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		COMPANIES ORDINANCE 2016
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PART I		
1.	2(1) (5)	“ authorised capital ” or “ nominal capital ” means such capital as is authorised by the memorandum of a company to be the maximum amount of share capital of the company;
2.	2(1) (6)	“ banking company ” means a banking company as defined in clause (c) of section 5 of the Banking Companies Ordinance, 1962 (LVII of 1962);
3.	2(1) (7)	<p>“beneficial ownership of shareholders or officer of a company” means ownership of securities beneficially owned, held or controlled by any officer or substantial shareholder directly or indirectly, either by-</p> <p>(a) him or her;</p> <p>(b) the wife or husband of an officer of a company, not being herself or himself an officer of the company;</p> <p>(c) the minor son or daughter of an officer where “son” includes step-son and “daughter” includes step-daughter; and “minor” means a person under the age of eighteen years;</p> <p>(d) in case of a company, where such officer or substantial shareholder is a shareholder, but to the extent of his proportionate shareholding in the company:</p> <p>Provided that “control” in relation to securities means the power to exercise a controlling influence over the voting power attached thereto:</p> <p>Provided further that in case the substantial shareholder is a non-natural person, only those securities will be treated beneficially owned by it, which are held in its name.</p> <p>Explanation.- For the purpose of this Ordinance “substantial shareholder”, in relation to a company, means a person who has an interest in shares of a company-</p> <p>(a) the nominal value of which is equal to or more than ten per cent of the issued share capital of the company; or</p> <p>(b) which enables the person to exercise or control the exercise of ten per cent or more of the voting power at a general meeting of the company;</p>

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4.	2(1) (8)	“board” , in relation to a company, means board of directors of the company.
5.	2(1) (11)	“books of account” includes records maintained in respect of— (a) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place; (b) all sales and purchases of goods and services by the company; (c) all assets and liabilities of the company; and (d) items of cost in respect of production, processing, manufacturing or mining activities.
6.	2(1) (13)	“chartered accountant” shall have the meaning as assigned to it under the Chartered Accountants Ordinance, 1961 (X of 1961).
7.	2(1) (15)	“chief financial officer” means an individual appointed to perform such functions and duties as are customarily performed by a chief financial officer.
8.	2(1) (18)	“company law” means the repealed Companies Act, 1913 (VII of 1913) and Companies Ordinance, 1984 (XLVII of 1984).
9.	2(1) (21)	“company secretary” means any individual appointed to perform secretarial and other duties customarily performed by a company secretary and declared as such, having such qualifications and experience, as may be specified.
10.	2(1) (22)	“cost and management accountant” shall have the same meaning as assigned to it under the Cost and Management Accountants Act, 1966 (XIV of 1966).
11.	2(1) (27)	“e-service” means any service or means provided by the Commission for the lodging or filing of electronic documents.
12.	2(1) (28)	“electronic document” includes documents in any electronic form and scanned images of physical documents.
13.	2(1) (29)	“employees’ stock option” means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the right to purchase or to subscribe for shares of the company at a price to be determined in the manner as may be specified.
14.	2(1) (30)	“expert” includes an engineer, a valuer, an actuary, a chartered accountant or a cost and management accountant and any other person who has the power or authority to issue a certificate in pursuance of any law for the time being in force or any other person notified as such by the Commission.
15.	2(1) (32)	“financial period” in relation to a company or any other body corporate, means the period (other than financial year) in respect of which any financial statements thereof are required to be made pursuant to this Ordinance.
16.	2(1) (33)	“financial statements” in relation to a company, includes—

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		<p>(a) a statement of financial position as at the end of the period;</p> <p>(b) a statement of profit or loss and other comprehensive income or in the case of a company carrying on any activity not for profit, an income and expenditure statement for the period;</p> <p>(c) a statement of changes in equity for the period;</p> <p>(d) a statement of cash flows for the period;</p> <p>(e) notes, comprising a summary of significant accounting policies and other explanatory information;</p> <p>(f) comparative information in respect of the preceding period; and</p> <p>(g) any other statement as may be prescribed;</p>
17.	2(1) (35)	<p>“foreign company” means any company or body corporate incorporated outside Pakistan, which—</p> <p>(a) has a place of business or liaison office in Pakistan whether by itself or through an agent, physically or through electronic mode; or</p> <p>(b) conducts any business activity in Pakistan in any other manner as may be specified;</p>
18.	2(1) (36)	“Government” includes Federal Government or, as the case may be, Provincial governments unless otherwise expressly provided in this Ordinance.
19.	2(1) (39)	“listed securities” means securities listed on the securities exchange.
20.	2(1) (42)	“mortgage or charge” means an interest or lien created on the property or assets of a company or any of its undertakings or both as security.
21.	2(1) (43)	“net worth” means the amount by which total assets exceed total liabilities;
22.	2(1) (44)	“notification” means a notification published in the official Gazette and the expression “notify” shall be construed accordingly.

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23.	2(1) (46)	“ordinary resolution” means a resolution passed by a simple majority of such members of the company entitled to vote as are present in person or by proxy or exercise the option to vote through postal ballot, as provided in the articles or as may be specified, at a general meeting.
24.	2(1) (47)	“postal ballot” means voting by post or through any electronic mode: Provided that voting through postal ballot shall be subject to the provision in the articles of association of a company, save as otherwise provided in this Ordinance.
25.	2(1) (50)	“promoter” means a person- (a) who is named as a subscriber to the memorandum of association of a company; or (b) who has been named as such in a prospectus; or (c) who has control over affairs of the company, directly or indirectly whether as a shareholder, director or otherwise; or (d) in accordance with whose advice, directions or instructions the board of the company is accustomed to act: Provided that— (i) nothing in sub-clause (d) shall apply to a person who is acting merely in a professional capacity; and (ii) nothing contained in sub-clause (d) shall apply to the Commission, registrar or any authorised officer by virtue of enforcement or regulation of the provisions of this Ordinance or any rules, regulations, instructions, directions, orders thereof.
26.	2(1) (53)	“public interest company” means a company which falls under the criteria as laid down in the Third Schedule to this Ordinance or deemed to be such company under section 216.
27.	2(1) (54)	“public sector company” means a company, whether public or private, which is directly or indirectly controlled, beneficially owned or not less than fifty-one percent of the voting securities or voting power of which are held by the Government or any agency of the Government or a statutory body, or in respect of which the Government or any agency of the Government or a statutory body, has otherwise power to elect, nominate or appoint majority of its directors and includes a public sector association not for profit, licenced under section 42:

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		Provided that nomination of directors by the Commission on the board of the securities exchange or any other entity or operation of any other law shall not make it a public sector company.
28.	2(1) (56)	“register of companies” means the register of companies maintained by the registrar on paper or in any electronic form under this Ordinance.
29.	2(1) (58)	“regulations” means the regulations made by the Commission under this Ordinance.
30.	2(1) (59)	“rules” means rules made by the concerned Minister-in-Charge of the Federal Government under this Ordinance.
31.	2(1) (61)	“securities” include the securities as provided in sub-clauses (a) to (i) of clause (lii) of section 2 of the Securities Act, 2015 (III of 2015).
32.	2(1) (62)	“securities exchange” means a public company licenced by the Commission as a securities exchange under the Securities Act, (III of 2015).
33.	2(1) (64)	“Shariah compliant company” means a company which is conducting its business according to the principles of <i>Shariah</i> .
34.	2(1) (65)	“single member company” means a company which has only one member;
35.	2(1) (67)	“specified” means specified through regulations made under this Ordinance.
36.	2(1) (70)	“turnover” means the aggregate value of sale, supply or distribution of goods or on account of services rendered, or both, net of discounts, if any, held by the company during a financial year.
37.	2(1) (71)	“unlimited company” means a company not having any limit on the liability of its members.
38.	2(1) (72)	“valuer” means a valuer registered with the Commission.
39.	2(1) (73)	“voting right” means the right of a member of a company to vote on any matter in a meeting of the company either present in person or through video-link or by proxy or by means of postal ballot: Provided that attending of meeting through video-link shall be subject to such facility arranged by the company and in the manner as may be specified, save as otherwise provided in this Ordinance; and
40.	2(1) (74)	“wholly owned subsidiary” a company shall be deemed to be a wholly owned subsidiary of another company or the statutory body if all its shares are owned by that other company or the statutory body.
41.	2(2)	The words and expressions used and not defined in this Ordinance but defined in the Securities Act, 2015 (III of 2015) or the Securities and Exchange Commission of Pakistan Act, 1997(XLII of 1997) or the Central Depositories Act, 1997 (XIX of 1997) shall have the meanings respectively assigned to them in those Acts.
PART II		

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42.	6	<p>6. Procedure of the Court and appeal.— (1) Notwithstanding anything contained in any other law for the time being in force all written submissions to the Court under this Ordinance shall be filed with the Registrar of the Company Bench.</p> <p>(2) For the purposes of this Ordinance, written submissions shall, <i>inter alia</i>, include-</p> <p>a petition or application setting out a concise statement of facts, grounds and the relief claimed;</p> <p>(b) a written reply with particulars of set off, if any;</p> <p>(c) an affidavit of facts by the petitioner or applicant, or respondent, as the case may be, including affidavits, if required, of other persons in support of the case, duly attested by the oath commissioner, or as may be provided under the rules;</p> <p>(d) any other relevant documents in possession of the petitioner or applicant or respondent, as the case may be;</p> <p>(e) any application for discovery of documents or interim injunction, if required;</p> <p>(f) a list of any case law along with a summary of the same on which the petitioner or applicant is placing reliance;</p> <p>(g) address for effecting service, mobile number, email and fax or any other mode notified by the Court; and</p> <p>(h) any other document as may be required by the Registrar of the Company Bench.</p> <p>(3) Where any petition or application is filed under any provision of this Ordinance, summons may be issued by the Registrar of the Company Bench along with a copy of the petition or application and the documents annexed therewith and the same shall be served on the respondent through the bailiff or process-server of the Court, through registered post, acknowledgement due, by courier and by publication in one English language and one Urdu language daily newspaper and, in addition, if so directed by the Court through electronic modes, and the service duly effected through any one of the modes mentioned under this sub-section shall be deemed to be valid service.</p> <p>Explanation.- “electronic modes” means service of summons on a party or other person by electronic transmission through devices such as, facsimile, email, or in such other form or mode as may be notified by the Court.</p>

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		<p>(4) The respondent shall file a written reply and particulars of set-off, if any, as set out in sub-section (2) of this section with the concerned Registrar of the Company Bench within thirty days from the date of first service through any of the modes as laid down in sub-section (3).</p> <p>(5) Where the respondent fails to file the written reply within the time prescribed in sub-section (4), a report shall be submitted by the Registrar of the Company Bench before the Court and the Court may pass necessary orders to proceed <i>ex parte</i> and announce the final order on the basis of the documents available on record.</p> <p>(6) The Registrar of the Company Bench, on completion of receipt of all written submissions and after ensuring that all copies of such written submissions are duly supplied to the parties as per procedure laid down by the Court, shall present the case file to the Court on a day fixed under notice to the parties, within forty-five days of the first service of notices or such extended time as may be granted by the Court.</p> <p>(7) The Court after consulting the counsel of the parties shall fix a date and allocate time for hearing of the case.</p> <p>(8) No adjournment shall be granted once the Court has fixed a date of hearing under sub-section (7) and it will be duty of the parties to ensure the presence of their respective counsel or in absence of the counsel make alternate arrangements:</p> <p>Provided that only in exceptional circumstances beyond control of a party, the Court may grant another opportunity of hearing subject to the payment of an amount of rupees ten thousand or such higher amount as may be determined by the Court as costs to be paid to the Court.</p> <p>(9) The Court shall treat affidavits, counter affidavits and other documents filed by the parties to the proceedings as evidence and decide the matter on the basis of the documents and affidavits placed before the Court, in a summary manner and pass final orders within the time stipulated in sub-section (11).</p> <p>(10) In exceptional circumstances where the Court is of the view that any issue of facts requires cross examination, the Court may order attendance of the relevant deponent or deponents for the purposes of cross examination by such opposing party or parties as the Court deems fit and for the purposes of this section the affidavit filed by such deponent shall be considered as his examination-in-chief:</p>

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		<p>Provided that—</p> <p>(i) the Court may refer the matter to the Registrar of the Company Bench or any other person for recording of cross examination of the deponent who shall complete recording of cross examination within thirty days from the date of the order of the Court, or such extended time as may be allowed by the Court which shall not be more than fifteen days on payment of rupees ten thousand or such higher amount as may be determined by the Court as costs payable to the Court and to submit a report accordingly;</p> <p>(ii) all questions and answers along with any objections raised by any party shall be duly recorded in writing; and</p> <p>(iii) the Registrar of the Company Bench shall have all the powers of the Civil Court under the Code of Civil Procedure, 1908 (V of 1908) for the purposes of execution of service and summoning of deponents and conducting cross examination in accordance with the directions of the Court.</p> <p>(11) The petition presented before the Court shall be decided within a period of one hundred and twenty days from the date of presentation of the case and for this purpose the Court may, if it is in the interest of justice, conduct the proceedings on a day to day basis and if the Court deems fit it may impose costs which may extend to one hundred thousand rupees per day or such higher amount as the Court may determine against any party to the proceeding causing the delay.</p> <p>(12) The Court may, at any time, take notice of serious misstatements and material non-disclosure of facts by any party to the proceedings and dismiss the petition or application or close the right of defence of the respondent with costs of the proceedings and impose a fine which may extend to one hundred thousand rupees whichever is higher and pass a final order.</p> <p>(13) Notwithstanding anything contained in this section, the Registrar of the Company Bench shall place any application for interim relief including any interlocutory order before the Court for adjudication immediately upon its filing.</p> <p>(14) Any person aggrieved by any judgment or final order of the Court passed in its original jurisdiction under this Ordinance may, within sixty days, file a petition for leave to appeal in the Supreme Court of Pakistan:</p>

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		<p>Provided that no appeal or petition shall lie against any interlocutory order of the Court.</p> <p>(15) Save as otherwise expressly provided under this Ordinance, the provisions of the Qanun-e-Shahadat (Order) 1984 (P.O. No. 10 of 1984) and the Code of Civil Procedure, 1908 (Act V of 1908) shall not apply to the proceedings under this section except to such extent as the Court may determine in its discretion.</p>
PART IV		
43.	26	<p>Business and objects of a company.— (1) A company may carry on or undertake any lawful business or activity and do any act or enter into any transaction being incidental and ancillary thereto which is necessary in attaining its business activities:</p> <p>Provided that—</p> <p>(i) the principal line of business of the company shall be mentioned in the memorandum of association of the company which shall always commensurate with name of the company; and</p> <p>(ii) any change in the principal line of business shall be reported to the registrar within thirty days from the date of change, on the form as may be specified and registrar may give direction of change of name if it is in violation of this section.</p> <p>Explanation. — “principal line of business” means the business in which substantial assets are held or substantial revenue is earned by a company, whichever is higher.</p> <p>(2) A company shall not engage in a business which is—</p> <p>(a) prohibited by any law for the time being in force in Pakistan; or</p> <p>(b) restricted by any law, rules or regulations, unless necessary licence, registration, permission or approval has been obtained or compliance with any other condition has been made:</p> <p>Provided nothing in sub-section (1) shall be applicable to the extent of such companies.</p>
44.	36 (7)	<p>(7) If a company contravenes the provisions of its articles of association the company and every officer of the company shall be liable to a penalty not exceeding of level 1 on the standard scale.</p>
45.	43	<p>Effect of revocation of licence.—(1) On revocation of licence of a company under section 42, by the Commission-</p> <p>(a) the company shall stop all its activities except the recovery of money owed to it, if any;</p> <p>(b) the company shall not solicit or receive donations from any source; and</p> <p>(c) all the assets of the company after satisfaction of all debts and liabilities shall, in the manner as may be specified, be transferred to another company licenced under section 42, preferably having similar or identical objects to those of the company, within ninety days</p>

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		<p>from the revocation of the licence or such extended period as may be allowed by the Commission: Provided that a reasonable amount to meet the expenses of voluntary winding up or making an application to the registrar for striking the name of the company off the register in terms of sub-section (3), may be retained by the company.</p> <p>(2) After compliance of the requirements mentioned in sub-section (1), the board of the company shall file within fifteen days from the date of such compliance, a report to the registrar containing such information and supported with such documents as may be specified.</p> <p>(3) Within thirty days of acceptance of the report by the registrar, submitted by the company under sub-section (2), the board shall initiate necessary proceedings for winding up of the company voluntarily or where it has no assets and liabilities make an application to the registrar for striking the name of the company off the register.</p> <p>(4) If the company fails to comply with any of the requirements of this section within the period specified or such extended period as may be allowed by the Commission, the Commission may, without prejudice to any other action under the law, appoint an administrator to manage affairs of the company subject to such terms and conditions as may be specified in the order and initiate necessary proceedings for winding up of the company.</p> <p>(5) The provisions of section 291, except those of sub-section (1) thereof, shall apply mutatis mutandis to the administrator appointed under this section.</p> <p>(6) Where any assets of the company are transferred, in consequence of revocation of licence, to another company licenced under section 42, the members and officers of the first mentioned company or any of their family members shall not be eligible to hold any office in the later company for a period of five years from the date of transfer of such assets.</p> <p>(7) Where the licence of a company has been revoked before the commencement of this Ordinance and such company is not in the process of winding up, this section shall apply as if the licence was revoked immediately after the commencement of this Ordinance.</p>
46.	44	<p>Penalty.—If a company licenced under section 42 or any of its officers makes default in complying with any of the requirements of sections 42 and 43 or the rules or regulations or the terms or conditions to which the licence is subject or any directions contained in a revocation order, it shall without prejudice to any other action be punishable by a penalty not exceeding of level 2 on the standard scale.</p>
47.	47	<p>Conversion of status of private company into a single-member company and vice-versa.—(1) A private company may be converted into a single member company with prior approval of the Commission in writing by passing a special resolution in this behalf by the private company amending its memorandum and articles of association, in such a manner that they include the provisions relating to a single-member company in the articles and complying with all the requirements as may be specified. (2) On an application for change in status of a company under sub-section (1), if the Commission is satisfied that the company is entitled to be so converted, such conversion shall be allowed by an order in writing. (3) A copy of the order, confirming the conversion under sub-section (2), duly certified by an authorised officer of the Commission shall be forwarded to the company and to the registrar within seven days from</p>

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		the date of the order. (4) A copy of the memorandum and articles of association as altered pursuant to the order under sub-section (2) shall, within fifteen days from the date of the order, be filed by the company with the registrar and he shall register the same and thenceforth the memorandum and articles so filed shall be the memorandum and articles of the newly converted company. (5) If a company, being a single member company, alters its articles in such a manner that they no longer include the provisions which are required to be included in the articles of a company in order to constitute it a single member company, the company shall—(a) as on the date of the alteration, cease to be a single member company; and (b) file with the registrar a copy of the memorandum and articles of association as altered along with the special resolution. (6) If default is made in complying with the provisions of any of the preceding sub-sections, the company, and every officer of the company who is in default, shall be liable to a penalty not exceeding of level 2 on the standard scale.
48.	49	Conversion of a company limited by guarantee to a company limited by shares and vice-versa. ----(1) A company limited by guarantee may be converted into a company limited by shares with prior approval of the Commission in writing by passing a special resolution in this behalf by the company limited by guarantee amending its memorandum and articles of association in such a manner that they include the provisions relating to a company limited by shares in the articles and complying with all the requirements as may be specified. (2) On an application for change in status of a company under sub-section (1), if the Commission is satisfied that the company is entitled to be so converted, such conversion shall be allowed by an order in writing. (3) A copy of the order, confirming the conversion under sub-section (2) duly certified by an authorised officer of the Commission shall be forwarded to the company and to the registrar within seven days from the date of the order. (4) A copy of the memorandum and articles of association as altered pursuant to the order under sub-section (2) shall within fifteen days from the date of the order be filed by the company with the registrar and he shall register the same and thenceforth the memorandum and articles so filed shall be the memorandum and articles of the newly converted company. (5) If a company, being limited by shares, alters its memorandum and articles in such a manner that they include the provisions which constitute it a company limited by guarantee, the company shall— (a) as on the date of the alteration, cease to be a company limited by shares; and (b) file with the registrar a copy of the memorandum and articles of association as altered along with the special resolution. (6) If default is made in complying with the provisions of any of the preceding sub-sections, the company and every officer of the company who is in default shall be liable to a penalty not exceeding of level 2 on the standard scale.
49.	50	Issue of certificate and effects of conversion. —(1) The registrar upon registration of the memorandum and articles of association as altered by the company upon conversion under sections 46 to 49, shall issue a certificate to that effect. (2) The conversion of status of a company under sections 46 to 49 shall not affect— (a) any debts, liabilities, obligations or contracts incurred or entered into, by or on behalf of the company before conversion and such debts, liabilities, obligations and contracts may be enforced in the manner as if such registration had not been done; and (b) any rights or obligations of the company or render defective any legal proceedings by or

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		against the company and any legal proceedings that might have been continued or commenced against the company before conversion may be continued or commenced upon its conversion.
PART V		
50.	72	Issuance of shares in book-entry form. —(1) After the commencement of this Ordinance from a date notified by the Commission, a company having share capital, shall have shares in book-entry form only. (2) Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Ordinance: Provided that the Commission may notify different dates for different classes of companies: Provided further that the Commission may, if it deems appropriate, extend the period for another two years besides the period stated herein. (3) Nothing contained in this section shall apply to the shares of such companies or class of companies as may be notified by the Commission.
51.	76	Restriction on transfer of shares by the members of a private company. —(1) Notwithstanding anything contained in section 75, a member of a private company desirous to sell any shares held by him shall intimate to the board his intention through a notice. (2) On receipt of such notice, the board, within a period often days, shall offer those shares for sale to the members in proportion to their existing shareholding. (3) The letter of offer for sale specifying the number of shares to which the member is entitled, price per share and limiting a time, within which the offer, if not accepted, be deemed as declined, shall be dispatched to the members through registered post or courier or through electronic mode. (4) If the whole or any part of the shares offered is declined or is not taken, the board may offer such shares to the other members in proportion to their shareholding. (5) If all the members refuse to accept the offer or if any shares are left over, the shares may be sold to any other person as determined by the member, who initiated the offer. (6) For the purpose of this section, the mechanism to determine the price of shares shall be such, as may be specified.
PART VI		
52.	111	Punishment for contravention. —Any violation of this Part shall be an offence liable to a penalty of level 1 on the standard scale.
PART VII		
53.	118 Members of the Company)	The subscribers to the memorandum of association are deemed to have agreed to become members of the company, become members on its registration and every other person— (a) to whom is allotted, or who becomes the holder of any class or kind of shares; or (b) in relation to a company not having a share capital, any person who has agreed to become a member of the company; and whose names are entered; in the register of members, are members of the company.
54.	144 (Poll through	Notwithstanding anything contained in this Ordinance, when a poll is demanded on any resolution, it may be ordered to be taken by the chairman of the meeting by secret ballot of his own motion, and shall be ordered to be taken by him on a demand made in that

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	secret ballot)	behalf by the members present in person, through video-link or by proxy, where allowed, and having not less than one-tenth of the total voting power.
55.	149 (Passing of resolution through circulation)	<p>(1) Except for the businesses specified under sub-section (2) of section 134 to be conducted in the annual general meeting, the members of a private company or a public unlisted company (having not more than fifty members), may pass a resolution (ordinary or special) by circulation signed by all the members for the time being entitled to receive notice of a meeting.</p> <p>(2) Any resolution passed under sub-section (1), shall be as valid and effectual as if it had been passed at a general meeting of the company duly convened and held.</p> <p>(3) A resolution shall not be deemed to have been duly passed, unless the resolution has been circulated, together with the necessary papers, if any, to all the members.</p> <p>(4) A members' agreement to a written resolution, passed by circulation, once signified, may not be revoked.</p> <p>(5) A resolution under sub-section (1) shall be noted at subsequent meeting of the members and made part of the minutes of such meeting.</p>
56.	155 (Number of directorships)	<p>1) No person, after the commencement of this Ordinance, shall hold office as a director, including as an alternate director, in more than seven listed companies at the same time: Provided that this limit shall not include the directorships in a listed subsidiary.</p> <p>(2) A person holding the position of director in more than seven companies on the commencement of this Ordinance shall ensure the compliance of this section within one year of such commencement.</p> <p>(3) Any casual vacancy on the board. of a listed company shall be filled up by the directors at the earliest but not later than ninety days from the date, the vacancy occurred.</p>
57.	156 (Compliance with the code of corporate governance)	The Commission may provide for framework to ensure good corporate governance practices, compliance and matters incidental and axillary for companies or class of companies in a manner as may be specified.
58.	162 (Fresh election)	(1) Notwithstanding anything contained in this Ordinance, a member having acquired, after the election of directors, the requisite shareholding to get him elected as a director on the board of a company not being a listed company, may require the company to hold fresh election of directors in accordance with the procedure laid down in section 159:

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	s of directors in case of unlisted companies.	<p>Provided that the number of directors fixed in the preceding election shall not be changed.</p> <p>(2) The board shall upon receipt of requisition under sub-section (1), as soon as practicable but not later than one month from the receipt of such requisition, proceed to hold fresh election of directors of the company.</p>
59.	166 (Manner of selection of independent directors and maintenance of data bank of independent directors)	<p>1) An independent director to be appointed under any law, rules, regulations or code, shall be selected from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by any institute, body or association, as may be notified by the Commission, having expertise in creation and maintenance of such data bank and post on their website for the use by the company making the appointment of such directors:</p> <p>Provided that responsibility of exercising due diligence before selecting a person from the data bank referred to above, as an independent director shall lie with the company or the Government, as the case may be, making such appointment.</p> <p>(2) For the purpose of this section, an independent director means a director who is not connected or does not have any other relationship, whether pecuniary or otherwise, with the company, its associated companies, subsidiaries, holding company or directors; and he can be reasonably perceived as being able to exercise independent business judgment without being subservient to any form of conflict of interest:</p> <p>Provided that without prejudice to the generality of this sub-section no director shall be considered independent if one or more of the following circumstances exist—</p> <p>(a) he has been an employee of the company, any of its subsidiaries or holding company within the last three years;</p> <p>(b) he is or has been the CEO of subsidiaries, associated company, associated undertaking or holding company in the last three years;</p> <p>(c) he has, or has had within the last three years, a material business relationship with the company either directly, or indirectly as a partner, major shareholder or director of a body that has such a relationship with the company.</p> <p><i>Explanation,—The major shareholder means a person who, individually or in concert with his family or as part of a group, holds 10% or more shares having voting rights in the paid-up capital of the company;</i></p> <p>(d) he has received remuneration in the three years preceding his/her appointment as a director or receives additional remuneration, excluding retirement benefits from the company apart from a director's fee or has participated in the company's share stock option or a Performance related pay scheme;</p> <p>(e) he is a close relative of the Company's promoters, directors or major shareholders:</p>

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		<p><i>Explanation.</i> —"close relative" means spouse(s), lineal ascendants and descendants and siblings;</p> <p>(f) he holds cross-directorships or has significant links with other directors through involvement in other companies or bodies not being the associations licenced under section 42;</p> <p>(g) he has served on the board for more than three consecutive terms from the date of his first appointment, and for more than two consecutive terms in case of a public sector company, provided that such person shall be deemed "independent director" after a lapse of one term;</p> <p>(h) a person nominated as a director under sections 164 and 165 of this Act: Provided further that for determining the independence of directors for the purpose of sub-clauses (a), (b) and (c) in respect of public sector companies, the time period shall be taken as two years instead of three years. Further, an independent director in case of a public sector company shall not be in the service of Pakistan or of any statutory body or any body or institution owned or controlled by the Government</p> <p>(3) The independent director shall, be elected in the, same manner as the other directors are elected in terms of section 159 or appointed- in the case of public sector Company and the :statement -of material facts- annexed, to-the notice of the general meeting called for the purpose shall indicate the justification for choosing the appointee for appointment as independent director.</p> <p>(4) No individual shall be selected for the data bank referred to in sub-section (1) without his consent in writing.</p> <p>(5) The manner and procedure of selection of independent directors on the databank who will fulfill the qualifications and other requirements shall be specified by the Commission.</p> <p>(6) The requirements of sub-section (1)</p> <p>(a) shall be deemed relaxed till such time a notification is issued by the Commission;</p> <p>(b) may be relaxed by the Commission on an application made by the company supported with the ,sufficient justification or the practical difficulty, as the case may be.</p>
60.	172 (Disqualification orders)	<p>(1) In any of the circumstances stated hereunder, the Commission may make against a person a disqualification order to hold the office of a director of a public interest company for a period up to five years beginning from the date of order-</p> <p>(a) conviction of an offence in connection with the promotion, formation, management or liquidation of a company, or with the receivership or management of a company's property;</p> <p>(b) persistent default in relation to provisions of this Ordinance requiring any return, account or other document to be filed with, delivered or sent, or notice of any matter to be given, to the Commission or the registrar;</p> <p>(c) a person has been a director of a company which became insolvent at any time (whether while he was a director or subsequently):</p>

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		<p>Provided that order against any such person shall not be made after the end of the period of two years beginning with the day on which the company of which that person is or has been a director became insolvent;</p> <p>(d) the business of the company in which he is or has been a director has been conducted to defraud its creditors, members or any other persons or for a fraudulent or unlawful purpose, or in a manner oppressive of any of its members or that the company was formed for any fraudulent or unlawful purpose; or</p> <p>(e) the person concerned in the formation of the company or the management of its affairs have in connection therewith been guilty of fraud, misfeasance, breach of trust or other misconduct towards the company or towards any of its member; or</p> <p>(f) the affairs of the company of which he is a director have been conducted in a manner which has deprived the shareholders thereof of a reasonable return; or</p> <p>(g) the person has been convicted of allotment of shares of a company for inadequate consideration; or</p> <p>(h) the person is involved in illegal deposit taking; or</p> <p>(i) the person has been convicted of financial irregularities or malpractices in a company or</p> <p>(j) the company of which he is a director has acted against the interests of the sovereignty and integrity of Pakistan, the security of the State, friendly relations with foreign States; or</p> <p>(k) the company of which he is a director refuse to act according to the requirements of the memorandum or articles or the provisions of this ordinance or fail to carry out the directions of the Commission given in the exercise of powers under this Ordinance; or</p> <p>(l) the person is convicted of insider trading or market manipulation practices; or</p> <p>(m) the person has entered into a plea bargain arrangement with the National Accountability Bureau or any other regulatory body;</p> <p>(n) the person has been declared a defaulter by the securities exchange;</p>

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		<p>(o) that it is expedient in the public interest to do so.</p> <p>(2) Where a disqualification order is made against a person who is already subject to such an order, the periods specified in those orders shall run concurrently.</p> <p>(3) An order under this section may be made by the Commission on its own motion or upon an application of a person.</p> <p>(4) Before making an order the Commission shall afford the person concerned an opportunity of representation and of being heard.</p> <p>(5) Any order made by the Commission under this section shall be without prejudice to the powers of the Commission to take such further action as it deems fit with regard to the person concerned.</p>
61.	173 (Personal liability for company's debts where person acts while disqualified)	<p>(1) A person is personally responsible for all the relevant debts of a company if at any time-</p> <p>(a) in contravention of a disqualification order under section 172, he is involved in the management of the company, or</p> <p>(b) as a person who is involved in the management of the company, he acts on instructions given without the leave of the Commission by a person whom he knows at that time to be the subject of a disqualification order:</p> <p>Provided that where the decision is taken in the board, the disqualified director shall be personally responsible to the extent of proportionate amount of liability so incurred.</p> <p>(2) Where a person is personally responsible under this section for the relevant debts of a company, he is jointly and severally liable in respect of those debts with the company and any other person who, whether under this section or otherwise, is so liable.</p> <p>(3) For the purposes of this section, the relevant debts of a company are-</p>

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		<p>(a) in relation to a person who is personally responsible under paragraph (a) of sub-section (1), such debts and other liabilities of the company as are incurred at a time when that person was involved in the management of the company, and</p> <p>(b) in relation to a person who is personally responsible under paragraph (b) of that sub-section, such debts and other liabilities of the company as are incurred at a time when that person was acting on instructions given as mentioned in that paragraph.</p> <p>(4) For the purposes of this section, company means a public interest company and a person shall be deemed involved in the management of the company, if he is a director or concerned, whether directly or indirectly or takes part in the management of such company.</p>
62.	178 (Records of resolutions and meetings of board)	<p>(1) Every company shall keep records comprising-</p> <p>(a) all resolutions of the board passed by circulation; and</p> <p>(b) minutes of all proceedings of board meetings or committee of directors along with the names of participants, to be entered in properly maintained books.</p> <p>(2) Minutes recorded in accordance with sub-section (1), if purporting to be authenticated by the chairman of the meeting or by the chairman of the next meeting, shall be the evidence of the proceedings at the meeting.</p> <p>(3) Until the contrary is proved, every meeting of board or committee of directors in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called, held and conducted.</p> <p>a. A copy of the draft minutes of meeting of board shall be furnished to every director within seven working days of the date of meeting.</p> <p>b. The records must be kept at the registered office of the company from the date of the resolution, meeting or decision simultaneously in physical and electronic form and it shall be preserved for at least twenty years in physical form and permanently in electronic form.</p>

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		c. Any contravention or default in complying with requirement of this section shall be an offence liable to a penalty of level 1 on the standard scale.
11	179 (Passing of resolution by the directors through circulation)	<p>(1) A resolution in writing signed by all the directors or the committee of directors for the time being entitled to receive notice of a meeting of the directors or committee of directors shall be as valid and effectual as if it had been passed at a meeting of the directors or the committee of directors duly convened and held.</p> <p>(2) A resolution shall not be deemed to have been duly passed, unless the resolution has been circulated, together with the necessary papers, if any, to all the directors.</p> <p>(3) A resolution under sub-section (1) shall be noted at a subsequent meeting of the board or the committee thereof, as the case may be, and made part of the minutes of such meeting.</p> <p>(4) A directors' agreement to a written resolution, passed by circulation, once signified, may not be revoked.</p>
12	181 (Protection to independent and non-executive directors)	<p>(1) Notwithstanding anything contained in this Ordinance—</p> <p>(a) an independent director; and</p> <p>(b) a non-executive director;</p> <p>shall be held liable, only in respect of such acts of omission or commission by a listed company or a public sector company which had occurred with his knowledge, attributable through board processes, and with his consent or connivance or where he had not acted diligently.</p> <p>(2) For the purpose of this section a non-executive director means, a person on the board of the company who-</p> <p>(a) is not from among the executive management team and may or may not be independent;</p> <p>(b) is expected to lend an outside viewpoint to the board of a company;</p> <p>(c) does not undertake to devote his whole working time to the company and not involve in managing the affairs of the company;</p>

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		<p>(d) is not a beneficial owner of the company or any of its associated companies or undertakings;</p> <p>(e) does not draw any remuneration from the company except the meeting fee.</p>
13	192 (Chairman in a listed company)	<p>(1) The board of a listed company shall within fourteen days from the date of election of directors, appoint a chairman from among the non-executive directors who shall hold office for a period of three years unless he earlier resigns, becomes ineligible or disqualified under any provision of this Ordinance or removed by the directors.</p> <p>(2) The chairman and the chief executive (by whatever name called) shall not be the same individual except where provided for under any other law.</p> <p>(3) The board shall clearly define the respective roles and responsibilities of the chairman and chief executive.</p> <p>(4) The chairman shall be responsible for leadership of the board and ensure that the board plays an effective role in fulfilling its responsibilities.</p> <p>(5) Every financial statements circulated under section 223 of this Ordinance shall contain a review report by the chairman on the overall performance of the company and effectiveness of the role played by the board in achieving the company's objectives.</p>
14	204 (Duties of directors)	<p>(1) Subject to the provisions of this Ordinance, a director of a company shall act in accordance with the articles of the company.</p> <p>(2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees the shareholders the community and for the protection of environment.</p> <p>(3) A director of a company shall discharge his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.</p> <p>(4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.</p>

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		<p>(5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.</p> <p>(6) A director of a company shall not assign his office and any assignment so made shall be void.</p> <p>(7) In addition to the preceding sub-sections, the Commission may provide for the extent of duties and the role of directors as may be specified.</p> <p>(8) Without prejudice to any other action that may be taken under this Ordinance or any other law, any contravention or default in complying with requirements of this section shall be an offence liable to a penalty of level 1 on the standard scale.</p> <p>(7) In addition to the preceding sub-sections, the Commission may provide for the extent of duties and the role of directors as may be specified.</p> <p>(8) Without prejudice to any other action that may be taken under this Ordinance or any other law, any contravention or default in complying with requirements of this section shall be an offence liable to a penalty of level 1 on the standard scale.</p>
15	208 (Related party transactions)	<p>(1) A company may enter into any contract or arrangement with a related party only in accordance with the policy approved by the board, subject to such conditions as may be specified, with respect to-</p> <p>(a) sale, purchase or supply of any goods or materials;</p> <p>(b) selling or otherwise disposing of, or buying, property of any kind;</p> <p>(c) leasing of property of any kind;</p> <p>(d) availing or rendering of any services;</p> <p>(e) appointment of any agent for purchase or sale of goods, materials, services or property; and</p> <p>(f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associated company:</p>

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		<p>Provided that where majority of the directors are interested in any of the above transactions, the matter shall be placed before the general meeting for approval as special resolution:</p> <p>Provided also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business on an arm's length basis.</p> <p>Explanation.— In this sub-section-</p> <p>(a) the expression “office of profit” means any office-</p> <p>(i) where such office is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;</p> <p>(ii) where such office is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;</p> <p>(b) the expression “arm's length transaction” means a transaction which is subject to such terms and conditions as may be specified.</p> <p>(c) the expression “related party” includes-</p> <p>(i) a director or his relative;</p> <p>(ii) a key managerial personnel or his relative;</p> <p>(iii) a firm, in which a director, manager or his relative is a partner;</p> <p>(iv) a private company in which a director or manager is a member or director;</p>

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		<p>(v) a public company in which a director or manager is a director or holds along with his relatives, any shares of its paid up share capital;</p> <p>(vi) any body corporate whose board chief executive or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;</p> <p>(vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:</p> <p style="padding-left: 40px;">Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;</p> <p>(viii) any company which is—</p> <p style="padding-left: 40px;">(A) a holding, subsidiary or an associated company of such company; or</p> <p style="padding-left: 40px;">(B) a subsidiary of a holding company to which it is also a subsidiary;</p> <p>(xi) such other person as may be specified;</p> <p>Explanation.— For the purpose of this section “relative” means spouse, siblings and lineal ascendants and descendants of a person.</p> <p>(2) Every contract or arrangement entered into under sub-section (1) shall be referred to in the board’s report to the shareholders along with the justification for entering into such contract or arrangement.</p> <p>(3) The Commission may specify the record to be maintained by the company with regards to transactions undertaken with the related party.</p> <p>(4) Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the board or approval by a special resolution in the general meeting under sub-section (1) and if it is not ratified by the board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the board and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.</p>

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		<p>(5) Without prejudice to anything contained in sub-section (4), it shall be open to the company to proceed against a director or any other employee who had entered into such contract or arrangement in contravention of the provisions of this section for recovery of any loss sustained by it as a result of such contract or arrangement.</p> <p>(6) Any director or any other employee of a company, who had entered into or authorised the contract or arrangement in violation of the provisions of this section shall be liable-</p> <p style="padding-left: 40px;">(a) in case of listed company, be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than five million rupees, or with both; and</p> <p style="padding-left: 40px;">(b) in case of any other company, to a penalty of level 2 on the standard scale.</p>
16	210 (Contract of employment with directors)	<p>(1) Every company shall keep at its registered office-</p> <p style="padding-left: 40px;">(a) where a contract of service with a director is in writing, a copy of the contract; or</p> <p style="padding-left: 40px;">(b) where such a contract is not in writing, a written memorandum setting out its terms.</p> <p>(2) The copies of the contract or the memorandum kept under sub-section (1) shall be open to inspection by any member of the company without payment of fee.</p> <p>(3) Any contravention or default in complying with requirement under this section shall be an offence liable to a penalty of level 1 on the standard scale.</p> <p>(4) The provisions of this section shall not apply to a private company.</p>
17	211 (Restriction on non-	<p>(1) No company shall enter into an arrangement by which—</p> <p style="padding-left: 40px;">(a) a director of the company or its holding, subsidiary or associated company or a person connected with him acquires or is to acquire assets for consideration other than cash, from the company; or</p>

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	cash transaction involving directors)	<p>(b) the company acquires or is to acquire assets for consideration other than cash, from such director or person so connected;</p> <p>unless prior approval for such arrangement is accorded by a resolution of the company in general meeting and if the director or connected person is a director of its holding company, approval under this sub-section shall also be required to be obtained by passing a resolution in general meeting of the holding company.</p> <p>(2) The notice for approval of the resolution by the company or holding company in general meeting under sub-section (1) shall include the particulars of the arrangement along with the value of the assets involved in such arrangement duly calculated by a registered valuer.</p> <p>(3) Any arrangement entered into by a company or its holding company in contravention of the provisions of this section shall be voidable at the instance of the company unless—</p> <p>(a) the restitution of any money or other consideration which is the subject-matter of the arrangement is no longer possible and the company has been indemnified by any other person for any loss or damage caused to it; or</p> <p>(b) any rights are acquired bona fide for value and without notice of the contravention of the provisions of this section by any other person.</p>
18	215 (Liability for undesired activities of the shareholders)	<p>(1) A member of a company shall act in good faith while exercising its powers as a shareholder at the general meetings and shall consider the benefit of all the members as a whole and in the best interests of the company and for the protection of environment.</p> <p>(2) Without prejudice to his rights under this Ordinance, a member of the company shall not exert influence or approach the management directly for decisions which are oppressive in nature or may lead to create hurdle in the smooth functioning of management.</p> <p>(2) Any shareholder who fails to conduct in the manner provided in this section and as specified by the Commission shall be guilty of an offence under this section and shall be liable to a penalty not exceeding of level 1 on the standard scale.</p>

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19	216 (Company deemed to be a public interest company in certain circumstances)	<p>(1) Notwithstanding anything contained in this Ordinance, a company shall be deemed to be a company with public interest if its ordinary shares are owned by such number of persons as may be specified and whose assets exceed the value specified.</p> <p>(2) Upon being deemed as a company with public interest, the company shall be required to comply with such disclosure and reporting requirements as may be specified by the Commission.</p> <p>(3) The Commission may as specified, after giving an opportunity of hearing to a company or class of companies, by an order in writing exempt such company from the requirements of this section if the Commission determines that such exemption is in the interest of the public:</p> <p>Provided that such order shall be posted on the official website of the Commission.</p>
20	224 (Classification of companies)	For the purpose of this Ordinance, the companies may be classified in such categories as may be specified in the Third Schedule.
21	235 (Filing of unaudited financial statements)	<p>(1) A private company having the paid up capital not exceeding one million rupees or such other amount of paid up capital as may be notified by the Commission, shall file the duly authenticated financial statements, whether audited or not, with the registrar within thirty days from the holding of such meeting.</p> <p>(2) Any contravention or default in complying with requirement of this section shall be an offence liable to a penalty of level 1 on the standard scale</p>
22	244 (Unclaimed shares, <i>modara</i>)	<p>(1) Notwithstanding anything to the contrary contained in this Ordinance or any other law-</p> <p>(i) where shares of a company or <i>modaraba</i> certificates of a <i>Modaraba</i> have been issued; or</p> <p>(ii) where dividend has been declared by a company or <i>Modaraba</i>;</p>

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	ba certificates and dividends to vest with Federal Government.-)	<p>which remain unclaimed or unpaid for a period of three years from the date it is due and payable, or</p> <p>(iii) any other instrument or amount which remain unclaimed or unpaid, having such nature and for such period as may be specified;</p> <p>–</p> <p>the company shall give three months notices to the shareholders or certificate holders or the owner, as the case may be, to file claim, in the following manner-</p> <p>(a) by a registered post acknowledgement due on his last known address; and</p> <p>(b) after expiry of notice period as provided under clause (a), final notice in the specified form shall be published in two daily newspapers of which one will be in Urdu and one in English having wide circulation.</p> <p>Explanation.- For the purpose of this section “shares” or “modaraba certificates” include unclaimed or undelivered bonus shares or modaraba certificates and “company” includes a “modaraba company”.</p> <p>(2) If no claim is made before the company by the shareholder, certificate holder or the owner, as the case may be, the company shall after three months from the date of publication of notice under clause (b) of sub-section (1) shall-</p> <p>(a) in case of sum of money, deposit any unclaimed or unpaid amount to the credit of the Federal Government; and</p> <p>in case of shares or modaraba certificates or other instrument, report and deliver to the Commission such shares or modaraba certificates or other instrument and the Commission shall sell such shares or modaraba certificates or other instrument, as the case may be, in the manner and within such period as may be specified and deposit the proceeds to the credit of Federal Government:</p> <p>Provided that where the company has deposited the unclaimed or unpaid amount or delivered the shares or modaraba certificates or other instrument with the Commission for credit of the Federal Government, the company shall preserve and continue to preserve all original record pertaining to the deposited unclaimed or unpaid amount and the shares or modaraba certificates or other instrument and provide copies of the relevant record to the Commission until it is informed by the Commission in writing that they need not to be preserved any longer.</p>

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		<p>(3) Notwithstanding anything contained in any law or procedure for the time being in force, the unclaimed or unpaid amount as well as the proceeds from the sale of shares or <i>modaraba</i> certificates or any other instrument or any benefit accrued thereon, as the case may be, shall be maintained in a profit bearing account with the State Bank of Pakistan or National Bank of Pakistan to be called “Companies Unclaimed Instruments and Dividend and Insurance Benefits and Investors Education Account” as may be notified by the concerned Minister-in-Charge of the Federal Government and shall be deemed to be part of public accounts and interest / profit accumulated thereon shall be credited on quarterly basis to the Fund established under section 245 of this Ordinance.</p> <p>(4) Any person claiming to be entitled to any money paid into “Companies Unclaimed Instruments and Dividend and Insurance Benefits and Investors Education Account” may in pursuance of this section apply to the Commission in such manner along with such documents as may be specified for payment thereof, and the Commission after necessary verification from the company concerned forward to the bank as notified under sub-section (3) to make the payment to entitled person of the sum equivalent to his unclaimed or unpaid dividend or amount of proceeds:</p> <p>Provided that the payment to the claimant shall be made within a period of thirty days from the date of verification by the company.</p> <p>(5) A person shall be entitled to receive the shares or <i>modaraba</i> certificates or any other instrument as delivered to the Commission by the company, making a claim under this Ordinance before the sale of such unclaimed shares or <i>modaraba</i> certificates or the instrument, is effected by the Commission.</p> <p>(6) A person making a claim under this section shall be entitled to the proceeds of the sale of the shares or <i>modaraba</i> certificates or the instrument less any deduction for expenses of sale.</p> <p>(7) Payment to the claimant pursuant to sub-section (4) and a receipt given by the bank in this respect shall be a good discharge to the Commission and the bank.</p> <p>(8) Where any dispute regarding unclaimed shares, <i>modaraba</i> certificates, the instrument or dividend arises or is pending adjudication before the competent authority or Court, the Commission shall process the claim in accordance with the decision of such authority or Court.</p>

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		<p>(9) No claim whatsoever shall be entertained after the period of ten years from the credit of any amount to the account of the Federal Government to be maintained under this section.</p> <p>(10) Every company within thirty days of the close of each financial year shall submit to the Commission a return of all unclaimed shares, <i>modaraba</i> certificates, the instruments or dividend in its books in the manner as may be specified by the Commission.</p> <p>(11) Whoever contravenes the provisions of this section shall be punishable with a penalty of level 3 on the standard scale.</p>
23	245 (Establishment of investor education and awareness fund)	<p>(1) There is hereby established a fund to be called Investor Education and Awareness Fund (hereinafter in this section referred to as "Fund") to be managed and controlled by the Commission as may be prescribed through rules.</p> <p>(2) The Fund shall be credited with-</p> <ul style="list-style-type: none"> (a) the interest/profit earned on the "Companies Unclaimed Instruments and Dividend and Insurance Benefits and Investors Education Account"; (b) forfeited amounts under sub-section (7) of section 87 of the Securities Act, 2015; (c) grants or donations given by the Federal Government, Provincial Governments, companies, or any other institution or person for the purposes of the Fund; (d) the interest or other income received out of the investments made from the Fund; (e) the amount realised in terms of fourth proviso of section 341 or fourth proviso of sub-section (4) of section 372; and (f) such other amounts as may be prescribed. <p>(3) The Fund shall be utilized for-</p> <ul style="list-style-type: none"> (a) the promotion of investor education and awareness in such manner as may be prescribed;

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		<p>(b) without prejudice to the generality of the object of sub-clause (a) of sub-section (3), the Fund may be used for the following purposes, namely-</p> <ul style="list-style-type: none"> (i) Educational activities including seminars, training, research and publications aimed at investors; (ii) Awareness programs including through media – print, electronic, social media, aimed at investors; (iii) Funding investor education and awareness activities approved by the Commission; and (iv) To meet the administrative expenses of the Fund. <p>Explanation.- “Investors” means investor in securities, insurance policyholders and customers of non-bank finance companies and Modarabas.</p> <p>(4) The Commission shall, by notification in the official Gazette, constitute an advisory committee with such members as may be prescribed, for recommending investor education and awareness activities that may be undertaken directly by the Commission or through any other agency, for utilization of the Fund for the purposes referred to in sub-section (3).</p> <p>(5) The accounts of the Fund shall be audited by auditors appointed by the Commission who shall be a firm of chartered accountants. The Commission shall ensure maintenance of proper and separate accounts and other relevant records in relation to the Fund giving therein the details of all receipts to, and, expenditure from, the Fund and other relevant particulars.</p> <p>(6) The Commission may invest the moneys of the Fund in such manner as set out in section 20 of the Trusts Act, 1882 (II of 1882).</p>
24	248 (Auditor s’ right to informa tion)	<p>(1) An auditor of a company has a right-</p> <ul style="list-style-type: none"> (a) of access at all times to the company’s books, accounts and vouchers (in whatever form they are held); and

INSERTIONS

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		<p>(b) of access to such copies of, an extracts from, the books and accounts of the branch as have been transmitted to the principal office of the company;</p> <p>(c) to require any of the following persons to provide him with such information or explanations as he thinks necessary for the performance of his duties as auditor-</p> <p>(i) any director, officer or employee of the company;</p> <p>(ii) any person holding or accountable for any of the company's books, accounts or vouchers;</p> <p>(iii) any subsidiary undertaking of the company;</p> <p>(iv) any officer, employee or auditor of any such subsidiary undertaking of the company or any person holding or accountable for any books, accounts or vouchers of any such subsidiary undertaking of the company.</p> <p>(2) If any officer of a company refuses or fails, without lawful justification, the onus whereof shall lie on him, to allow any auditor access to any books and papers in his custody or power, or to give any such information possessed by him as and when required, or otherwise hinders, obstructs or delays an auditor in the performance of his duties or the exercise of his powers or fails to give notice of any general meeting to the auditor or provides false or incorrect information, he shall be liable to penalty as provided under section 252.</p>
25	258 (Serious fraud investigation)	<p>(1) Notwithstanding anything contained in sections 256 and 257, the Commission may authorize any one or more of its officers or appoint such number of professionals from amongst the persons of ability, integrity and having experience in the fields of corporate affairs, accountancy, taxation, forensic audit, capital market, banking, information technology, law or such other fields as may be notified, as an inspector or investigation officer to investigate such serious nature of offences relating to a company as provided in Sixth Schedule.</p> <p>(2) The persons appointed as inspectors or investigation officer under sub-section (1) shall have all powers of investigation officer under this Ordinance, the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) and Code of Criminal Procedure, 1898 (Act V of 1898), <i>mutatis mutandis</i> and shall report in such manner as the Commission may direct.</p>

INSERTIONS

S. No.	Section No.	COMPANIES ORDINANCE 2016
		<p>(3) Where no procedure is provided in this Ordinance or Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) the investigation officer shall comply with the relevant provisions of Code of Criminal Procedure, 1898 (Act V of 1898).</p> <p>Notwithstanding anything contained in this Ordinance or any other law, the Commission may, if it is satisfied that a matter is of public importance or it is in the interest of public at large, request the concerned Minister-in-Charge of the Federal Government to form a Joint Investigation Team to be headed by the senior level officer of the Commission, not below the rank of additional director, and may include any person mentioned in sub section (1) along with Gazetted officer of any Federal law enforcement agency, bureau or authority for providing assistance in investigating the offence under this section and the direction of the concerned Minister-in-Charge of the Federal Government under this section shall be binding and any person who fails to comply with such directions, shall be guilty of an offence punishable with simple imprisonment of one month or fine up to one hundred thousand rupees by the Court:</p> <p>Provided that nothing in this section shall be in derogation to or affect any proceedings under powers of the Commission to send reference under section 41B of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).</p> <p>(5) Upon completion of investigation, the Joint Investigation Team shall, through the Special Public Prosecutor, submit a report before the Court as mentioned in section 483 of this Ordinance:</p> <p>Provided that notwithstanding anything contained in the Qanun-e-Shahadat (Order), 1984 (X of 1984) or any other law, such report shall be admissible as an evidence in the Court.</p> <p>(6) While trying any offence under this Ordinance, the Court may also try any other offence, in which an accused may be charged under any other law, at the same trial if the offence is connected with such other offence.</p> <p>(7) Where, in the course of any trial under this Ordinance, it is found that the accused person has committed any other offence in addition to any offences connected with the scheduled offences, the Court may convict an accused for such other offence and pass any sentence under this Ordinance or any other law:</p> <p>Provided that where such offence is tried by any special court having jurisdiction, higher or equal to the Court of Session, joint trial will be conducted by such special court of all the offences and convict an accused accordingly under the process provided in the special law.</p>

INSERTIONS

		COMPANIES ORDINANCE 2016
S. No.	Section No.	
PART VIII		
26.	276	<p>Mediation and Conciliation Panel.- (1) Any of the parties to the proceedings may, by mutual consent, at any time during the proceedings before the Commission or the Appellate Bench, apply to the Commission or the Appellate Bench, as the case may be, in such form along with such fees as may be specified, for referring the matter pertaining to such proceedings to the Mediation and Conciliation Panel and the Commission or the Appellate Bench, as the case may be, shall appoint one or more individuals from the panel referred to in sub-section (2).</p> <p>(2) The Commission shall maintain a panel to be called as the Mediation and Conciliation Panel consisting of individuals having such qualifications as may be specified for mediation between the parties during the pendency of any proceedings before the Commission or the Appellate Bench under this Ordinance.</p> <p>(3) The fee and other terms and conditions of individuals of the Mediation and Conciliation Panel shall be such as may be specified.</p> <p>(4) The Mediation and Conciliation Panel shall follow such procedure as and dispose of the matter referred to it within a period of three months from the date of such reference and forward its recommendations to the Commission or the Appellate Bench, as the case may be.</p>
27.	277	<p>Resolution of disputes through mediation.- A company, its management or its members or creditors may by written consent, directly refer a dispute, claim or controversy arising between them or between the members or directors inter-se, for resolution, to any individuals enlisted on the mediation and conciliation panel maintained by the Commission before taking recourse to formal dispute resolution.</p>
28.	284	<p>Amalgamation of wholly owned subsidiaries in holding company. — (1) A company and one or more other companies that is or that are directly or indirectly wholly owned by it may amalgamate and continue as one company (being the company first referred to) without complying with sections 279 to 282, if-</p> <p>(a) the scheme of amalgamation is approved by the board of each amalgamating company; and</p>

- (b) each resolution provides that-
- (i) the shares of each transferor company, other than the transferee company, will be cancelled without payment or other consideration; and
 - (ii) the board is satisfied that the transferee company will be able to pay its debts as they fall due during the period of twelve months immediately after the date on which the amalgamation is to become effective and a declaration verified by an affidavit to the effect will be filed with the registrar; and
 - (iii) the person or persons named in the resolution will be the director or directors of the transferee company.
- (2) Two or more companies, each of which is directly or indirectly wholly owned by the same person, may amalgamate and continue as one company without complying with section 279 or section 282 if-
- (a) the scheme of amalgamation is approved by a resolution of the board of each amalgamating company; and
 - (b) each resolution provides that-
 - (i) the shares of all the transferor companies will be cancelled without payment or other consideration; and
 - (ii) the board is satisfied that the transferee company will be able to pay its debts as they fall due during the period of twelve months immediately after the date on which the amalgamation is to become effective and a declaration verified by an affidavit to the effect will be filed with the registrar; and
 - (iii) the person or persons named in the resolution will be the director or directors of the transferee company.
- (3) The board of each amalgamating company must, not less than twenty working days before the amalgamation is proposed to take effect, give written notice of the proposed amalgamation to every secured creditor of the company.
- (4) The resolutions approving an amalgamation under this section, taken together, shall be deemed to constitute an amalgamation proposal that has been approved.

		<p>(5) The transferee company shall file a copy of the scheme so approved in the manner as may be specified, with the registrar where the registered office of the company is situated.</p> <p>(6) Any contravention or default in complying with requirements of this section shall be an offence liable to a penalty of level 2 on the standard scale.</p>
PART IX		
29.	292(15)	This section is in addition to and not in derogation of any other law regarding rehabilitation of any entity.
Part X-XII		
30.	322	<p>Court directions on report of official liquidator.—</p> <p>(1) The Court shall, on consideration of the report of the official liquidator, fix a time limit within which the entire proceedings shall be completed and the company be dissolved: Provided that the Court may, if it is of the opinion, at any stage of the proceedings, or on examination of the reports submitted to it by the official liquidator and after hearing the official liquidator, creditors or contributories or any other interested person, that it will not be advantageous or economical to continue the proceedings, revise the time limit within which the entire proceedings shall be completed and the company be dissolved.</p> <p>(2) The Court may, on examination of the reports submitted to it by the official liquidator and after hearing the official liquidator, creditors or contributories or any other interested person, order sale of the company as a going concern or its assets or part thereof: Provided that the Court may where it considers fit, appoint a sale committee comprising such creditors, promoters and officers of the company as the Court may decide to assist the official liquidator in sale under this sub-section.</p> <p>(3) Where a report is received from the official liquidator or the Commission or any person that a fraud has been committed in respect of the company, the Court shall, without prejudice to the process of winding up, order for investigation under section 257, and on consideration of the report of such investigation it may pass order and give directions under sections 391 or 392 or direct the official liquidator to file a criminal complaint against persons who were involved in the commission of fraud.</p> <p>(4) The Court may order for taking such steps and measures, as may be necessary, to protect, preserve or enhance the value of the assets of the company.</p> <p>(5) The Court may pass such other order or give such other directions as it considers fit.</p>

31	323	<p>Settlement of list of contributories and application of assets.—</p> <p>(1) As soon as may be after making a winding up order, the Court shall settle a list of contributories, with power to rectify the register of members and shall cause the assets of the company to be collected and applied in discharge of its liabilities: Provided that, where it appears to the Court that it will not be necessary to make calls on or adjust the rights of contributories, the Court may dispense with the settlement of a list of contributories.</p> <p>(2) In settling the list of contributories, the Court shall distinguish between persons who are contributories in their own right and persons who are contributories as being representatives of, or liable for the debts of, others</p>
32	325	<p>Power to require delivery of property.—</p> <p>Without prejudice to the obligation imposed under any other provisions, the Court may, at any time after making a winding up order, require any contributory for the time being on the list of contributories and any trustee, receiver, banker, agent, officer or employee or past officer or employee or auditor of the company to pay, deliver, convey, surrender or transfer forthwith, or within, such time as the Court directs, to the official liquidator any money, property or books and papers including documents in his hands to which the company is prima facie entitled</p>
33	326	<p>Power to summon persons suspected of having property of company.—</p> <p>(1) The Court may, at any time after the appointment of. a provisional manager or the making of winding up order, summon before it any officer of the company or person known or suspected to have in his possession any property or books or papers of the company, or known or suspected to be indebted to the company, or any person whom the Court deems capable of giving information concerning the promotion, formation, trade, dealings, books or papers, affairs or property of the company.</p> <p>(2) The Court may examine a person summoned under sub-section (1) on oath concerning the matters aforesaid, either by word of mouth or on written interrogatories, and may reduce his answers to writing and require him to sign them.</p> <p>(3) The Court may require a person summoned under sub-section (1) to produce any books and papers in his custody or power relating to the company, but, where he claims any lien on books or papers produced by him, the production shall be without prejudice to that lien, and the Court shall have jurisdiction in the winding up to determine all questions relating to that lien.</p> <p>(4) If any person so summoned, after being paid or tendered a reasonable sum for his expenses, fails to come before the Court at the time appointed, not having a lawful impediment made known to the Court at the time of its sitting and allowed by it, the Court may cause him to be apprehended and brought before the Court for examination.</p>

		<p>(5) If, on his examination, any officer or person so summoned admits that he is indebted to the company, the Court may order him to pay to the provisional manager or, as the case may be, the liquidator, at such time and in such manner as the Court may direct, the amount in which he is indebted, or any part thereof, either in full discharge of the whole amount or not, as the Court thinks fit, with or without costs of the examination.</p> <p>(6) If, on his examination, any such officer or person admits that he has in his possession any property belonging to the company, the Court may order him to deliver to the provisional manager or, as the case may be, the liquidator that property or any part thereof, at such time, in such manner and on such terms as the Court may direct.</p> <p>(7) Orders made under sub-sections (5) and (6) shall be executed in the same manner as decrees for the payment of money or for the delivery of property under the Code of Civil Procedure, 1908 (Act V of 1908), respectively.</p> <p>(8) Any person making any payment or delivery in pursuance of an order made under sub-section (5) or sub-section' (6) shall by such payment or delivery be, unless otherwise directed by such order, discharged from all liability whatsoever in respect of such debt or property</p>
34.	327	<p>Power to order public examination of promoters, directors.—</p> <p>(1) When an order has been made for winding up a company by the Court, and the official liquidator has made a report to the Court stating that in his opinion a fraud or other actionable irregularity has been committed by any person in the promotion or formation of the company or by any director or other officer of the company in relation to the company since its formation, the Court may, after consideration of the report, direct that such person, director or other officer shall attend before the Court on a day appointed by the Court for that purpose, and-he publicly examined as to the promotion or formation or the conduct of the business of the company, or as to his conduct and dealings as director, manager or other officer thereof. •</p> <p>(2) The official liquidator shall take part in the examination, and for that purpose may, if specially authorised by the Court in that behalf, employ such legal assistance as may be sanctioned by the Court.</p> <p>(3) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the Court.</p> <p>(4) The Court may put such questions to the person examined as the Court thinks fit.</p>

		<p>(5) The person examined shall be examined on oath, and shall answer all such questions as the Court may put or allow to be put to him.</p> <p>(6) A person ordered to be examined under this section— (a) shall, before his examination, be furnished at his own cost with a copy of the official liquidator's report; and (b) may at his own cost employ any person entitled to appear before the Court, who shall be at liberty to put to him such questions as the Court may deem just for the purpose of enabling him to explain or qualify any answer given by him: Provided that if he is, in the opinion of the Court, exculpated from any charges made or suggested against him, the Court may allow him such costs as in its discretion it may think fit.</p> <p>(7) If any such person applies to the Court to be exculpated from any charges made or suggested against him, it shall be the duty of the official liquidator to appear on the hearing of the application and call the attention of the, Court to any matters which appear to the official liquidator to be relevant, and if the Court, after hearing any evidence given or witnesses called by the official liquidator, grants the application, the Court may allow the applicant such costs as it may think fit.</p> <p>(8) Notes of the examination shall be taken down in writing and shall be read over to or by, and signed by, the person examined, and may thereafter be used in evidence against him and shall be open to the inspection of any creditor or contributory at all reasonable times.</p> <p>(9) The Court may, if it thinks fit, adjourn the examination from time to time.</p> <p>(10) An examination under this section may, if the Court so directs, and subject to any rules in this behalf, be held before any officer of the Court, being an official referee, registrar, additional registrar or deputy registrar.</p> <p>(11) The powers of the Court under this section as to the conduct of the examination, but not as to costs may be exercised by the person before whom the examination is held by virtue of a direction under sub-section (10)</p>
35.	328	<p>Power to arrest absconding contributory.—</p> <p>The Court, at any time either before or after making a winding up order, on proof of probable cause for believing that a contributory is about to quit Pakistan or otherwise to abscond, or to remove or conceal any of his property, for the purpose of evading payment of</p>

		calls or of avoiding examination respecting the affairs of the company, may cause the contributory to be arrested and his books and papers and movable property to be seized, and him and them to be safely kept until such time as the Court may order
36.	329	<p>Power to order payment of debts by contributory.—</p> <p>(1) The Court may, at any time after making a winding up order, make an order on any contributory for the time being settled on the list of contributories to pay, in manner directed by the order, any money due from him or from the estate of the person whom he represents to the company, exclusive of any money payable by him or the estate by virtue of any call in pursuance of this Ordinance.</p> <p>(2) The Court in making such an order may—</p> <p>(a) in the case of an unlimited company, allow to the contributory by way of set-off, any money due to him or to the estate which he represents from the company on any independent dealing or contract with the company, but not any money due to him as a member of the company in respect of any dividend or profit; and</p> <p>(b) in the case of a limited company, make to any director whose liability is unlimited or to his estate the like allowance.</p> <p>(3) In the case of any company, whether limited or unlimited, when all the creditors are paid in full, any money due on any account whatever to a contributory from the company may be allowed to him by way of set-off against any subsequent call.</p>
37.	330	<p>Power of Court to make calls.—</p> <p>(1) The Court may, at any time after making a winding up order, and either before or after it has ascertained the sufficiency of the assets of the company, make calls on and order payment thereof by all or any of the contributories for the time being settled on the list of the contributories to the extent of their liability, for payment of any money which the Court considers necessary to satisfy the debts and liabilities of the company, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.</p> <p>(2) In making the call the Court may take into consideration the probability that some of the contributories may partly or wholly fail to pay the call.</p>
38.	331	Power to order payment into bank.—

		<p>(1) The Court may order , any contributory, purchaser or other person from whom any money is due to the company to pay the same into the account of the official liquidator in a scheduled bank instead of to the official liquidator, and any such order may be enforced in the same manner as if it had directed payment to the official liquidator.</p> <p>(2) Information about the amount deposited shall be sent by the person paying it to the official liquidator within three days of the date of payment.</p>
39	332	<p>Regulation of account with Court.—</p> <p>All moneys, bills, notes and other securities paid and delivered into the scheduled bank where the official liquidator of the company may have his account, in the event of a company being wound up by the Court, shall be subject in all respect to the orders of the Court.</p>
40	333	<p>Order on contributory conclusive evidence.—</p> <p>(1) An order made by the Court on a contributory shall, subject to any right of appeal, be conclusive evidence that the money, if any, thereby appearing to be due or ordered to be paid is due.</p> <p>(2) All other pertinent matters stated in the order shall be taken to be truly stated as against all persons, and in all proceedings whatsoever.</p>
41	334	<p>Power to exclude creditors not proving in time.—</p> <p>The Court may fix a time or times within which creditors are to prove their debts or claims, or to be excluded from the benefit of any distribution made before those debts are proved.</p>
42	335	<p>Adjustment of rights of contributories.—</p> <p>The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto.</p>
43	336	<p>Power to order costs.—</p> <p>The Court may, in the event of the assets being insufficient to satisfy the liabilities, make an order as to the payment out of the assets of the costs, charges and expenses incurred in the winding up in such order of priority as the Court thinks just.</p>

44	341	<p>Distribution by official liquidator.—</p> <p>Subject to any directions given. by the Court, the official liquidator shall, within thirty days of the coming into his hands of funds sufficient to distribute among the creditors or contributories after providing for expenses of the winding up or for other preferential payments as provided in this Ordinance, distribute in accordance with the provisions of this Ordinance:</p> <p>Provided that in case of company licenced under section 42 ofthis Ordinance, if on a winding up, there remains after the satisfaction of all debts and liabilities, any assets, those shall be transferred to another company licenced under section 42 of this Ordinance, preferably having similar or identical objects to those of the company in the manner as may be prescribed and subject to such conditions as. the Court may impose:</p> <p>Provided further that such portion of the funds as may be required for meeting any claim against the company which may be subjudice or subject matter of adjudication or assessment shall not be distributed till the claim is finally settled:</p> <p>Provided also that any amounts retained as aforesaid shall be invested by the official liquidator in Special Saving Certificates and the same shall be deposited by him with the Court and the distribution thereof shall be made by him after the pending claims are settled:</p> <p>Provided also that in case of company licenced under section 42, if any of the assets is not transferred in the manner provided in first proviso due to any • reason, all such assets shall be sold and proceeds thereof credited to the Investor Education and Awareness Fund formed under section 245.</p>
45	342	<p>Dissolution of company.—</p> <p>(1) When the affairs of a company have been completely wound up, or when the Court is of the opinion that the official liquidator cannot proceed with the winding up of the company for want of funds and assets or any other reason whatsoever and it is just and reasonable in the circumstances of the case that an order of dissolution of the company be made, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly:</p> <p>Provided that such dissolution of the company shall not extinguish and right of, or debt due to the company against or from any person.</p> <p>(2) A copy of the order shall, within fifteen days of the making thereof, be forwarded by the official liquidator to the registrar, who shall make in his books a minute of the dissolution of the company and shall publish a notice in the Official Gazette that the company is dissolved.</p>

		(3) If the official liquidator makes default in complying with the requirements of this section, he shall be liable to a daily penalty of level I on the standard scale.
46.	343	<p>Saving of other proceedings.—</p> <p>Any powers conferred on the Court by this Ordinance shall be in addition to, and not in derogation of, any existing power of instituting proceedings against any contributory or debtor of the company, or the estate of any contributory or debtor, for the recovery of any call or other sums.</p>
47.	352	<p>Distinction between "members" and "creditors' voluntary winding up.—</p> <p>A winding up in the case of which a declaration under section 351 has been made is a "members' voluntary winding up"; and a winding up in the case of which such a declaration has not been made is a "creditors' voluntary winding up".</p>
48.	424	<p>Inactive Company,-</p> <p>(1) Where a company, other than listed company, is formed for a future project or to hold an asset or intellectual property and has no significant accounting transaction such manner as may be specified for obtaining to status of an inactive company.</p> <p>Explanation.— For the purposes of this section-</p> <p>(a) "inactive company", means a; company, other than a listed company, which has not been carrying on-any business or operation or has not made any significant accounting transaction during the last two financial years;</p> <p>(b) significant accounting transaction" means any transaction other than –</p> <p>(i) payments made by it to fulfill the requirements of the Ordinance or any other law.</p> <p>(ii) allotment of shares to fulfill the requirements of this Ordinance; and</p> <p>(iii) payments for maintenance of its office and records.</p> <p>(2) The registrar on consideration of the application shall allow the status of inactive company to the applicant and issue a certificate in such form as may be specified to that effect.</p> <p>(3) The registrar shall maintain a register of inactive companies in such form as may be specified.</p> <p>(4) In case of a company which has not filed financial statements or annual returns for two financial years consecutively, the registrar shall issue a notice to that company and enter the name of such company in the register maintained for inactive companies.</p>

		<p>(5) An inactive company shall have such minimum number of directors, file such documents as may be specified by the Commission through regulations to the registrar to retain its inactive status in the register and pay such annual fee as prescribed in the Seventh Schedule and may become an active company on an application made in this behalf accompanied by such documents as may be specified by the Commission through regulations on payment of such fee as prescribed in the Seventh Schedule.</p> <p>(6) The registrar shall, strike off the name of an inactive company from the register of inactive companies, which has failed to comply with the requirements of this section.</p> <p>(7) Any contravention or default in complying with requirements of this section shall be an offence liable to a penalty of level 2 on the standard scale and in case false or misleading information has been given to obtain the status of an inactive company, the directors and other officers of the company in default shall be liable to imprisonment for a term which may extend to three years.</p>
49	426	<p>Easy exit of a defunct company. —</p> <p>(1) A company which ceases to operate and has no known assets and liabilities, may apply to the registrar in the specified manner, seeking to strike its name off the register of companies on payment of such fee mentioned in the Seventh Schedule.</p> <p>(2) After examination of the application, the registrar on being satisfied, may publish a notice in terms of sub-section (3) of section 425 of this Ordinance, in the official Gazette stating that at the expiration of three months from the date of that notice, unless cause is shown to the contrary, the name of the applicant company will be struck off the register of companies and the company will be dissolved. Such notice shall also be posted on the Commission's website.</p> <p>(3) At the expiration of the time mentioned in the notice, the registrar may, unless any objection to the contrary is received by him, strike its name off the register, and shall publish a notice thereof in the official Gazette, and, on the publication of such notice, the company shall stand dissolved: Provided that the liability criminal, civil or otherwise (if any) of every director, officer and member of the company shall continue and may be enforced as if the company had not been dissolved.</p>
50	439	<p>Power of the Commission to require information of beneficial owners of a foreign company. —</p> <p>(1) The Commission may at any time by a written notice, call upon the foreign company and any of its present or past directors, officers or auditors or a person who is directly or indirectly the beneficial owner of its equity securities to furnish the information about the shareholding in the company at any point in time and such other information and document as may be directed, within such reasonable time, as may be specified in the notice: Provided that a director, officer or auditor who ceased to hold office more than five years before the date of the notice of the Commission shall not be compelled to furnish information or explanation or document under this sub-section.</p>

		<p>(2) On receipt of the notice under sub-section (1) it shall be the duty of. the company and all persons who are or have been directors, officers or auditors of the company to furnish such information, explanation or documents as required.</p> <p>(3) If no information or explanation is furnished within the time specified or if the information or explanation furnished is, in the opinion of the Commission, inadequate, the Commission may if it deems fit, by written order, call on the company and any such person as is referred to in sub-section (1) or (2) to produce for inspection such books and papers as is necessary within such time as may be specified in the order; and it shall be the duty of the company and of such persons to produce such books and papers.</p>
PART XIII		
51.	451.	<p>Certification of <i>Shariah</i> compliant companies and <i>Shariah</i> compliant securities.- (1) No company shall be called a <i>Shariah</i> compliant company unless it is conducting its business according to the principles of <i>Shariah</i> and it has obtained a certificate of <i>Shariah</i> compliance from the Commission.</p> <p>(2) No security shall be called a <i>Shariah</i> compliant security unless the proceeds from the security are utilized for <i>Shariah</i> permissible business and it has obtained a certificate of <i>Shariah</i> compliance from the Commission.</p> <p>(3) A certificate under sub-section (1) or sub-section (2) may be granted in such form and manner and subject to such terms and conditions as may be specified.</p>
52.	452.	<p>Companies’ Global Register of Beneficial Ownership.- (1) Every substantial shareholder or officer of a company incorporated under this Ordinance, having ten percent or more shares in a foreign company or body corporate shall report to the company, regarding his beneficial ownership or any other percentage or interest as may be notified by the Commission, on a specified form within thirty days of holding such position or interest.</p> <p>(2) The company shall submit all the aforesaid information received by it during the year to the registrar along with the annual return.</p> <p>(3) Any investment in securities or other interest as may be notified in sub-section (1) by a company incorporated under this Ordinance, in a foreign company or body corporate, shall also be reported to the registrar along with the annual return.</p> <p>(4) All the above information shall be reported to the registrar through a special return on a specified form within sixty days from the commencement of this Ordinance and thereafter in accordance with the sub-section (2).</p> <p>(5) Any contravention or default in complying with requirements of this section shall be an offence liable to a fine of level 1 on the standard scale.</p>

		(6) The Commission shall keep record of the information in a Companies' Global Register of Beneficial Ownership.
53.	453.	<p>Prevention of offences relating to fraud, money laundering and terrorist financing.- (1) Every officer of a company shall endeavor to prevent the commission of any fraud, offences of money laundering including predicated offences as provided in the Anti-Money Laundering Act, 2010 (VII of 2010) with respect to affairs of the company and shall take adequate measures for the purpose.</p> <p>(2) Whosoever fails to comply with the provisions of this section shall be liable to punishment of imprisonment for a term which may extend to three years and with fine which may extend to one hundred million rupees:</p> <p>Provided that where any such officer has taken all reasonable measures available under the applicable laws within his capacity to prevent commission of such offence, shall not be liable under this section.</p>
54.	454.	<p>Free Zone Company.- (1) A company incorporated for the purpose of carrying on business in the export processing zone or an area notified by the concerned Minister-in-Charge of the Federal Government as free zone shall be eligible to such exemptions from the requirements of this Ordinance as may be notified in terms of section 459.</p> <p>(2) The Commission may, for the protection of foreign investors and to secure foreign investment, restrict the disclosure of information maintained by the registrar regarding promoters, shareholders and directors of the company incorporated under sub-section (1), who are foreign nationals unless such disclosure of information is authorized by the company in writing:</p> <p>Provided that the restriction of non-disclosure contained in this section shall not apply to the revenue authorities collecting tax, duties and levies or requirement or obligation under international law, treaty or commitment of the Government.</p> <p>(3) A company formed for the purposes stated in sub-section (1) may be dispensed with the words "Private Limited" or "Limited" as the case may be, and called as the "Free Zone Company" having the parenthesis and alphabets "FZC" at the end of its name.</p> <p>(4) A Free Zone Company shall pay the annual renewal fee as specified in the Seventh Schedule.</p>
55.	455.	<p>Filing of documents through intermediaries.- (1) A person may, for the purpose of filing of documents under this Ordinance, avail services of intermediary as defined in the Electronic Transactions Ordinance, 2002.</p> <p>(2) An intermediary intending to provide services in terms of sub-section (1) must possess the requisite qualification and also to seek registration with the Commission in the manner as may be specified.</p>

		<p>(3) The registration as intermediary under this section shall be liable to be cancelled by the Commission on such grounds and in such manner as may be specified after providing an opportunity of being heard.</p>
56.	456.	<p>Acceptance of advances by real estate companies.- (1) Notwithstanding anything contained in this Ordinance or any other law, a company shall not engage in the business of real estate project unless its principal line of business is development of real estate projects.</p> <p>(2) A company undertaking a real estate project shall at all times comply with the following terms and conditions, namely-</p> <p>(a) A real estate company shall not;</p> <ul style="list-style-type: none"> (i) announce any real estate project; (ii) make any publication or advertisement of real estate projects; and (iii) accept any advances or deposits in any form whatsoever against any booking to sell, or offer for sale, or invite persons to purchase any land, apartment or building, as the case may be, in any real estate project or part of it; <p>unless it has obtained the approval of the Commission, and all necessary approvals, permissions, NOCs etc., of the concerned authorities required as per applicable general, special and local laws, having jurisdiction over area under which the real estate project is being developed or undertaken to the satisfaction of the Commission and subject to such additional disclosure requirements as may be notified;</p> <ul style="list-style-type: none"> (b) it shall not accept a sum against purchase of the apartment, plot, or building, as the case may be, as an advance payment from a person without first entering into a written agreement for sale with such person except nominal fee for application; (c) it shall maintain and preserve such books of account, records and documents in the manner as may be specified; (d) it shall deposit any sum obtained from the allottees, from time to time, in a separate escrow account opened in the name of the project as may be specified; (e) it shall comply with any directions notified by the Commission and accounting framework as may be notified; and

		<p>(f) any other term and condition as may be specified.</p> <p>(3) For the purposes of this section the escrow accounts shall be dedicated exclusively for carrying out the project and no attachment shall be imposed on the payment of such escrow accounts for the benefit of creditors of the real estate company.</p> <p>(4) The Commission shall provide copy of any returns or information submitted by real estate company free of cost to the concerned authority, on their request, to enable such authority to regulate real estate project under its jurisdiction in accordance with the applicable laws.</p> <p>(5) The conditions laid down under this section shall be in addition to and not in derogation of requirement of law and concerned authority under whose jurisdiction the project is being undertaken by the real estate company shall continue to exercise its authority in a manner provided in the relevant law.</p> <p>(6) Any person who contravenes the provisions of this section shall be guilty of an offence which is liable to a penalty of level 3 on the standard scale.</p> <p>Explanations.- For the purposes of this section the-</p> <p>(i) expression “real estate project” shall include projects for the development and construction of residential or commercial buildings or compounds and shall not include other construction project;</p> <p>(ii) expression “authority” shall include authority created or prescribed under any law which has powers to give permission for planning and development of real estate project in specific area.</p>
57.	457.	<p>Agriculture Promotion Companies.- (1) Notwithstanding anything contained in this Ordinance or any other law for the time being in force, any person, having its principle line of business related to produce for agriculture promotion or managing produce as collateral or engaged in any activity connected with or related to any Produce or other related activities may establish Agriculture Promotion Company under this section in such form and manner and subject to such terms and condition and limitation as may be specified.</p> <p>Explanation.- For the purpose of this section:</p> <p>(a) “Agriculture Promotion Company” includes a Producer Company or a Collateral Management Company involved in Produce or any other company or class of companies or corporate body or any other entity as the concerned Minister-in-Charge of</p>

the Federal Government may, by notification in the official Gazette specify as Agriculture Promotion Company under this section;

(b) **“Produce”** means-

- (i) produce of farmers, arising from agriculture (including animal husbandry, forest products, re-vegetation, bee raising and farming plantation products), or from any other activity or service which promotes the farming business; or
- (ii) any product resulting from any of the above activities, including by-products of such products;
- (iii) any activity which is intended to increase the production of anything referred to in above sub-clauses or improve the quality thereof;

(2) Producer Company means any company, with or without share capital, formed under this section by farmers and engaged in any activity connected with or related to any Produce including the following matters-

- (a) production, harvesting, procurement, grading, pooling, handling, marketing, selling, export of produce of the Members or import of goods or services for their benefit;
- (b) processing including preserving, drying, distilling, brewing, canning and packaging of produce of its members;
- (c) rendering technical services, consultancy services, training research ;and development and all other activities for the promotion of the interests of its Members;
- (d) arranging insurance of produce; and
- (e) financing of procurement, processing, marketing, extending of credit facilities including microfinance subject to such term and condition as may be specified, or any other financial services to its members;

(3) Every Producer Company shall deal primarily with the produce of its Members for carrying out any of its activities.

(4) For the purposes of this section, member of a Producer Company means farmers as promoters and sponsors of a Producer Company and farmers admitted to membership after registration in accordance with requirements as specified in the regulations.

		<p>(5) Collateral Management Company means any company formed under this section to engage in the activity of managing produce as collateral, including but not limited to the following matters:</p> <ul style="list-style-type: none"> (a) warehousing, i.e. provision of quality storage and preservation services for a range of agricultural commodities; (b) issuance of credible warehouse receipts for agricultural commodity financing; and (c) stock audit and verification services. <p>(6) If an Agriculture Promotion Company or Collateral Management Company or Producer Company or their members indulges in any activity which is prejudicial to the interests of farmers, members, lending institutions, commodity exchange, consumers, or other stakeholders, shall be liable to a penalty of level 3 on the standard scale.</p> <p>(7) Any dues outstanding against agriculture promotion company under this section shall be recoverable as arrears of land revenue.</p> <p>(8) Notwithstanding any provision of this section the Government or any institution or authority owned and controlled by the Government may form an Agriculture Promotion Company.</p>
58.	458.	<p>Payment against supply of agricultural produce.- (1) Notwithstanding anything contained in section 457, every company acquiring agricultural produce directly or through its agents from the farmers shall make the payment to them against supply of such produce promptly and not later than ninety days from the date of acquisition.</p> <p>(2) If the company fail to make the payment within the period provided in sub-section (1) the amount due to the farmer shall be payable with the mark-up at the prevailing bank rate.</p> <p>(3) Whoever contravenes or authorizes or permits the contravention of this section shall be liable to a penalty of level 3 on the standard scale.</p>
59.	459.	<p>Power to give exemptions by the Federal Government.- Notwithstanding anything contained in this Ordinance or any other law, the concerned Minister-in-Charge of the Federal Government may by notification in the official gazette exempt companies under section 454, 456 and 457 from any provisions which relates to the legislative competence of the Parliament.</p>

60.	460.	<p>Valuation by registered valuers.— (1) Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Ordinance, it shall be valued by a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be specified.</p> <p>(2) The valuer appointed under sub-section (1) shall—</p> <ul style="list-style-type: none"> (a) make an impartial, true and fair valuation of any assets which may be required to be valued; (b) exercise due diligence while performing the functions as valuer; and (c) not undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time before submission of the report. <p>(3) The valuer shall prepare his report in such manner and applying such approaches, as may be specified.</p> <p>(4) If a valuer contravenes the provisions of this section or the regulations made thereunder, the valuer shall be liable to a penalty of level 2 on the standard scale:</p> <p>Provided that if the valuer has contravened such provisions with the intention to defraud the company, its members or creditors, he shall be punishable with imprisonment for a term which may extend to one year and with fine which may extend to five hundred thousand rupees.</p> <p>(5) Where a valuer has been convicted under sub-section (4), he shall be liable to-</p> <ul style="list-style-type: none"> (a) refund the remuneration received by him to the company; and (b) pay for damages to the company or to any other person for loss arising out of incorrect or misleading statements of particulars made in his report. <p>(6) The registration as valuer under this section shall be liable to be cancelled by the Commission on such grounds and in such manner as may be specified after providing an opportunity of being heard.</p>
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61.	461.	<p>Security clearance of shareholder and director.- The Commission may require the security clearance of any shareholder or director or other office bearer of a company including the foreign company from any local and foreign agency in such manner as may be deemed appropriate.</p>
62.	465.	<p>Special return to rectify the data.-(1) The Commission or the registrar may at any time, by a general or specific order, require a company or class of companies or all the companies to file a special return signed by all the directors to rectify the record.</p> <p>(2) The information provided in the special return filed under this section shall be a conclusive evidence of all the relevant facts and shall not be called in question by any of the person who has signed it.</p> <p>(3) The persons who have signed the special return shall be responsible for the loss caused to any person on account of incorrect information provided in the return filed under this section.</p>
63.	466.	<p>Jurisdiction in the disputes relating to shareholding and directorship.- The registrar shall have no jurisdiction to determine the rights of the parties relating to shareholding and directorship.</p>
64.	467.	<p>Approval of transfer of shares by the agents licenced by the Commission.- (1) In case of companies to be notified for the purpose, before making any application for registration of the transfer of shares to the board the transferor and the transferee shall appear before the agent licenced by the Commission under this section; who shall record the statement of both the parties and forward a certified copy of the statement so recorded to the company for further necessary action in such form and manner and subject to such conditions as may be specified:</p> <p>Provided that the provision of this sub-section shall not apply to transfer or transmission of shares by operation of law.</p> <p>(2) The agent licenced under this section shall maintain complete record of all the statements recorded by him including the documents submitted by the parties, for a period of ten years.</p> <p>(3) The licence under this section may be granted by the Commission in the manner and subject to such conditions, and to the persons having such qualification and infrastructure, as may be specified.</p> <p>(4) An agent licenced under this section shall be responsible for the loss caused to any person due to any fault on his part, as determined by the Court while deciding a case under section 126.</p> <p>(5) The agent licenced under this section may charge the fee for the services rendered by him, not exceeding the limit notified by the Commission.</p>

		<p>(6) The Commission may at any time revoke a licence granted under this section on being satisfied that the agent has failed to comply with any of the terms or conditions to which the licence is subject:</p> <p>Provided that, before a licence is so revoked, the Commission shall give to the agent notice in writing of its intention to do so, and shall afford the association an opportunity to be heard.</p>
65.	471.	<p>Filing of documents electronically.- (1) The Commission may provide any means or mode for filing, any document, return or application required to be filed, lodged or submitted with the Commission or the registrar under this Ordinance or the rules or regulations made thereunder electronically.</p> <p>(2) Any additional information or document required to be submitted along with any document to be filed under this Ordinance shall also be submitted through electronic means including in a scanned form.</p> <p>(3) Any document to be submitted electronically shall be authenticated by the companies by affixing electronic signature or advanced electronic signature, as required under the Electronic Transactions Ordinance, 2002, (LI of 2002).</p> <p>(4) From the date appointed by the Commission through notification in the official gazette any document, return or application required to be filed, lodged or submitted with the Commission or the registrar under this Ordinance or the rules or regulations made thereunder, shall only be lodged, filed or submitted electronically through e-service or any other means or service provided by the Commission for this purpose:</p> <p>Provided that the Commission may relax the requirement of this section for a company or class of companies, for such document, return or application and for such time as may be notified from time to time.</p>
66.	472.	<p>Destruction of physical record.- The record of the companies including the statutory returns and applications, maintained by the registrar and the Commission under this Ordinance or the company law shall be preserved for such period as the Commission may determine and may be destroyed in the manner as may be specified:</p> <p>Provided further that the physical record converted into electronic form in terms of first proviso, shall be admissible as an evidence in all legal proceedings and for all purposes.</p>
67.	473.	<p>Supply of documents, information, notices to the members electronically.- (1) After a date notified by the Commission, the information, notices and accounts or any other document to be provided by the company to its members under this Ordinance, shall only be provided electronically on the email address provided by the members.</p>

		(2) A member requiring the supply of any of the document mentioned in sub-section (1) in physical form shall bear the cost as fixed by the company.
68.	476.	Offences to be cognizable. - Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (V of 1898) or any other law, save as expressly provided otherwise in this Ordinance or in the Eighth Schedule, any offence in which punishment of imprisonment is provided under this Ordinance shall be cognizable by the Commission only and shall be proceeded in accordance with section 38 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) and this Ordinance.
69.	477.	<p>Complaint to the court by the Commission, registrar, member or creditor in case of certain offences.— (1) Offences provided in the Eighth Schedule under this Ordinance which is alleged to have been committed by any company or any officer or auditor or any other person shall not be taken cognizance by the court, except on the complaint in writing of-</p> <ul style="list-style-type: none"> (a) the Commission through its authorised officer or the registrar; or (b) in the case of a company having a share capital, by a member or members holding not less than five percent of the issued share capital of the company or a creditor or creditors of the company having interest equivalent in amount to not less than five percent of the issued share capital of the company; or (c) in the case of a company not having a share capital, by any member or creditor entitled to present a petition for winding up of the company: <p>Provided that nothing in this sub-section shall apply to a prosecution by a company of any of its officers or employees:</p> <p>Provided further that the complaint filed under this section shall not require formal procedure as provided under section 38 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) and such complaint shall be taken cognizance by the court in accordance with Chapter XVI of Code of Criminal Procedure, 1898 (Act V of 1898).</p> <p>(2) Sub-section (1) shall not apply to any action taken by the liquidator of a company in respect of any offence alleged to have been committed in respect of any of the matters included in Part-X or in any other provision of this Ordinance relating to the winding up to companies.</p> <p>(3) A liquidator of a company shall not be deemed to be an officer of the company within the meaning of sub-section (1).</p>

70.	478.	<p>Penalty to be imposed by the Commission.- Wherever a penalty is provided for any offence, contravention of or default in complying with, any of the provisions of this Ordinance, rules or regulations made under this Ordinance such penalty shall be imposed by the Commission after providing a reasonable opportunity of hearing to the party.</p>												
71.	479.	<p>479. Adjudication of offences and standard scale of penalty. — (1) There shall be a standard scale of penalty for offences under this Ordinance, which shall be known as “the standard scale”.</p> <p>(2) The standard scale consists of-</p> <table border="1" data-bbox="457 509 1276 862"> <thead> <tr> <th data-bbox="457 509 562 542">Level</th> <th data-bbox="562 509 919 542">Limit of penalty</th> <th data-bbox="919 509 1276 659">Per day penalty during which the default continues</th> </tr> </thead> <tbody> <tr> <td data-bbox="457 691 562 724">1</td> <td data-bbox="562 691 919 724">Upto Rs.25,000</td> <td data-bbox="919 691 1276 724">Upto Rs.500</td> </tr> <tr> <td data-bbox="457 756 562 789">2</td> <td data-bbox="562 756 919 789">Upto Rs.500,000</td> <td data-bbox="919 756 1276 789">Upto Rs.1,000</td> </tr> <tr> <td data-bbox="457 821 562 854">3</td> <td data-bbox="562 821 919 854">Upto Rs.100 million</td> <td data-bbox="919 821 1276 854">Upto Rs.500,000</td> </tr> </tbody> </table> <p>(3) Where a penalty is provided for any offence, contravention of, or default in complying with, any of the provisions of this Ordinance or a directive of the Commission or the registrar or other authority empowered to issue a directive under any provisions of this Ordinance, it shall be adjudged and imposed-</p> <p>(a) where any person shall be liable to a penalty of level 1, by the officer who is incharge of the company registration office in which the company is registered:</p> <p>Provided that the Commission and the registrar shall have concurrent jurisdiction under this clause;</p> <p>(b) where any person shall be liable to a penalty of level 2, by the registrar designated for the purpose:</p> <p>Provided that the Commission shall have concurrent jurisdiction under this clause; and</p> <p>(c) where any person shall be liable to a penalty of level 3, by the Commission or an officer authorised by it.</p>	Level	Limit of penalty	Per day penalty during which the default continues	1	Upto Rs.25,000	Upto Rs.500	2	Upto Rs.500,000	Upto Rs.1,000	3	Upto Rs.100 million	Upto Rs.500,000
Level	Limit of penalty	Per day penalty during which the default continues												
1	Upto Rs.25,000	Upto Rs.500												
2	Upto Rs.500,000	Upto Rs.1,000												
3	Upto Rs.100 million	Upto Rs.500,000												

		<p>(4) Notwithstanding anything contained in sub-section (2), the Commission may, by an order in writing empower any officer to exercise the powers conferred by the said sub-section in respect of any case or class of cases, either to the exclusion of, or concurrently with, any other officer.</p> <p>(5) The penalty as aforesaid shall be imposed after giving the person concerned an opportunity to show cause why he should not be punished for the alleged offence, contravention, default or non-compliance and, if he so requests, after giving him an opportunity of being heard personally or through such person as may be specified.</p> <p>(6) The penalty imposed under this section by the Commission, the registrar designated for the purpose or the officer incharge of the company registration office, shall be without prejudice to any other action for the violation or contravention as provided under the relevant provision of this Ordinance.</p>
72.	480.	<p>Appeal against order passed by officer of the Commission. Any person aggrieved by any order passed under this Ordinance may, within thirty days of such order, except as otherwise provided in this Ordinance, prefer an appeal to—</p> <p>(a) the registrar designated by the Commission against the order passed by an additional registrar, a joint registrar, a deputy registrar or an assistant registrar; and</p> <p>(b) officer authorized by the Commission where the order has been passed or upheld by the registrar designated under clause (a) by the Commission.</p>
73.	481.	<p>Appeals before the Appellate Bench.— Any person aggrieved by an order passed by the registrar or an officer authorized by the Commission under section 480, may prefer an appeal to the Appellate Bench of the Commission under section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII OF 1997):</p> <p>Provided that no appeal shall lie against—</p> <p>(a) an administrative direction given by a Commissioner or an officer of the Commission;</p> <p>(b) a sanction provided or decision made by a Commissioner or an officer of the Commission to commence legal proceedings; and</p> <p>(c) an interim order which does not dispose of the entire matter.</p>

74.	482.	<p>Adjudication of offences involving imprisonment.—Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act V of 1898), no court other than court of sessions or such other court as may be notified under section 37 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), shall take cognizance of any offence punishable with imprisonment or imprisonment in addition to fine under this Ordinance.</p>
75.	485.	<p>Recovery of penalty.— Any sum adjudged, penalty imposed by the Commission or the registrar in exercise of powers under this Ordinance or any rules or any regulations made thereunder or directed to be paid, shall be recovered in accordance with section 42B of the Securities and Exchange Commission of Pakistan Act, 1997(XLII of 1997).</p>
76.	486.	<p>Prosecution of offences by the Commission.— All prosecution conducted by the Commission under this Ordinance shall be made in the manner as provided in section 38 of Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).</p>
77.	509.	<p>Repeal and savings.— (1) The Companies Ordinance, 1984 (XLVII of 1984), hereinafter called as repealed Ordinance, shall stand repealed, except Part VIII A consisting of sections 282A to 282N, from the date of coming into force of this Ordinance and the provisions of the said Part VIII A along with all related or connected provisions of the repealed Ordinance shall be applicable <i>mutatis mutandis</i> to Non-banking Finance Companies in a manner as if the repealed Ordinance has not been repealed:</p> <p>Provided that repeal of the repealed Ordinance shall not-</p> <ul style="list-style-type: none"> (a) affect the incorporation of any company registered or saved under repealed Ordinance; or (b) revive anything not in force at the time at which the repeal take effect; or (c) affect the previous operation of the repealed Ordinance or anything duly done or suffered thereunder; or (d) affect any right, privilege, obligation or liability acquired, accrued or incurred under the said repealed Ordinance; or (e) affect any penalty imposed, forfeiture made or punishment awarded in respect of any offence committed under the repealed Ordinance; or (f) affect any inspection, investigation, prosecution, legal proceeding or remedy in respect of any obligation, liability, penalty, forfeiture or punishment as aforesaid, and any such inspection, investigation, prosecution, legal proceedings or remedy may be made, continued or <p>enforced and any such penalty, forfeiture or punishment may be imposed, as if this Ordinance has not been passed.</p>

- (2) Notwithstanding the repeal of the repealed Ordinance-
- (a) any document referring to any provision of the repealed Ordinance shall be construed as referring, as far as may be, to this Ordinance, or to the corresponding provision of this Ordinance;
- (b) all rules, regulations, notification, guideline, circular, directive, order (special or general) or exemption issued, made or granted under the repealed Ordinance shall have effect as if it had been issued, made or granted under the corresponding provision of this Ordinance unless repealed, amended or substituted under this Ordinance;
- (c) any official appointed and any body elected or constituted under repealed Ordinance shall continue and shall be deemed to have been appointed, elected or constituted, as the case may be, under the corresponding provision of this Ordinance;
- (d) all funds and accounts constituted or maintained under the repealed Ordinance shall be deemed to be in continuation of the corresponding funds and accounts constituted or maintained under this Ordinance;
- (e) every mortgage and charge recorded in any register or book maintained at any office under the repealed Ordinance shall be deemed to have be recorded in the register or book maintained under the corresponding provisions of this Ordinance;
- (f) any licence, certificate or document issued, made or granted under the repealed Ordinance shall be deemed to have been issued, made or granted under this Ordinance and shall, unless cancelled, in pursuance of any provisions of this Ordinance, continue to be inforce until the date specified in the licence, certificate or documents.
- (3) The mention of particular matters in this section or in any other section of this Ordinance shall not prejudice the general application of section 6 of the General Clauses Act, 1897 (X of 1897), with regard to the effect of repeals.
- (4) After the commencement of this Ordinance, the expression Companies Ordinance, 1984 (XLVII of 1984) and any referring sections thereof, used in any law for the time being in force including all administered legislation and rules, regulations and guidelines made thereunder, shall be read as Companies Ordinance, 2016 along with corresponding provisions of Companies Ordinance, 2016 unless the context requires otherwise.