, sinking fund, proceeds of fresh issue or sale proceeds of property. Where out of other than proceeds of fresh issue, CRRF is created & where out of proceeds of fresh issue, premium is paid out of profits or share premium a/c & not from s/cap a/c.
86.	Further issue of capital	Regulation 23 & 24 of Listing Regulations of KSE (Guarantee) Limited: -Issue right letters/bonus share certificates w/in 30days from the date of re-opening of share transfer register for the purpose.	-Right issue to existing members in proportion to existing s/holding, irrespective of class. Circular shall be signed by directors accompanied with a notice which shall specify the # of shares & time of acceptance & filed with registrar. Fractional shares are disposed off.

		<p>SRO 192/1986 (Material info. about company & necessity of issue)</p> <p>SRO 975/2009 (BOD announcement of right issue cannot be varied, cancelled, withdrawn or postponed)</p> <p>Rules 5 and 6 of The Companies (Issue of Capital) Rules, 1996 Issue of right and bonus shares by listed companies)</p> <p>Rule 5 of Companies' share capital (Variation in rights and privileges) Rules, 2000</p> <p>Public companies (Employee Stock Option Scheme) Rules, 2001</p>	-Deviation is acceptable if permitted by FG on the basis of SR, ESOS or where offer not accepted by the existing members.
87.	Issue of shares in lieu of outstanding balance of any loans, etc.	-	-Company may grant option to convert the 20% of the OS any loan, advance or credit as defined in BCO from a scheduled bank or a financial institution having a term of not less than 3 years -Such option be granted or exercised only when in any 2 of the preceding 3 years after the expiry of 2 years from the date of COB, the return on such balance has fallen below the minimum rate as laid down by SBP for the said years.
88.	Deposits not to be invited without issuing and advertisement	Companies (Invitation and Acceptance of Deposits) Rules 1987 (Allow ability of deposits & obligations of person inviting deposits)	Under the limits, manner & conditions prescribed by FG, Not applicable on banking co. & others specified. -Provisions of prospectus be applicable on such adv.
89.	Nature of shares and certificate of shares	-	Name of allot tee, with distinctive number under common seal
90.	Classes and kinds of share capital	Share capital (Variation of rights & privileges) Rules, 2000 (Nature of rights & privileges on different kinds and classes of s/cap as specified in MOA & AOA to be provided in AOA)	Classes & kinds provided in MOA & AOA with their right & privileges prescribed.
91.	Only fully paid shares to be issued	-	No further issue till the conversion into fully paid shares; proportionate dividend; no redemption of such pref., shares; directors entitle to refuse transfer.
92.	Power of a company limited by shares to alter its share capital	-	-Increase, consolidate, and sub divide or cancellation of shares not taken u. -Where authorized capital is fully subscribed or unsubscribed portion is insufficient to issue shares to a banking company or financial institution, it is deemed increased to such extent. (Read with complete section)
93.	Notice to registrar of consolidation of s/cap etc,	-	File notice w/in 15 days of consolidation and division.
94.	Notice of increase of share capital or of members	-	File notice w/in 15days of passing S/R in this regard. Where "deemed increase" u/s 92(3A), notice may be filed by the scheduled bank or F.I. & therefore, charges are recoverable from the company.
95.	Prohibition of purchase or grant of financial assistance by a company for purchase of its own or its holding company's shares Exceptions: -Redemption of shares or other redeemable security -Purchase of own shares by listed company	-	Exception to a subsidiary company where subsidiary acts as a trustee and its holding company is not the beneficiary under the trust & where subsidiary deals in shares of its holding company in its ordinary course of business under the business of brokerage (voting rights shall stand free zed). No direct or indirect financial assistance by way of loan, guarantee or provision of security for purchase of its own shares or of its holding company except it is the part of the contract of service of employees (salaried employees, CEO who was not the director before appointment, excluding all other directors).

95A.	Power of a company to purchase its own shares	Companies (Buy Back of Share) Rules 1999 (-Debt equity ratio 75:25 -Current ration 1:1 -Availability of sufficient cash -purchase procedure)	-Allowed for a listed company for cancellation or treasury stock. -Where retained as treasury stock, no voting rights, no cash dividend and no distribution in w/up. (Bonus shares and redemption allowed) -Decision by BOD → Members through S/R & communication to SECP on date of BOD meeting. -Purchase shall be made in cash and out of distributable profits or reserves maintained for the purpose. -Purchase shall be made through tender offer or through SE. -Maintenance of register of purchase by a company.
96.	Reduction of share capital	-	Allowed under the authority of S/R + creditors' consent after approval from BOD followed by confirmation of the court through order & its registration.
97.	Application to court for confirming order	-	After passing S/R.
98.	Addition to name of a company of "and reduced"	-	From the date of passing S/R or court order till the date specified by the court. May be dispensed in some cases.
99.	Objection by creditors and settlement of list of objecting creditors	-	Entitled creditors: Entitled to any debt or claim on date fixed by the court if that date were the date of commencement of w/up; date will be fixed by the court for to be entered on the list of objecting creditors.
100.	Power to dispense with consent of the creditor on security being given for his debt	-	Where the company agrees to secure payment of his debt or claim. Amount= Full amount or amount fixed by the court (where the company doesn't admit his debt or claim).
101.	Order confirming reduction	-	Court may make an order confirming the reduction if it is satisfied with w.r.t every creditor who is entitled to object either as in above section or has given his consent for reduction.
102.	Registration of order and minute of reduction	-	-Order of the court + Minutes approved by the court confirming the reduction of s/cap + description of altered s/cap + amount deemed to be paid on each share filed with the registrar. -Registrar shall issue a certificate of registration of order and minutes as conclusive evidence.
103.	Minute to form part of memorandum	-	Registered minute to form part of each copy of MOA issued after registration.
104.	Liability of members in respect of reduced shares	-	- Liability of member after reduction: Revised Face value or Face value - amount paid or amount deemed to have been paid. -The court may enforce the amount of call receivable from every person who was a member at the date of reduction in the event of claim by any creditor to the satisfaction of court whether the company has wound up or not.
106.	Publication of reasons for reduction	-	Court may require the company to publish reasons, other information & causes of reduction.
107.	Increase and reduction of share capital in case of a company limited by guarantee having share capital	-	Same manner & conditions to which a company limited by shares is thereby required abiding by.
108.	Variation of shareholders' rights	Section 28 (3/4 th Resolution of affected class is required for variation of s/holders' rights if the effect of alteration is substantive in nature)	-10% or more s/holders of affected class may apply to court for cancellation of resolution w/in 30days of it. Such an application may be made by 1 on behalf of all, if authorized by others in writing. -Company shall w/in 15days of court order forward it to registrar.
109.	Registration of unlimited company as limited	-	No effect on rights & obligations attained before re-registration of un-ltd. as ltd. co.

110.	Power of unlimited company to provide for reserve share capital on re-registration	-	May increase nominal amount of share capital by increasing the nominal amount of each share & such increased amount shall not be called up except in the event of w/up.
111.	Limited company may have directors with unlimited liability	-	Permitted if provided in MOA. On the appointment of a director, the fact that his liability will be unlimited shall be disclosed in the proposal, furthermore the promoters & officers shall give him a notice before he takes charge of his office that his liability will be unlimited.
112.	Special resolution of unlimited company making liability of directors unlimited	-	-If so authorized by AOA+SR, alter MOA to provide for unlimited liability of directors. -Such alteration of MOA shall not apply w/out the consent of present director.
113.	Right of debenture holder and share holder to have copies of trust deed	-	Where issue of debentures has been made to GP or issued in Debenture stocks to a syndicate.
114.	Debentures not to carry voting rights	-	No voting rights in General Meeting, except convertible into ord. shares where voting rights are determined w.r.t. class of shares which will be issued upon conversion.
115.	Perpetual debentures	-	Debentures are allowed to be made redeemable on the happening of a contingency or expiration of period.
116.	Power to re-issue redeemed debentures in certain cases	-	-Not allowed where: AOA does not provide, Conditions of issue does not provide or redemption has been made on court order. -Transfer from nominee shall be treated as re-issue -New stamp duty & registration on re-issue (Read with complete section)
117.	Specific performance of contract to subscribe for debentures	-	May be enforced in court for specific performance (take up and pay for debentures).
118.	Payment of certain debts out of assets subject to floating charge in priority to claims under charge	Section 405 (Nature of preferential payments [Government dues, wages & salaries, funds maintained for welfare of employees, etc]. + repayment rule) [Due in next 12 months from date of commencement of w/up or date of appointment of receiver]	Where receiver appointed u/s 137 or possession is taken of assets subject to floating charge, firstly payment of preferential debts u/s 405 and then repayment of loan.
119.	Powers and liabilities of trustee	-	Right to sue for all redemption monies & interest in certain cases.
120.	Issue of securities and redeemable capital not based on interest	SRO 747/2000 (Pension Fund Trusts) SRO 1142/1991 (Investment Finance Companies) SRO 537/2004 (Corporate brokers, mutual funds, trusts, P.F, G.F) SRO 98/2005 (All companies including insurance companies, body corporate, entities governed by special enactments u/s 503). Guidelines for issue of commercial paper Guidelines for issue of TFCs' to General Public	-To scheduled banks, financial institutions, & others as specified by FG. -Agreement for redeemable capital may provide for the following: <ul style="list-style-type: none"> • Mode & basis of repayment • Creation of participation reserve • Agreement for sharing of profit or loss • Right of holder to convert the OS balance of capital into ordinary shares of the company in case of Net loss
121.	Certain mortgages and charges to be void if not registered	Rule 13 of Companies (General Provision and Form) Rules, 1985 (Instrument creating charge be verified by affidavit of a responsible officer or certification of public officer in case the property is situated wholly or partly in Pakistan; where property is solely outside Pakistan, verified by the affidavit of the responsible officer or person interested in mortgage or charge)	Prescribed particulars of mortgage or charge along with the instrument evidencing it w/in 21days after its creation. Lender & Property outside Pakistan: 21days from the date of receipt of documents if dispatched with due diligence & care (otherwise from the date of creation). Lender in & Property inside Pakistan: 21days from the date of creation. Realization in favor of lender not more than his interest in the property.

			Person acquiring charged property by way of sale shall be deemed to have the notice of such charge.
122.	Registration of charges on properties subject to charge	-	Company acquiring charged property shall file the prescribed particulars + instrument of charge w/in 21days of acquisition or receipt of documents as the case may be.
123.	Particulars in case of series of debentures entitling holders <i>pari passu</i>	-	File with the registrar w/in 21days of execution of deed or execution of debenture series: Amount; date of authorization through resolution; description of property charged; and names of trustees (if any). Issue of debenture in series: Date and amount of each issue.
124.	Particulars in case of commission, etc. on debentures	-	- File prescribed particulars with the registrar: Amount or % of commission. -Deposit of debentures as security of debt not to be construed as issue at discount.
125.	Register of mortgages and charges	-	By registrar for each company.
126.	Index to register of mortgages and charges	-	In chronological sequence in prescribed form.
127.	Certificate of registration	-	Conclusive evidence of compliance with procedures. Stating the amount secured.
128.	Endorsement of certificate of registration on debenture of certificate of debenture stock	-	Which is secured by mortgage or charge registered by the company.
129.	Duty of company and right of interested party as regard registration	-	-May be effected by interested person entitled to recover fee from the company. -In case of modification, prescribed particulars of modification + instrument evidencing modification to be filed w/in 21days.
130.	Copy of instrument creating mortgage or charge to be kept at registered office	-	-
131.	Rectification of register of mortgages	-	Order of Rectification of omission & misstatement of Commission to be filed with registrar w/in 21days receipt of order.
132.	Registration of payment or satisfaction of mortgages and charges	-	Intimate registrar w/in 21days of payment. Registrar will confirm from lender by a notice to show cause w/in 14 days.
133.	Power of registrar to make entries of satisfaction and release in absence of intimation from the company	-	Where debt satisfied in whole or part or property released from charge or the charged property cease to form part of the co.'s property.
135.	Company's register of mortgages	-	Description of property, amount and name of mortgagees to be entered in the register.
136.	Right to inspect copies of instruments creating mortgages and charges and company's register of mortgages	-	W/out fee by members & creditors. Fee for others.
137.	Registration of appointment of receiver or manager	-	W/in 15days of appointment of a person appointed in compliance with court order or under powers contained in any instrument.
138.	Filing of account of receiver or manager	-	W/in 30 days of the expiry of each of the six months during his appointment as a receiver -W/in 30 days of ceasing to act as a receiver -File a notice with the registrar of the fact of cessation of his office w/in 15 days
139.	Disqualification for appointment as receiver or manager	-	Minor; person of unsound mind; body corporate; director of the company; undischarged insolvent; or disqualified by court for taking part in management.
140.	Application to court	-	Receiver or manager may apply to court for directions in any matter connected with the performance of his duties.
141.	Power of court to fix remuneration, etc., or receiver of manager	-	Court may fix the remuneration of receiver of manager on an application made by him.

142.	Registered office of company	-	-Have a registered office w/in 28days of incorporation or from the day of beginning of the business, whichever is earlier. -Notice of the fact or change therein to be communicated to the registrar w/in 28days of incorporation or change therein.
143.	Publication of name by a limited company	-	-On the outside of every office or place of business -Engraved on common seal -Bill-heads, letter papers, document, notices and in other official publication.
144.	Penalties for non-publication of name	-	Name not engraved on the seal or not printed as above, personal liability of the one who authorizes the use of seal or document.
145.	Publication of authorized as well as paid-up capital	-	Paid up capital to be mentioned wherever the authorized capital is so mentioned in the same manner.
146.	Restrictions on commencement of business	-	-Shares allotted up to the amount of minimum subscription; full amount received from directors in respect of shares; No liability to repay subscription money u/s 72 Declaration of compliance & S.I.L.P. to be filed with the registrar. -Contracts made before obtaining certificate of COB shall be provisional only. -N/A to a private company, or to a co. ltd. by guarantee not having s/cap.
147.	Register of members and index	-	Name, address, occupation, date of becoming & ceasing to be a member
148.	Trusts not to be entered on register	-	Rather the name of trustee is entered on the register.
149.	Register and index of debenture holders	-	Name, address, occupation, date of becoming & ceasing to be a member
150.	Inspection of registers	-	By members at least 2 hours extracts to be provided w/in 10 days (excluding non-working days)
151.	Power to close register	Regulation 14 of Listing Regulations of KSE (Guarantee) Limited: -Company shall give min. 14days notice to KSE prior to closure of Share Transfer Books -Min. closure period of 7days \leq 15 days & not exceeding 45 days in a year	-By a notice of not less than 7day by way of advertisement in a newspapers. -Closure not exceeding 30days at one time and not exceeding 45days in a year.
152.	Power of court to rectify register	-	Where name fraudulently entered or omitted; or unnecessary delay in entering or removing the name of the member Court may decide dispute for title.
154.	Notice to registrar of rectification of register	-	File the order of the court w/in 15 days of the order.
155.	Register to be evidence	-	Prima Facie evidence of any matter which by this ordinance is directed is authorized to be inserted therein.
156.	Annual list of members, etc.	-	Company with s/cap = Form A Company w/o s/cap = Form B Particulars as on the date of AGM or last day of calendar year (Dec 31, where AGM not held or held but not concluded) Listed co. = W/in 45 days (extension may be granted for not > 15days) Other co. = W/in 30days
157.	Statutory meeting of company	-	-Meeting of members of a company limited by shares and guarantee (having s/cap) w/in 3-6 months from C.O.B. -Statutory report (F-25) certified by at least 3 directors (one of them shall be the CEO) be forwarded to every member at least 21days before the meeting. 5copies of the report be delivered to the registrar for registration. -At the commencement of meeting, list of members with their particulars shall

			<p>be presented by the directors which shall be open to inspection during the meeting.</p> <p>-Court may order holding of the meeting or to file statutory report rather than order for windup in case of non compliance.</p> <p>-N/A to private company other than the private company converted to public company (except the one converted after 1 year of incorporation).</p> <p>(Read with complete section)</p>
158.	Annual general meeting	<p>Rule-14 of Companies (General Provision and Form) Rules, 1985 (Application for seeking extension to be submitted at least 30days before the date of meeting along with particulars such as: Reg. #, Name, Address, Date of Last AGM, Maximum date by which the meeting should have been held under the said section, Reasons for extension, latest audited financial statements).</p> <p>Regulation 21 of Listing Regulations of KSE (Guarantee) Limited: -Minutes of AGM & EOGM to be furnished to KSE w/in 60days thereof.</p> <p>Circular 01/2008 Publication of notice in Urdu as well.</p> <p>Circular 05/2002 Notice of the meeting to be faxed to the commission on the date it is sent to the S/holders; Copy of newspaper in which notice is published to be sent to the commission w/in 7days of publication.</p> <p>Circular 04/1999 Publication of notices in generally known, commonly read and province or country wide circulated morning newspaper.</p> <p>Circular 02/2000 Publication at appropriate, distinctive and conspicuous place in a newspaper.</p>	<p>-W/in 18months from incorporation and thereafter once in every calendar year within a period of not more than 4 months from the closing of financial year & not more than 15months from the holding of last AGM (Commission may grant extension to listed company in holding of subsequent AGM for not more than 30days but on 'special reasons only') Circular 4/2000.</p> <p>- In the town of reg. office + notice to every member at least 21days before meeting & published in newspaper in case of listed company.</p>
159.	Calling of extraordinary general meeting	Circulars as noted above.	<p>-Directors of the company or directors on the request of members representing at least 10% voting power or members themselves if directors fail to call a meeting (w/in 3months of deposit of requisition) w/in 21days of their request.</p> <p>-Requisition shall be signed by the members, state the objects of the meeting and deposited at the registered office.</p> <p>-Notice of the meeting shall be sent at least 21days before the meeting, but registrar may allow a shorter notice period in case of an emergency affecting the business.</p> <p>-Expenses of convening the meetin shall be reimbursed by the company to the requisitionists.</p>
160.	Provisions as to meetings and votes	-	<p>-Persons entitled to receive notice of meeting</p> <p>-Statement of material facts for special businesses</p> <p>-Quorum of a meeting</p> <p>-Status of the meeting where quorum is not present</p> <p>-Chairman of the meeting</p> <p>-Votes available to the members (Read with complete section)</p>
160A.	Circumstances in which proceedings of a general meeting may be declared invalid	-	W/in 30days of the meeting on a petition filed by members having 10% or more

			voting rights where material defects or omission in the notice or irregular proceedings of the meeting.
161.	Proxies	Circular 01/2000 (Proxy shall produce his original NIC/passport at the time of meeting or BOD Resolution/power of attorney)	-Not more than 1 person for 1 meeting can be appointed by <u>a member, of a company having share capital, entitled to vote and attend at a meeting.</u> -Must be a member unless AOA provides otherwise -Rights of proxy: Attend; vote; speak; demand poll; abstain from voting; not to exercise full voting rights. -Notice of a meeting shall mention the right to appoint proxy and must be accompanied with the proxy form. -Instrument be lodged with the company at least 48hrs before the meeting in writing and signed by the appointer or attorney (common seal or signed by attorney in case of body corporate).
162.	Representations of corporations at meetings of companies and of creditors	-	-A company being a member by resolution of its directors authorizes any of its officials or any person as a proxy. -A creditor may authorize any of its officials to represent it at the creditor's meeting
163.	Representation of federal government, etc, at meetings of companies	-	Where FG or PG as a member appoints a proxy, he shall be a deemed member and shall also have the right to appoint proxy.
164.	Notice of resolution	-	-Along with a draft resolution other than routine and procedural resolutions. -Members having $\geq 10\%$ voting power may give a resolution and its notice to the company to be circulated to all the members.
165.	Voting to be by show of hands in first instance	-	Applies to all General Meetings.
166.	Chairman's declaration of result of voting by show of hands to be evidence	-	The facts about the resolution entered in the minute's book with chairman's declaration are evidence of the fact.
167.	Demand for poll	-	On or before declaration of results of show of hands by the chairman himself or on the order of him on demand of members as prescribed. (Read with complete section)
168.	Time of taking poll	-	Purpose: At same time, for election of chairman or adjournment of meeting Purpose: w/in 14days of demand of poll for other purposes.
169.	Resolution passed at adjourned meeting	-	Date of passing a resolution = Date on which it was in fact passed and not the earlier date
170.	Power of commission to call meetings	-	If default in holding SM, AGM, EOGM as requested by members; on its own motion or on an application by any director or member.
172.	Filing of resolution, etc.	-	-Copy or SR authenticated by CEO of Co. secretary to be filed with the registrar w/in 15days of passing thereof. -Copy of SR to be forwarded to members on his request on payment of a fee. -Copy of every SR to be annexed to registered AOA.
173.	Minutes of proceedings of general meetings and directors	Code of Corporate Governance: -Minutes of the meetings circulated to directors w/in 30days.	-Proceedings of the meetings along with the names of the participants to be entered in properly maintained books kept at the registered office, which shall be open to inspection by members w/out charge for not less than 2hrs during business hrs. -Minutes of the meeting of BOD shall be circulated to every director w/in 14days of the meeting.
174.	Minimum number of directors of a company	Code of Corporate Governance: -Executive directors not more than 75% of elected directors, including C.E.O.	SMC → At least 1 Other private → At least 2 PLC (other than listed) → At least 3 Listed PLC → At least 7
175.	Only natural persons to be directors	-	No director shall be the variable

			representative of a body corporate.
176.	First directors and their term	-	All the subscribers of MOA deemed directors unless number & names of first directors determined by majority of them in MOA. Term: Till election of directors in 1 st AGM.
177.	Retirement of directors	Section 180	First directors: 1 st AGM. Subsequent: 3years.
178.	Procedure for election of directors	Proviso to Section 183 (c) (Available Votes - Minimum number of votes sufficient to ensure success in the election)	-Number of directors to be fixed by BOD at least 35days before AGM, & shall not change w/out approval of General Meeting. -Notice of the meeting shall state the number of elected directors & names of retiring directors. -Invitation to contest before 14 days of AGM, by retiring as well as new directors willing to contest. Their intention to be forwarded to members at least 7days before the meeting - Available votes= Number of votes*Votes per share*Number of elected directors.
178A.	Fresh election of directors on request of substantial acquirer	-	In the forthcoming AGM on an application to the commission by a person holding 12.5% voting shares of a listed company in his own name; s/holding not to be disposed for at least 1year from the date of fresh election.
179.	Circumstances in which election of directors may be declared invalid	-	On the application of members with \geq 20% voting power w/in 30days of election, if there is material irregularity in the holding of election.
180.	Term of office of directors	Code of Corporate Governance (In a listed company, casual vacancy shall be filled up by the directors w/in 30days thereof) Circular 03/2006 (Companies should take immediate steps to hold election of directors on due dates[whether in AGM or EOGM] and report impediments to the Registrar w/in 15days of the expiry of the term)	3 years unless resigns earlier, becomes disqualified or cease to hold office. Casual vacancy may be filled up by the directors for the remainder of the term.
181.	Removal of directors	-	-The resolution for removal of director(s) is not deemed to have been passed if: Elected Directors: Number of votes casted against the resolution (i.e. in favor of director) \geq minimum # of votes casted at the immediately preceding election of directors. First or Casual Directors: Number of votes casted against the resolution (i.e. in favor of director) \geq Total available votes [u/s 178 (5)] divided by number of directors for the time being.
182.	Creditors may nominate directors	-	By creditors or other special interest holders by virtue of contractual arrangement.
183.	Certain provisions not to apply to directors representing special interest	Section 178 (5)	Provisions of Election; Term of Office; Removal N/A on following directors: -Directors nominated by company or corporation (by virtue of investment or credit facilities) owned or controlled by FG or PG -Directors nominated by FG or PG -Directors nominated by foreign equity holders -Votes not available to such director= Minimum # of votes sufficient to be elected as director. Term: As per the contractual arrangement or on the discretion of nominator.
184.	Consent to act as director to be filed with registrar	Code of Corporate Governance: -Declaration in the consent about the awareness of duties & powers under the law, MOA, AOA & Listing Reg.	Consent given to the company; & w/in 14days of appointment the company shall file with the registrar a list of them along with their consent.

185.	Validity of acts of directors	-	Acts and meetings attended shall remain valid on subsequent discovery of defect in his appointment, but he shall not exercise his rights till the removal of defect.
187.	Ineligibility of certain persons to become director	Code of Corporate Governance: -Ineligible if serving as a director of 10 listed companies; if his name is not borne on register of National Tax Payer (except non-resident); if convicted by court as defaulter in repayment of loan; if declared defaulter by stock exchange if he is a member; if engaged in business of brokerage.	Minor; unsound mind; applicant of adjudicated insolvent; undischarged insolvent; convicted for moral turpitude; debarred under ordinance; betrayed lack of fiduciary behavior; not a member; defaulter of loan; engaged in brokerage business or is a spouse of such person or is a director, sponsor or officer of brokerage house. Exception of not a member: -Person representing govt. or institution -Whole time director who is an employee -CEO -Person representing creditor
188.	Vacation of office by directors	Section 187 & 195.	Becomes ineligible u/s 187; absent for 3 consecutive meetings of board or from all meetings in a continuous period of 3months w/out leave of absence; accepts other office other than of CEO, banker, legal or technical advisor w/out approval in general meeting; accepts loan or guarantee in contravention of section 195.
191.	Restriction on directors remuneration, etc.	-	-For performing extra services, as determined by directors or company in a general meeting as per AOA. -For attending meetings, shall not exceed the scale approved by directors or by the company in accordance with AOA.
192.	Restriction on assignment of office by director	-	Assignment: Transfer of all rights, privileges & obligations. -Assignment made by virtue of agreement or provided in AOA should be approved by the company in general meeting by SR. -Appointment of <u>alternate director</u> with the approval of directors by reason of absence from Pakistan for not less than 3 months till the time of returning of director.
193.	Proceedings of directors	Code of Corporate Governance: -Chairman of the company (elected from among the non-executive directors) shall preside over the meeting. -Notice of the meeting to be served at least 7days before the meeting (except in case of emergency) -Minutes of the meetings circulated to directors w/in 30days. Circular 18/2005 (Board meetings of listed companies may be held through video conferencing) Circular 12/2004 (Board meetings of unlisted public companies may be held through video conferencing)	Quorum: 4 or 1/3rd whichever is higher. Directors of PLC shall meet once in every quarter of a year.
194.	Liabilities, etc., of directors and officers	-	-Provisions w.r.t. exemption or giving indemnity to director, C.E.O., or officer in respect of liability of the company which he may have incurred upon himself by virtue of non compliance with any law, shall be void. -Exception: liability incurred by him in respect of defending any proceedings in which judgment is given in his favor or he is found innocent.
195.	Loans to directors, etc.	-	
196.	Powers of directors	Rule-14A of Companies (General Provision and Form) Rules, 1985 (Approval of BOD for Capital expenditure / Disposal of asset having W.D.V. shall be > 1,000,000 /	Ask call receivable; issue shares, debentures or redeemable capital; borrow money; invest funds; issue loans; approve accounts; approve bonus to employees; incur capital expenditure &

		100,000 respectively)	dispose asset; undertake leasing obligation > 1,000,000; declare interim dividend; etc. (Read with complete section)
197.	Prohibition regarding making of political contributions	-	To any political party, individual or body for any political purpose.
197A.	Prohibition regarding distribution of gifts	Circular 01/1991 (Listed companies should refrain from offering gifts to s/holders in AGM)	No distribution of gifts to members in meetings.
198.	Appointment of first chief executive	Section 218: -Memorandum of terms of appointment or contract or variation of C.E.O., & nature of interest of director to be sent to every member w/in 21days of appointment or variation of contract of appointment. -Where subsequent interest is developed, Memorandum of interest of the director w/in 21days of becoming interested.	-Every company (other than a company managed by managing agent which may appoint) shall have CEO appointed by the directors w/in 15 days of incorporation or the date from which in commence business whichever is earlier, appoint CEO for up to 1 st AGM or shorter period determined by directors.
199.	Appointment of subsequent chief executive	-	Appointed by the directors w/in 14days of election of directors or occurrence of casual vacancy, not for more than 3years from the date of appointment. Retiring CEO eligible for re-appointment.
200.	Terms of appointment of chief executive and filling up of casual vacancy	-	-To be determined by directors or by the company in general meeting in accordance with AOA. -C.E.O. = Deemed directors (if not already a director).
201.	Restriction on appointment of chief executive	-	If he is ineligible on the grounds mentioned u/s 187.
202.	Removal of chief executive	-	By 3/4 th of total number of directors or company by S/R.
203.	Chief executive not to engage in business competing with company's business	-	Whether directly or indirectly (carried on by spouse or minor children).
204.	Penalty	-	May be debarred from becoming director or C.E.O. of a company for not exceeding 3years.
204A.	Certain companies to have secretaries	Code of Corporate Governance: -Appointed by C.E.O with the approval of BOD. -Shall attend the meetings of BOD; not entitled to cast vote unless elected as a director. Circular 15/2003 (Whole time secretary means a full time employee as designated as secretary; duties of secretary may not be assigned to any officer in addition to his own duties & responsibilities; but a whole time secretary can be assigned additional job if the management considers it appropriate). Rule 14B of Companies (General Provision and Form) Rules, 1985 (Qualifications of company secretary) SMC Rules 2003 (Duties of a company secretary).	-Listed company = Whole time secretary & independent share registrar -SMC = as prescribed (not a whole time secretary) Listed company: Member of recognized body of professional accountants OR corporate or chartered secretaries OR person holding a master degree in business administration or commerce or a law graduate from a university recognized by HEC & having at least 2 years relevant experience SMC: Person holding bachelor degree from a university recognized by HEC.
205.	Register of directors, officers, etc.	-	Maintain register and filing of form 28, 27 & 29.
206.	Bar on appointment of managing agents, sole purchase, sales agents, etc.	-	-No company whether incorporated inside or outside Pakistan, except a company wholly owned or controlled by FG or PG. -No company incorporated in or outside Pakistan & carrying on business in Pakistan shall appoint sole purchase, sale or distribution agent except where a company incorporated outside Pakistan & such major portion of its business is conducted outside Pakistan.
207.	Terms and conditions of appointment of managing agent	-	As the FG may deem fit to impose.

208.	Investment in associated companies and undertakings	SRO 819/2007 (Exempt companies) SRO 865/2000 (Contents of statement of material facts)	-Investment and change in the nature on investment to be under the authority of S/R which shall indicate PANT (Period, Amount, Nature & Terms) -Return on investment \geq borrowing cost of the lending company.
209.	Investment of company to be held in its own name	-	Exceptions: -shares transferred in the name of a nominee director as qualification shares -shares of subsidiary company in the name of nominees to ensure that number of members is not reduced below minimum # of members -where principal business is sale and purchase of securities -deposit of shares or securities for collection of interest and dividend -deposit by way of security for repayment of any loan advanced to the company -transfer or register in the name of CDC -transfer in the name of issuing house.
210.	Form of contract	-	Contracts on behalf of the company may be: -May or may not be in writing; signed by a person acting under the authority; varied or discharged.
211.	Bills of exchange and promissory notes	-	Deemed to have been made, drawn, endorsed, or accepted on behalf of the company if made, drawn, endorsed, accepted on behalf of the company by any person acting under the authority.
212.	Execution of deeds	-	Deeds signed by the attorney (empowered by company in writing under <u>its</u> common seal) under <u>his</u> common seal on behalf of the company shall bind the company as if it were under <u>its</u> common seal.
213.	Power of company to have official seal for use abroad	-	-If authorized by AOA, co. may have separate official seal for any territory outside Pakistan. -That seal shall be the exact copy of common seal with the addition of the name of territory where it is intended to be used. -May appoint agent as in above section to authorize him to affix the official seal to any deed or document to which the company is a party in that territory.
214.	Disclosure of interest by directors	Section 195(1) Requirement of approval of transaction by BOD u/s 196 where director is interested in the following manner: Director; Firm of which he is a partner; Any partner of the firm of which he is a partner; Private company where director is a member or partner.	-Whether directly or indirectly, concerned or interested, in any contract or arrangement, entered or to be entered into, by or on behalf of the company. -Disclosure to be made at BOD meeting where question for entering in to the contract is considered, or at subsequent BOD meeting where he becomes subsequently interested. -Notice of disclosure shall expire at end of financial year, & renewed by a fresh notice given before one month of expiry.
215.	Interest of other officers, etc.	-	No other officer shall enter into any contract or arrangement with the company in which he is directly or indirectly concerned or interested, unless he makes a disclosure & obtains approval of directors.
216.	Interested director not to participate or vote in proceedings of directors	-	Over the approval of matter where he is the interested director. Not to be counted for the purpose of quorum over that matter. Exceptions: -Private company not being holding or subsidiary of PLC. -Contract of indemnity for loss which the director may suffer as a result of being surety for the co. -Directorship by virtue of nomination.

217.	Declaring a director to be lacking fiduciary behavior	-	By the court if he contravenes section 214, 215(1) & 216.
218.	Disclosure to members of director's interest in contract appointing chief executive, managing agent or secretary	-	-Attach abstracts of terms of appointment or contract or variation to the Director's Report & nature of interest of director. -Memorandum of terms of appointment or contract or variation of C.E.O., & nature of interest of director to be sent to every member w/in 21days of appointment or variation of contract of appointment. -Where subsequent interest is developed, Memorandum of interest of the director w/in 21days of becoming interested.
219.	Register of contracts, arrangements and appointments in which directors, etc., are interested	-	Particulars: Date, Name of parties, Terms & conditions, Date of placement of contract with directors, Name of directors voting <u>for</u> , <u>against</u> & <u>remained neutral</u> . (Where director's approval is required, w/in 7days of approval of directors OR in any other case w/in 7days of receipt of particulars of contract or w/in 30days of contract whichever is later). Exceptions: Value or cost of contract is \leq 200,000 or contracts by banking co. for collection of bills in ord. course of business
220.	Register of directors' shareholdings, etc.	-	-By a listed co. in respect of number, description & amount of shares or debentures of the co. being the subsidiary or holding co. or the subsidiary of holding co. held by Director, CEO, MA, CFO, CS, auditor or 10% beneficial owner (direct + indirect + owned by partnership firm + owned by PVT. co. in which he is a member of partner). -Kept at reg. office & open for inspection subject to restrictions imposed by AOA or in GM for \geq 2hours each day. From 14days before AMG & 3days of its conclusion, open for members & debenture holder. For person acting on behalf of SECP, all time.
221.	Duty of directors, etc, to make disclosure of shareholdings, etc.	-	For the purpose of section 220, persons mentioned above shall give notice of disclosure w/in 15days of acquisition or change of interest.
222.	Submission of statements of beneficial owner of listed securities	-	To the registrar & SECP, by persons mentioned in section 220, w/in 30days of occupying the position, acquisition or listing & w/in 15days of change of interest.
223.	Prohibition of short selling		- Short selling: Purchase and sale, or Sale and purchase w/in a period of less than 6months -By director, CEO, CFO, CS, MA, auditor and beneficial owner of listed company.
224.	Trading by directors, officers and principal shareholders	Rule 16 of Companies (General Provision and Form) Rules, 1985 - Computation of amount to be tendered to a listed co. = Highest price of 6months (Sale Price) minus Lowest price of 6months (purchase price) -Purchase and sales shall be matched w.r.t purchase & sale of shares of same class and of same listed co. -Bonus shares & allotment of right shares either on the basis of his own entitlement or on account of purchase of right allotment letters shall be not constitute a purchase. -Losses arising in such transactions shall not be offset against gain computed in above manner; brokerage, stamp duty & other	-Gains made by persons mentioned in section 220 by way of short selling shall make a report & tender the amount of gain computed in the prescribed manner to the company, and intimate the fact to the registrar & SECP. Exception of purchase may include security acquired in good faith in satisfaction of previously contracted debt. -Such person shall tender the amount of gain to the co. w/in 6months of accrual or 60days of demand whichever is later, failure to which renders the amount of gain to vest in the SECP. And unless deposited to SECP in prescribed account, the commission may direct recovery of the same as an arrear of land revenue.

		expenditures may be deducted subject to documentary evidence of such payments.	
225.	Contracts by agents of company in which company is undisclosed principal		Agent or officer of such a contract shall make a memorandum of terms of such contract & with whom it has been made, & shall deliver it to the company & directors which shall be laid before the directors at their next meeting.
226.	Securities and deposits, etc.	Section 229 Personal liability to pay the loss suffered by the depositor of security.	-No company, officer of agent shall receive or utilize the securities or deposits <u>except in accordance with a contract in writing</u> , & all moneys received shall be deposited in a separate bank account. -N/A to deposits received as advance payment for goods to be delivered.
227.	Employees' provident funds and securities	Section 229 Personal liability to pay the loss suffered by the employee. SRO 258/2002 Employees P.F. (Inv. In listed securities) Rules, 1996 -Total inv. up to 30% of PF contribution -Inv. in particular company \leq 5% of p/up capital of the investee company -Minimum operational record of 5 years -At least 15% dividend in preceding consecutive 3years -No default in financing facility publicly known -Securities have been rated as an investment grade with min. rating of BBB. -No default in financing facility publicly known	- Unfunded P.F.: Moneys or securities deposited by employees shall w/in 15days of deposit be deposited in separate bank a/c or in NSS. - Funded P.F.: Moneys or securities contributed by employee & the employer shall be paid to the trustee's a/c in 15days of collection. From thereon, obligations of the co. shall pass to the trustees. -Such contribution shall be deposited in NSS, separate bank a/c, or in a special account in itself where the company is the scheduled bank; or invested in govt. securities or bonds, redeemable capital, WAPDA securities or in listed securities.
		<div style="border: 1px solid black; padding: 2px; display: inline-block;">SHARES</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">OTHER THAN SHARES</div>	
228.	Right to see bank receipts for money or securities	Section 229 Personal liability to pay the loss suffered by the employee.	Person depositing money or security under the above section shall have the right to see bank receipts on request to the company or trustee.
230.	Books of accounts to be kept by company	Sector wise general order for maintaining cost accounting record: Cement, Vegetable ghee, Sugar, Fertilizers, Thermal energy, Petroleum refining, Natural gas & Polyester fiber.	-At reg. office w.r.t: sale & purchase; assets; liabilities; receipts & payments along with matters in respect of receipts and payments; particulars relating to utilization of material, labor or other input costs. -Notice to registrar w/in 7days of decision of such other place with full address where the directors decided to keep the aforesaid books of accounts at a place other than reg. office. -Summarized returns of transactions effected at branch office should be made at least quarterly. -Open to inspection by directors during business hours. Inspection by members at the discretion of the directors. -Books of accounts of not less than 10years to be kept.
231.	Inspection of books of account by registrar, etc.	-	-By registrar or person authorized by SECP -Above persons may make copies & place identification marks on books; report to SECP after inspection -Duty of director, officer or other employee to produce books for inspection & provide necessary assistance in connection with inspection.
233.	Annual accounts and balance sheet	Regulation 18 of Listing Regulations of KSE (Guarantee) Limited: -Annual report and audited accounts to be sent to KSE not later than 21days before a meeting of s/holders	-Directors place the accounts before AGM not later than 18months after incorporation and subsequently once at least in every calendar year. -Period of 1 st accounts= Period since the incorporation date till the closing date. -Period of accounts shall not exceed 12months except after special permission by registrar (SECP in case of listed co.) and accounts be audited.

			<p>-At least before 21 days of meeting, send copy of accounts to every member, and keep a copy at reg. office for inspection by members.</p> <p>-5 copies of accounts to SECP, stock exchange & registrar.</p>
234.	Contents of balance sheet	-	<p>-Listed co. & private and unlisted public co. which is a subsidiary of listed co=4th sch. Other cases=5th sch.</p> <p>-N/A to insurance or banking co.</p> <p>-Such notified IASs' be followed.</p> <p>-Listed co. shall annex S.O.C.I.E, Cash Flow statement & accounting policies & any changes therein.</p>
234A.	Special audit	-	<p>-Commission may appoint an auditor for conduction special audit, on its own motion or up on application made by members holding $\geq 20\%$ voting rights</p> <p>-1/2 of audit expenses shall be borne & paid in advance by members and other 1/2 shall be payable by the co (co. liable to reimburse the commission where expenses payable by the co. were settled by the commission).</p> <p>-On receipt of special audit report, commission may issue directions for immediate compliance, to the co. & management.</p>
235.	Treatment of surplus arising out of revaluation of fixed assets	<p>SRO 45/2003</p> <p>-At first, incremental depreciation is to be provided in Statement of Comprehensive Income to take effect on E.P.S.</p> <p>-In S.O.C.I.E, transfer the amount to un-appropriated profit/loss from the surplus equal to the amount of incremental depreciation.</p>	<p>-Transferred to "Surplus of Revaluation of Fixed Assets Account" shown after capital & reserves.</p> <p>-Shall not be set off unless realized on disposal; may be applied in setting off or in diminution of any deficit arising from revaluation of any other fixed asset; incremental depreciation may be charged to surplus account.</p> <p>-May be amortized according to life of the asset.</p>
236.	Director's report	<p>Section 218(1)</p> <p>Additional content (abstract of terms of appointment or contract or variation & nature of concern or interest of the director) w.r.t. appointment of CEO, MA or CS where any director is interested in the contract of appointment.</p>	<p>-Report w.r.t state of company's affairs, the amount of recommended dividend & amount proposed to carry to reserve fund or general reserves.</p> <p>-Additional for PLC or PVT co. being subsidiary of PLC is also prescribed.</p> <p>-Shall be signed by Chairman of directors or CEO on behalf of directors if so authorized or CEO & such number of directors as are reqd. to sign accounts u/s 241 [1 director].</p> <p>-Prepare separate in the standpoint of holding co. to attach it with consolidated F/S.</p>
237.	Consolidated financial statements	-	<p>-Mandatory for every company whether listed or otherwise.</p> <p>-Shall be attached to F/S of holding co. made in accordance with the req. of 4th sch.</p> <p>-Where financial year end of subsidiary precedes that of its holding co. by more than 3 months, the subsidiary shall make an interim closing as on the date of yearend of holding co. Such interim F/S shall be reviewed by the auditors of that subsidiary.</p>
238.	Financial year of holding company and subsidiary	-	<p>-Directors of holding co. should ensure that F/Y of both the companies coincide, except where there are good reasons angst. it.</p> <p>-SECP may direct that submission of accounts & holding of AMG shall not be required where it seems appropriate for a holding or subsidiary company to extend its financial year in order to agree F/Y's of both the companies.</p>
239.	Rights of holding company's representatives and members	-	<p>Inspection of subsidiary's books during business hours by a representative of holding co. authorized by the resolution.</p>

240.	Balance sheet of modaraba company to include modaraba accounts, etc.	-	-F/S as at the yearend of modaraba where financial year of modaraba coincides with that of modaraba company - F/S as at the yearend of modaraba last before that of modaraba company if it doesn't coincides.
241.	Authentication of balance sheet	Code of Corporate Governance: -CEO & CFO shall present the F/S duly endorsed under their respective signatures for consideration & approval of BOD.	-Approved by directors; signed by CEO + at least 1 director or 2 directors only where CEO is out of Pakistan for the time being. -Attach a statement to the accounts explaining reason for non-compliance.
242.	Copy of balance sheet to be forwarded to the registrar	-	-W/in 30days of AGM ≥ 3 in case of listed co. and 2 for every other co. -N/A to PVT co. having p/up cap. <7.5 mn rupees.
243.	Right of member of company to copies of the balance sheet, etc., and the auditor's report	-	On payment of sum not exceeding specified by the co.
245.	Quarterly accounts of listed companies	Regulation 18 of Listing Regulations of KSE (Guarantee) Limited: -Specified # of copies to be sent to KSE. Code of Corporate Governance: -Quarterly unaudited F/S of listed co. to be published & circulated. Circular 09/2004 Placing of quarterly accounts on website instead of by post by a listed company -Approval in GM & consultation with stock exchange -Prior permission of commission -Inform s/holders through advertisement & SE and Commission in writing by post -Intimation to SECP through email after placing accounts on website. -Requirement of sending accounts to stock exchange & SECP still valid.	-W/in 1month of close of the quarter, send quarterly accounts to members & stock exchange; file with the registrar and SECP such number of copies as specified, not being < 3. Circular 09/2003: General relaxation of further one month enabling the listed companies to circulate 2 nd quarter accounts with limited scope review by the statutory auditors. i.e. W/in a period of 2 months of close of 2 nd quarter. Circular 16/2002 -Cumulative figures for half year presented in 2 nd quarter accounts are subject to limited scope review by statutory auditors -Where difficulty in circulating quarterly accounts, may be published in 2 leading morning newspapers English & Urdu. -Listed co. is not reqd. to circulate its 4 th quarter accounts.
246.	Power of commission to require submission of additional statements of accounts and reports	-	By general or special order.
247.	Rights of debenture holders, etc., as to receipt and inspection of report, etc.	-	Same rights as possessed by ordinary s/holders.
248.	Certain restrictions on declaration of dividends	Regulation 16 of Listing Regulations of KSE (Guarantee) Limited: -Intimation of divided shall be sent to KSE not later than 14days prior to commencement of book closure.	-Declaration of dividend in General Meeting should not exceed amount recommended by directors. -Not to be paid out of profit made from sale or disposal of immoveable property or assets of a capital nature except after setting off these profits from losses arising from sale of other immoveable property unless the business consists of selling & purchasing of such property.
249.	Dividend to be paid only out of profits	-	Otherwise not allowed.
250.	Dividend not to be paid except to registered shareholders or to their order or to their bankers	Circular 03/2001 Dispatch of dividend warrants and shares by courier service is allowed; proper proof of dispatch must be maintained.	-Dividend to be paid to the registered share holder, or to his order, or to his banker, or to a financial institution nominated by him for the purpose. -Separate application by banker or financial institution for payment of dividend is not reqd. -Dividend warrants to be sent through reg. post unless otherwise req. by registered shareholder.
251.	Period for payment of dividend	Regulation 19 of Listing Regulations of KSE (Guarantee) Limited & SRO 920/2008: -Dispatch (by reg. post) interim dividend warrants w/in 30days of commencement of closing of share transfer register for the purpose. -Dispatch (by reg. post) final dividend warrants w/in 30days of the general meeting in which same has been approved.	-W/in such period as specified by SECP from time to time from the date of declaration. - Date of Declaration: Interim dividend=Date of commencement of closing of share transfer register Final dividend=Date of GM in which it is approved Others=Date on which dividend is approved by directors. Penalty for delay in payment: On CEO;

		-Intimate the exchange as soon as all the warrants are posted.	debarred from becoming CEO or director of the company and any other company for 5years, 2years imprisonment + Fine of 1.0mn Rupees. -Exceptions to delay in payment of divided.
252.	Appointment and remuneration of auditors	Regulation 29 of Listing Regulations of KSE (Guarantee) Limited: -No person/firm shall be appointed as an auditor if he/partner of a firm is found guilty of professional misconduct for 3 years from the date of declaration by commission or court; engaged by company to provide prohibited services.	- First auditors: By directors w/in 60days of incorporation till the conclusion of 1 st AGM (Removed by SR in GM) OR By co. in GM (Removed in GM by resolution for removal & appointment). - Subsequent auditors: By co. in each AGM until conclusion of next AGM (Removed by SR in GM) -Casual vacancy may be filled by directors w/in 30days to hold such office until conclusion of next AGM. -SECP may fill the casual vacancy if auditors not appointed as aforesaid (by directors, in GM, Casual vacancy not filled) or appointed directors are unwilling to act, upon the notice given by the company w/in 1week of occurrence of above events.
253.	Provision as to resolutions relating to appointment and removal of auditors	-	-Notice shall be required for a resolution at AGM for appointing a person as auditor other than a retiring auditor, not less than 14days before AGM which shall be sent to every member & retiring auditor not less than 7days before AGM. -Fact of representation made by the retiring auditor shall be made in such notice & copy of such representation is sent with the notice. -Intimate the registrar w/in 14days of appointment or removal together with the consent of appointed auditor.
254.	Qualification and disqualification of auditors	Code of Corporate Governance: -Auditors should not at any time hold shares of listed co. or any of its associated co. or undertaking; if so, disclose the interest w/in 14days of appointment and divest themselves w/in 90days thereof. -No listed co. shall appoint a firm of auditors which has not been given satisfactory rating under QCR programme of ICAP; if a firm or partner is non-compliant with IFAC Code of Ethics. -Listed companies shall change their auditors every 5years, if impractical then rotate the partner in charge after consent of SECP.	- Qualification: CA for PLC or PVT co. which is subsidiary of PLC or PVT co. having paid up s/cap \geq 3mn Rupees. - Disqualification: Director, other office or employee during preceding 3years; Partner or employee of director, officer or employee of co.; spouse of director; indebted to co. (other than credit card dues of \leq 500,000 or utility bills of 90days); body corporate; s/holder of co. or its associate co. -Also disqualified where disqualified for appointment as auditor of subsidiary or holding co.
255.	Power and duties of auditors	Code of Corporate Governance: -Furnish Management Letter to BOD of listed co. w/in 30days of audit report -Partner of the firm of external auditor shall attend AGM at which audited accounts are placed for consideration & approval.	Powers: -All time access to books, papers, accounts & vouchers whether kept at reg. office or elsewhere -Require from co., directors & other officers such information & explanation necessary to carry out the duties as auditor -Access to copies of & extracts from books and papers of branch in case the branch office is situated outside Pakistan. -Attend GM, receive notices of communications relating to GM & to be heard at GM on any part of business which concerns him as auditor. Duties: -Make a report to members of the company -Present himself in GM in which F/S are to be discussed.
256.	Reading and inspection of auditors' report	-	Read out in GM & open to inspection by any member

257.	Signature on audit report, etc.	-	Signed (by auditor or partner of audit firm practicing in Pakistan); dated; indicate the place at which it is signed
258.	Audit of cost accounts	<p>-Cost auditors shall be appointed by directors with the approval of the SECP w/in 60days of close of financial year</p> <p>-Circulation and distribution of cost audit report along with the reconciliation statement of cost accounts with audited financial accounts, w/in 6months of close of financial year end to the members, directors, s/holders, commission & registrar.</p> <p>-Cost audit report shall not be printed, & it shall be permissible to circulate photo-copies thereof.</p>	<p>-On the direction of FG by a CA or CMA, having same powers, duties & liabilities as an auditor of the co.</p> <p>-For last 5 sectors mentioned in section 230, cost audit applicability is w.r.t F/Y commencing from 01.07.2010</p>