

CORPORATE LAWS AND SECRETARIAL PRACTICES [G4] – GRADUATION LEVEL

MARKS

Question No. 2

- (a) (i) Inspection of Members' Register:** 02
- Mr. Ahsan visited on February 22, 2017 and requested the Company Secretary for inspection of member' register during his visit. As the company has already announced the close period from February 15 to February 22, 2017 therefore, the inspection of members' register can be disallowed on February 22, 2017 as per section 150 (1) of the Companies Ordinance, 1984.
- The register of members shall remain open for inspection of members at least two hours each day during working hours.
- (ii)** The objection of Mr. Ahsan as to lapse of statutory time for supply of member's register is not valid because any member or debenture-holder or other person may require a certified copy of the registers and index thereof mentioned in or of any part thereof, the company shall sent to that person: 03
- within a period of ten days,
 - exclusive of non-working days and days on which the transfer books of the company are closed,
 - commencing on the day next after the day on which the requirement is received by the company.
- (iii) Power to close Register:** 03
- A company may close the register of members or debenture-holders,
- on giving not less than seven days' prior notice by advertisement in some newspaper,
 - having circulation in the Province, or part of Pakistan not forming part of a Province, in which the registered office of the company is situate and,
 - in the case of a listed company, also in a newspaper having circulation in the Province, or other part as aforesaid, in which the stock exchange on which the company is listed is situate,
 - for any time or times not exceeding in the whole forty five days in a year and not exceeding thirty days at a time.
- (b) The Exchange shall not Entertain Listing Application of a Company:** 05
- Anfal Limited is not eligible for listing on Pakistan Stock Exchange because PSX shall not entertain the listing application of a company where a Chief Executive officer of the company has been found to have violated the Listing Regulations of any others/ listed company on the PSX in which he had been the Chief Executive Officer.
- The other conditions where PSX shall not entertain the listing application of a company as specified under Clause 5.2.3 of Listing Regulations (Rule Book of Pakistan Stock Exchange Limited) are as follows:
- Whose promoters/ sponsors/ controlling directors are in the defaulters list of State Bank of Pakistan either in their individual capacity or in the capacity of directors of other companies. Or there is an overdue payment reflected against the name of promoters/ sponsors/ controlling directors in the latest Credit Information Bureau (CIB) report. Provided that such person will be allowed if he clears his name after settling his dues. However, this will not apply to nominee directors of the Government and Financial Institutions. The company shall also provide a list of Controlling Directors.
 - Whose promoters/ sponsors/ controlling directors are also promoters/ sponsors/ controlling directors in other listed companies, which are in default of any Listing Regulation of the Exchange. Further, no person shall be allowed to act as sponsor/ controlling director of a company which was delisted during last five years and non-compliant of any Listing Regulation at the time of its delisting. However, this will not apply to nominee directors of the Government and Financial Institutions. The company shall also provide a list of Controlling Directors.

CORPORATE LAWS AND SECRETARIAL PRACTICES [G4] – GRADUATION LEVEL

MARKS

- Which is a wholly owned subsidiary company, of a listed company which has violated Listing Regulations of the Exchange and is still in default of any Listing Regulation.
- Which is an associated company of any other listed company which has violated the Listing Regulations of the Exchange and is still in default of any Listing Regulation. However, this will not apply to nominee directors of the Government and Financial Institutions.

- (c) (i) NLL is required to maintain its official website in English and Urdu language as well. The company is also bound to provide all mandatory information as prescribed. As per SRO 634 (I)/2014 dated July 10, 2014 (SRO-I), the Commission has directed every public company to maintain functional website from with effect from August 30, 2014 and place stipulated mandatory information thereon. In terms of the Commission's SRO 1222 (i)/2015 dated December 10, 2015 (the SRO-(III)), every public company was further directed to maintain a functional website in English Language as well as Urdu language. 03

In term of the Commission's SRO-I issued in pursuance of powers conferred by section 506B of the Companies Ordinance, 1984 listed companies have been directed to maintain a functional website and provide mandatory information including placement of quarterly and annual accounts and specific information relating to (a) profile of the company, (b) governance, (c) investors' relations (d) media (e) election of directors, (f) investors' information.

- (ii) The SRO-I provides that where a company does not comply or make default in compliance with the requirement of the notification, every officer of the company and every other person responsible for non-compliance shall be punished in accordance with provision of section 495 of the Companies Ordinance, 1984. 02

Sub-section (1) of the section 496 of the Ordinance state that where any directive is given or order issued by the court, the officer, the Commission, the registrar or the Federal Government under any provision of this Ordinance, non-compliance thereof within the period specified in such direction or order shall render every officer or the company or other person responsible for non-compliance thereof punishable, in addition to any other liability, with fine not exceeding Rs. 50,000 and in the case of a continuing non-compliance to a further fine not exceeding Rs. 2,000 for every day after the first during which such non-compliance continues.

Question No. 3

- (a) (i) **Documents to be Delivered to Registrar by Foreign Companies:** 02
Every foreign company which establishes a place of business in Pakistan shall,
- within thirty days of the establishment of the place of business,
 - informed to the Registrar (CRO-Company Registration Office)
- (ii) 1. a certified copy of the charter, statute or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and if the instrument is not written in the English or Urdu language, a certified translation thereof in the English or Urdu language; 05
2. the full address of the registered or principal office of the company;
 3. a list of the directors, chief executive and secretaries (if any) of the company;
 4. a return showing the full present and former names and surnames, father's name or, in the case of a married woman or widow, the name of her husband or deceased husband, present and former nationality, designation and full address in Pakistan of the principal officer of the company in Pakistan by whatever name called;

CORPORATE LAWS AND SECRETARIAL PRACTICES [G4] – GRADUATION LEVEL

MARKS

5. the full present and former names and surnames, father's name, or, in case of a married woman or widow, the name of her husband or deceased husband, present and former nationality, occupation and full addresses of some one or more persons resident in Pakistan authorised to accept on behalf of the company service of process and any notice or other document required to be served on the company together with his consent to do so; and
6. the full address of that office of the company in Pakistan which is to be deemed its principal place of business in Pakistan of the company.

(b) Conversion of Public Company into Private Company:

07

Procedure for conversion of public company into private company:

1. Approval of Board of directors for proposed conversion is sought.
2. Notice for convening general meeting is issued 21 days before the meeting.
3. Approval of special resolution in general meeting is sought.
4. Special resolution is filed with the Registrar within 15 days of passing of the special resolution.
5. Application is filed with the Commission on Form-2 within 60 days of the date of passing of the special resolution.
6. The Commission gives approval for conversion of public company into private company through an order.
7. Copy of above application is also filed with the Registrar.
8. Certified copy of the order of the Commission is obtained.
9. Certified copy of order along with special resolution on Form-26 and amended copy of Memorandum and Articles of Association are filed with the Registrar.
10. The Registrar issues filing certificate of special resolution and order of the Commission.

(c) Maintenance of Liquid Assets:

04

Every company shall before the 31st day of December of each calendar year deposit or invest, as the case may be, a sum which shall not be less than 10% of the about of its deposits maturing during the year ending on the 31st day of December next following, in any one or more of the following modes, namely:-

- (a) in a National Savings Scheme;
- (b) in a special account to be opened by the company for the purpose in a scheduled bank, free from charge or lien;
- (c) in Government securities; or
- (d) in such other securities as are notified by the Commission for the purpose.

Question No. 4**(a) (i) Alteration of Memorandum:**

02

An application for confirmation of the alteration of any of the provisions of the memorandum of the company under sub-section (2) of section 21 shall be submitted to the Commission by a responsible officer not later than sixty days from the date on which the special resolution seeking such alteration was passed.

CORPORATE LAWS AND SECRETARIAL PRACTICES [G4] – GRADUATION LEVEL

MARKS

(ii)

KAMAL BROTHERS LIMITED

09

Dated: Any date within 60days after February 15, 2017

The Registrar,
Company Registration Office
Lahore

Subject: Application U/s. 21 for alteration on Memorandum of Association

Dear Sir,

Subject application is made for seeking for seeking confirmation of Commission (now this power is delegated to the registrar concerned who is incharge of CRO) of alteration of Memorandum of Association of the Company. Requisite information / documents as per Rule 3 of the Companies (General Provisions and Forms) Rules, 1985 are provided as under:

- Name and address of the company
- Number and date of incorporation
- Subscribed and paid up capital
- Redeemable capital
- Business actually being carried on and the clause in the memorandum justifying it
- reasons for the proposed alteration

Other documents as on the day immediately preceding the day of the passing of the special resolution are also attached with this application:

- a copy of the memorandum and the articles;
- a copy of the special resolution;
- minutes of the meeting at which the special resolution was adopted;
- particulars of dissenting shareholders or creditors together with their objections;
- a copy of the latest audited balance sheet;
- statement in comparative form showing the existing provisions of the memorandum as are proposed to be altered and the provisions as would appear after the proposed alterations have been made,
- Existing Memorandum and Articles of Association
- Amended Memorandum and Articles of Association
- pattern of holding of its shares in Form 34;
- names and addresses of each of its creditors to whom an amount exceeding fifty thousand rupees is due with the amount mentioned against each along with their consent to the alteration; and
- names and addresses of the persons likely to be affected along with their consent to the alteration.
- Affidavit by Chief Executive of Company Secretary
- Filing fee

It is requested that alteration in the object clause of Memorandum of Association may please be confirmed and order may be issued at the earliest.

Yours truly

Company Secretary

CORPORATE LAWS AND SECRETARIAL PRACTICES [G4] – GRADUATION LEVEL

MARKS

(b) Redemption of Preference Shares:

07

A company limited by shares may redeem the preference shares issued by it subject to the following conditions:

- a) no such shares shall be redeemed except out of profits of the company which would otherwise be available for dividend or from out of a sinking fund created for this purpose or out of the proceeds of a fresh issue of shares made for the purposes of the redemption or out of sale proceeds of any property of the company;
- b) no such shares shall be redeemed unless they are fully paid;
- c) where any such shares are redeemed otherwise than out of the proceeds of the fresh issue, there shall be out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called “the capital redemption reserve fund”, a sum equal to the amount applied in redeeming the shares, and the provisions of this Ordinance relating to the reduction of the share capital of a company shall, except as provided in this section, apply as if the capital redemption reserve fund were paid-up share capital of the company;
- d) where any such shares are redeemed out of the proceeds of a fresh issue, the premium, if any, payable on redemption must have been provided for out of the profits of the company before the shares are redeemed or out of the share premium account.

Question No. 5**(a) (i) Disclosure of Price Sensitive Information:**

03

A listed company may, under its own responsibility, delay the public disclosure of price sensitive information such as not to prejudice its legitimate interests, provided that—

- (a) such delay would not be likely to mislead public investors;
- (b) any person receiving the information owes the listed company a duty of confidentiality, regardless of whether such duty is based on law, regulations, articles of association or contract; and
- (c) the listed company is able to ensure the confidentiality of that information.

(ii) Insider Trading:

02

The following shall not be deemed as insider trading:

- (a) any transaction performed under an agreement that was concluded before the time of gaining access to inside information; or
- (b) the disclosure of inside information by an insider person as required under law

CORPORATE LAWS AND SECRETARIAL PRACTICES [G4] – GRADUATION LEVEL

MARKS

(b) Prohibited Agreement:

06

No undertaking or association of undertakings shall enter into any agreement or, in the case of an association of undertakings, shall make a decision in respect of the production, supply, distribution, acquisition or control of goods or the provision of services which have the object or effect of preventing, restricting, or reducing competition within the relevant market unless exempted under the Act.

Prohibited Agreements include, but are not limited to,---

1. fixing the purchase or selling price or imposing any other restrictive trading conditions with regard to the sale or distribution of any goods or the provision of any service;
2. dividing or sharing of markets for goods or services, whether by territories, by volume of sales or purchases, by type of goods or services sold or by any other means;
3. fixing or setting the quantity of production, distribution or sale with regard to any goods or the manner or means of providing any services;
4. limiting technical development or investment with regard to the production, distribution
5. or sale of any goods or the provision of any service;
6. collusive tendering or bidding for sale, purchase or procurement of any goods or services;
7. applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a disadvantage; and
8. make the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.

(c) Offence of Money Laundering:

04

A person shall be guilty of offence of money laundering, if the person:—

- a) acquires, converts, possesses, uses or transfers property, knowing or having reason to believe that such property is proceeds of crime;
- b) conceals or disguises the true nature, origin, location, disposition, movement or ownership of property, knowing or having reason to believe that such property is proceeds of crime;
- c) holds or possesses on behalf of any other person any property knowing or having reason to believe that such property is proceeds of crime; or
- d) participates in, associates, conspires to commit, attempts to commit, aids, abets, facilitates, or counsels the commission of the acts specified in clauses (a), (b) and (c) above.

(d) Payment of Dividend:

03

Banks shall not pay any dividend on their shares unless and until:

- a) they meet the minimum capital requirement (MCR) and capital adequacy ratio requirement (CAR) as laid down by the State Bank of Pakistan from time to time;
- b) all their classified assets have been fully and duly provided for in accordance with the Prudential Regulations and to the satisfaction of the State Bank of Pakistan; and
- c) all the requirements laid down in Banking Companies Ordinance, 1962 relating to payment of dividend are fully complied

CORPORATE LAWS AND SECRETARIAL PRACTICES [G4] – GRADUATION LEVEL

MARKS

Question No. 6

(a)

**MOON STARS LIMITED
NOTICE OF ANNUAL GENERAL MEETING**

08

NOTICE is hereby given that the 19th Annual General Meeting of **M/s. Moon Stars Limited** will be held at Registered Office situated at MSL Tower, Lahore, on Friday, March 31, 2017 at 11:00 a.m. to transact the following ordinary businesses:

Ordinary Business:

1. Consider and adopt the Annual Audited Accounts along with Reports of Directors and Auditors.
2. Declaration of Dividend
3. Appoint and fixation of remuneration of Auditors of the Company
4. Election of directors

Special Business:

In order to vote through e-voting or to avail video conferencing facility please fill the requisite form and submit to the company within time frame mentioned in the form.

By order of the Board
Company

Secretary
Karachi
March 01, 2017

Notes:

- A. For attending meeting personally.
- B. For appointing other members as proxies

For exercising electronic voting right through intermediary by providing consent on writing regarding appointment of execution officer as proxy as per the Companies (E-Voting) Regulations, 2016.

1. ABC (with complete contact details) is appointed as execution officer for the meeting.
2. The instruction to appoint execution officer and opting to e-voting through intermediary as per the Companies (E-Voting) Regulations, 2016 shall be deposited to the Company at least ten days before holding of general meeting at the registered office of the Company or through email (detail of secured email address of the company).
3. The proxy/ e-voting form shall be witnessed by two persons whose name, addresses and CNIC shall be mentioned on the form.
4. The company will arrange for e-voting, if the company receives demand for poll from at least five members or by any member or members having not less than one tenth of the voting powers.

(b) (i) Online Registration through SECP's eServices:

02

The economic advantage to register the company online through the SECP's eServices is cost benefit. To encourage the online submission the SECP charge almost half fee as compare to manual submission not only at the time of registration but also subsequent filing of other documents/ returns with the SECP.

CORPORATE LAWS AND SECRETARIAL PRACTICES [G4] – GRADUATION LEVEL

MARKS

(ii) Procedure to get User ID and Password:

05

Following the procedure is to be followed to get User Identification and Password in this case as the company has already obtained Name Availability from the Company Registration Office (CRO) through manual submission

- i. Need to apply for an eServices User Identification and Password by writing a letter, duly signed by all the proposed Subscribers of the company, along with a copy of their CNICs and copy of the Name Availability letter with it.
- ii. Email address is required on which the eServices User Identification and Password will be dispatched. Only POP3 email address such as abc@comsats.com will be acceptable, free email addresses such as hotmail, gmail, or yahoo are not acceptable.
- iii. SECP will confirm the validity of the email address. After validation, the eServices User Identification and Password will be emailed to the specified email address.
- iv. All letters requesting an eServices User Identification and Password should be addressed to Deputy Director (MIS), SECP.
- v. Request can also be made through email by attaching scanned copies of the above mentioned documents at the email address i.e. eservices.userid@secp.gov.pk

(c) Appointment and Qualification of a Company Secretary in a Single Member Company:

03

A single member company shall appoint a company secretary within fifteen days of incorporation or of becoming a single member company or of the office of company secretary falling vacant and notify such appointment within fourteen days of the date of such appointment:

The company secretary of a single member company shall be a person holding a bachelor degree from a university recognized by the Higher Education Commission.

THE END