



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Company Law Division

Corporatization & Compliance Department

No. CLD/RD/1(2)/2004

March 31, 2021

**CIRCULAR NO. 11 OF 2021**

Subject: **Issuance of Shares under clause (a) of sub-section (1) of Section 83 of the Companies Act, 2017 (XIX of 2017)**

In exercise of powers conferred under section 510 of the Companies Act, 2017 (XIX of 2017) (the "Act"), the Commission is pleased to clarify that companies, public and private, can issue shares by way of right under clause (a) of sub-section (1) of section 83 of the Act either for cash or a consideration otherwise than in cash, subject to compliance with section 70 of the Act.

2. It is also clarified that a private company may offer shares by way of right in accordance with sub-clause (i) & (ii) of clause (a) of sub-section (1) of section 83 of the Act, and if the whole or any part of the shares offered is declined or is not subscribed, such shares can be offered to any person, other than its existing members, in terms of sub-clause (iv) of clause (a) of sub-section (1) of section 83 of the Act.

(Mubasher Saeed Saddozai)  
Executive Director (CCD)

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