

**CORPORATE LAWS & SECRETARIAL PRACTICES – STAGE-4****SECTION – 'A'****Q.2 (a) Financial Institution:**

Financial institution<sup>u</sup> includes, –

- (a) a company or an institution whether established under any special enactment and operating within or outside Pakistan which transacts the business of banking or any associated or ancillary business through its branches;
- (b) a modaraba, leasing company, investment bank, venture capital company, financing company, housing finance company, a non-banking finance company; and
- (c) such other institution or company authorised by law to undertake any similar business, as the Federal Government may, by notification in the official Gazette, specify for the purpose;

**(b) Legal Provisions Regarding Prohibition of Certain Names of the Company:**

- (1) No company shall be registered by a name which in the opinion of the Commission is inappropriate or deceptive or is designed to exploit or offend the religious susceptibilities of the people.
- (2) A company shall not be registered by a name identical with that by which a company in existence is already registered, or so nearly resembling that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such manner as the registrar requires.
- (3) Except with the prior approval in writing of the Commission, no company shall be registered by a name which contains any words suggesting or calculated to suggest –
  - (a) the patronage of any, past or present, Pakistani or foreign, Head of State;
  - (b) any connection with the Federal Government or a Provincial Government or any department or authority of any such Government;
  - (c) any connection with any corporation set up by or under any Federal or Provincial law; or
  - (d) the patronage of, or any connection with, any foreign Government or any international organization.
- (4) Whenever a question arises as to whether or not the name of a company is in violation of the foregoing provisions of this section the decision of the Commission shall be final.

**(c) Provisions Related to the Application of Share Premium Account:**

The share premium account may, notwithstanding anything contained in sub-section (1), be applied by the company –

- (a) in writing off the preliminary expenses of the company;
- (b) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
- (c) in providing for the premium payable on the redemption of any redeemable preference shares or debentures of the company; or
- (d) in paying up un-issued shares of the company to be issued to members of the company as fully paid bonus shares.

**CORPORATE LAWS & SECRETARIAL PRACTICES – STAGE-4****(d) Particulars for Maintaining a Register of Shares:**

Where a purchase has been made under this section, the company shall maintain a register of shares so purchased and enter therein the following particulars, namely:—

- (a) number of shares purchased;
- (b) consideration paid for the shares purchased;
- (c) mode of purchase;
- (d) the date of cancellation or reissuance of such shares;
- (e) number of bonus shares issued in respect of treasury shares; and
- (f) number and amount of treasury shares redeemed, if redeemable.

**Q.3 (a) Disqualification Criteria for the Appointment of Receiver or Manager:**

The following shall not be appointed under any powers contained in an instrument as a receiver or manager of the property of a company, namely:—

- (a) a minor;
- (b) a person who is of unsound mind and stands so declared by a competent Court;
- (c) a body corporate;
- (d) a director of the company;
- (e) an un-discharged insolvent unless he is granted leave by the Court by which he has been adjudged an insolvent; or
- (f) a person disqualified by a Court from being concerned with or taking part in the management of a company in any other way, unless he is granted leave by the Court.

**(b) Circumstances in which Company may be Wound Up by Court:**

A company may be wound up by the Court—

- (a) if the company has, by special resolution, resolved that the company be wound up by the Court;
- (b) if default is made in delivering the statutory report to the registrar or in holding the statutory meeting or any two consecutive annual general meetings;
- (c) if the company does not commence its business within a year from its incorporation, or suspends its business for a whole year;
- (d) if the number of members is reduced, in the case of private company, below two or, in the case of any other company, below seven;
- (e) if the company is unable to pay its debts;
- (f) if the company is
  - (i) conceived or brought forth for, or is or has been carrying on, unlawful or fraudulent activities;
  - (ii) carrying on business not authorised by the memorandum;
  - (iii) conducting its business in a manner oppressive to any of its members or persons concerned with the formation or promotion of the company or the minority shareholders;

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- (iv) run and managed by persons who fail to maintain proper and true accounts, or commit fraud, misfeasance or malfeasance in relation to the company; or
- (v) managed by persons who 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 or decisions of the Court or the registrar or the Commission given in the exercise of powers under this Ordinance;
- (g) if, being a listed company, it ceases to be such company;
- (h) if the Court is of opinion that it is just and equitable that the company should be wound up; or
- (i) if a company ceases to have a member.

**(c) Circumstances in which Company may be Wound Up Voluntarily:**

A company may be wound up voluntarily –

- (a) when the period (if any) fixed for the duration of the company by the articles expires, or the event (if any) occurs, on the occurrence of which the articles provide that the company is to be dissolved and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily;
- (b) if the company resolves by special resolution that the company be wound up voluntarily;

and, in the subsequent provisions of this Part, the expression "resolution for voluntary winding up" means a resolution passed under clause (a) or clause (b).

**SECTION 174B****Q.4 (a) Provisions related to the Change in Status of a Single Member Company in case of Operation of the Law:**

In case of operation of the law:

- (i) transfer the shares, within seven days, in the name of relevant persons to give effect to the order of the court or any other authority.
- (ii) pass a special resolution for change of status from single member company to private company and alter its articles accordingly within thirty days of transfer of shares; and
- (iii) appoint additional director or directors in pursuance of clause (b) of sub-section (1) of section 174 within fifteen days of date of passing of the special resolution and notify the appointment on Form 29 within fourteen days of date of such appointment.

**(b) Clearing House:**

Clearing house means a clearing house by whatever name or designation established or arranged to be established by a Stock Exchange for the registration of dealing in securities or settlement of trading in futures contracts;

**(c) Particulars included in the Books of Account and Other Documents:**

The books of account and other documents referred to in sub-rule (1) shall include:

- (a) journals (or other comparable record), cash book and any other records of original entry, forming the basis of entries into any ledger;

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- (b) ledgers (or other comparable record) reflecting asset, liability, reserve, capital, income and expense accounts;
- (c) ledger (or other comparable record) showing the position in respect of each member as on the settlement day of the securities which the member had bought or sold since the last preceding settlement days and which had been transferred through a Clearing House maintained by the stock exchange;
- (d) daily record of quotations and transactions on the stock exchange showing the time at which each transaction took place;
- (e) record of transactions with banks;
- (f) record of security deposits;
- (g) register of members;
- (h) register of authorised clerks; and
- (i) minute books of the meetings of:
  - (i) members;
  - (ii) governing body;
  - (iii) any committee of the general body of members or of the governing body.

**Q.5 (i) Connected Person:**

Connected person in relation to an NBFC or a collective investment scheme, means, –

- (a) any person or trust beneficially owning, directly or indirectly, ten percent or more of capital of the NBFC or the collective investment scheme;
- (b) any person able to exercise, directly or indirectly, ten percent or more of the total voting power in that NBFC or the collective investment scheme;
- (c) a collective investment scheme being managed by an NBFC;
- (d) the NBFC managing a collective investment scheme;
- (e) a trustee or custodian of the collective investment scheme;
- (f) any person or trust controlled by a person who or which meets the descriptions given in sub-clause (a) to (e);
- (g) any member of the group of which that person, or trust forms part; and
- (h) any director or officer of that NBFC or the investment company being managed by that NBFC or of any of their connected persons as specified in sub-clauses (a) to (g);

**(ii) Investment Finance Services:**

Investment finance services include money market activities, capital market activities, project finance activities, corporate finance services and general services as specified by the Commission by notification in the official Gazette;

**SECTION – 'C'****Q.6 (a) Provisions related to Minimum Number of Directors of a Company:**

- (1) Notwithstanding anything contained in any other law for the time being in force, –

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- (a) every single member company shall have at least one director;
  - (b) every other private company shall have not less than two directors; and
  - (c) every public company other than a listed company shall have not less than three directors,
- (2) Every listed company shall have not less than seven directors to be elected in a general meeting in the manner provided in this Ordinance.

**(b) Secretarial Functions of a Company Secretary: (Any 10 points)**

- (i) To ensure compliance of the provisions of Companies Ordinance, 1984 and other statutes and bye-laws by the company.
- (ii) To ensure that business of the company is conducted in accordance with its memorandum of association.
- (iii) To ensure that affairs of the company are managed in accordance with the articles of association and the provisions of the Companies Ordinance, 1984.
- (iv) To prepare the agenda and other documents for regular and special meetings of the board of directors in consultation with the chairman.
- (v) To arrange with to call and hold meetings of the board and prepare a correct record of proceedings thereat.
- (vi) To attend the board meetings in order to ensure that the legal requirements are fulfilled, and provide such information as may be necessary.
- (vii) To prepare, in consultation with the chairman, the agenda and other documents for the annual general meetings and extraordinary meetings.
- (viii) To arrange with the chairman to call the annual and extraordinary general meetings of the company and to attend such meetings in order to ensure compliance with the legal requirements and to make correct records thereof.
- (ix) To carry out all matters concerned with the issue of shares, including maintenance of their statutory Share Register and conducting the appropriate activities connected with share transfers.
- (x) To ensure that the company's properties and interest are adequately insured and deal with all insurance matters arising.
- (xi) To ensure the custody and administration of the company's property investments, other investment, patent, trade mark, and trade agreements.
- (xii) To prepare, approve, assign and seal agreements leases, legal forms, and other official documents on the company's behalf, when authorised by the board of the directors or the executive responsible.
- (xiii) To advise, in conjunctions with the company's solicitors, the chief executive or other executive, in respect of the legal matters, as required.
- (xiv) To ensure that the official returns, statistics, accounts, etc., are duly completed and submitted.
- (xv) To engage legal advisors and defend the rights of the company in Courts of Law.

**CORPORATE LAWS & SECRETARIAL PRACTICES – STAGE-4****(c) Notice of an Annual General Meeting of the Company:**

**Al-Raheem Petroleum Limited**  
**Registered Office \_\_\_\_\_**  
 \_\_\_\_\_

**Notice of the \_\_\_\_ Annual General Meeting**

Dated: \_\_\_\_\_

Notice is hereby given that the \_\_\_\_\_ Annual General Meeting of shareholders of Al-Raheem Petroleum Limited will be held on \_\_\_\_\_, the \_\_\_\_\_ 2012 at \_\_\_\_\_ pm at the Registered Office of the company for the purpose of transacting the following business: **(Any 04 points)**

- (1) To confirm the minutes of the last Extra Ordinary General Meeting held on \_\_\_\_\_.
- (2) To receive, consider and adopt and Annual Accounts for the year ended \_\_\_\_\_ 20\_\_\_\_\_ together with the Report of the Directors and Auditors thereon.
- (3) To approve a cash dividend.
- (4) To appoint a Director in place of Mr. \_\_\_\_\_ who retires by rotation and being eligible offers himself for re-appointment.
- (5) To appoint Auditors and to fix their remuneration.

The retiring Auditors, Messrs. Al-Raheem Petroleum Limited being eligible offers them for re-appointment.

By order of the Board  
 For Al-Raheem Petroleum Limited

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**Secretary**

**THE END**