

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, 14th July, 2009

NOTIFICATION

S.R.O.659(I)/2009.- In exercise of the powers conferred by section 10 of the Securities and Exchange Commission of Pakistan Act, 1997 (the Act) read with section 20(4)(o) thereof, and in partial modification of its notifications No. S.R.O.1061(I)/2005 dated 18th October, 2005, S.R.O. 971(I)/2006, dated 11th September, 2006 S.R.O. 839(I)/2008, dated 11th August, 2008 and SRO 908(I)/2008, dated 29th August, 2008, the Securities and Exchange Commission of Pakistan (the Commission), subject to such conditions and limitations as it may from time to time impose, hereby delegates the following powers and functions of the Commission to its Commissioner and officers, namely:-

(a) **POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO THE COMMISSIONER, COMPANY LAW DIVISION (REGISTRATION DEPARTMENT).**

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1	30(4)(b)	To hear appeal against order of the Registrar.
2.	42	To grant licence to associations not for profit.
3.	186	To take cognizance of contravention of sections 174 to 185, if penalty involves debarment of director(s) in addition to fine, in the case of a private or non-listed public company.
4.	246(1)	To require private and non-listed public companies to submit additional statements and accounts.
5.	468(4)(b)	To hear the appeal against the order passed under section 468(1) in case of order of refusal passed or upheld in appeal by the Registrar.
6.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying

		with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Commissioner through delegation of powers.
7.	477(1)(b)	To hear a revision application against an order passed by the Executive Director (Registration Department) or the Registrar of Companies.
8.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
9.	479	To issue a directive to the chief executive or other officer of the company to appear before him personally and answer the charges.
10.	484(1)	To hear a revision application against an order passed by Executive Director (Registration Department) or the Registrar of Companies.
11.	484(2)	To review the order originally made by him.
12.	488	To grant relief in cases in which the powers have been delegated by the Commission.
13.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.
14.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<u>S. No.</u>	<u>Relevant regulation of the Companies (Registration Offices) Regulations, 2003</u>	<u>Nature of power/function</u>
1.	24	To assign any of the duties under the Companies Ordinance, 1984, the Companies (General Provisions and Forms) Rules, 1985 or the Companies (Registration Offices) Regulations, 2003 and generally regulate performance of duties and issue directions to the registrar concerned or officials subordinate to the registrar concerned.

(b) **POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO EXECUTIVE DIRECTOR (REGISTRATION DEPARTMENT)**

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	44	To approve the conversion of a public company into a private company.

2.	46	To grant relief from the consequences of default in complying with conditions constituting a company as a private company.
3.	78A	To hear the appeal against refusal for registration of transfer or transmission of shares of a private or non-listed public company.
4.	84	To sanction issue of shares of private and non-listed companies at discount and to extend the time beyond sixty days after the date on which the sanction is issued.
5.	86	To allow a public non-listed company to raise its further capital without issue of right shares.
6.	131	To adjudicate and order rectification of register of mortgages.
7.	195(1)	To approve grant of a loan to director of a private company or a non-listed public company, for purposes specified in proviso to section 195(1)(e).
8.	206(2)	To grant exemption from bar on appointment of managing agents in case of companies other than listed companies.
9.	206(3)	To approve appointment of a sole purchase, sale or distribution agent of a private company or a non-listed public company.
10.	207	To approve appointment of sole agents etc. in the case of a private or non-listed public company.
11.	209(5)(b)	To approve a scheduled bank or a financial institution in the context of the provisions exempting a private or non-listed public company from holding investments in its own name.
12.	231(1)	To authorize an officer to inspect books of account of a company other than a listed company.
13.	234A	To order special audit of a private or non-listed public company and appoint auditor to carry out detailed scrutiny of the affairs of such company.
14.	236(2)(b)	To exempt a non-listed public company from the disclosure in the directors' report of the changes concerning the nature of the business of the company during a financial year.
15.	237(8)	To grant exemption from provisions relating to consolidated financial statements.
16.	238(2)	To extend financial year of a holding company with regard to a subsidiary's financial year for companies other than listed companies and to exempt a holding company or its subsidiary to

		hold AGM within the relevant calendar year under specific circumstances.
17.	251(2)	To allow private and non-listed public companies to with-hold or defer payment of dividend.
18.	252(6) & (8)	To appoint auditors and to fix their remuneration for private or non-listed company in circumstances specified in section 252(6)
19.	254(7)	To appoint an auditor of a private or non-listed company in place of an unqualified/ disqualified person appointed by a company.
20.	258	To conduct the cost audit and approve appointment of cost auditor of a private or non-listed public company.
21.	263 & 265	To appoint inspectors to investigate into the affairs of private or non-listed public companies.
22.	264	To require the applicants requesting for investigation of non-listed companies to provide sufficient evidence and deposit security for payment of the costs of investigation.
23.	267	To accord approval to the inspectors for investigation into associated companies, body corporate and any person related to company, whose matter are to be investigated.
24.	269	To direct inspectors to make interim reports and on conclusion of the investigation make a final report to the Commission.
25.	271	To apply to the Court for issue of an appropriate order against management of a private or non-listed public company, on the basis of findings of inspector.
26.	275	To cause making of an application to the Court for winding up a private or non-listed public company and/or for an order under section 290.
27.	276	To initiate proceedings for recovery of damages or property.
28.	277	To defray and reimburse expenses of investigation and to do all acts incidental.
29.	279	To impose restrictions on transfer of shares and debentures in certain cases.
30.	309	To perform all functions and exercise all powers of the Commission under section 309, in the case of winding up of a private or non-listed public company.

31.	319	To apply to Court to stay winding up of a private or non-listed public company.
32.	418(3)	To appoint inspector to investigate the matters reported by the registrar.
33.	432(6)	To accord approval for payment of money kept under the Companies Liquidation Account.
34.	434	To make appointment of auditors and fix their remuneration, if no such appointment is made by the members or creditors on the application of liquidator.
35.	439(9)	To order restoration of the name of a defunct company.
36.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Executive Director (Registration Department) through delegation of powers.
37.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
38.	479	To issue a directive to the chief executive or other officer of the company to appear before him personally and answer the charges.
39.	481	To direct company prosecutor to present an appeal against the order of acquittal.
40.	482	To order for payment of compensation in cases of frivolous or vexatious prosecutions.
41.	483	To direct that the whole or any part of the fine imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved party.
42.	484(2)	To review the order originally made by him.
43.	488	To grant relief in cases in which the powers have been delegated by the Commission.
44.	492	To adjudicate upon matter of submitting any false statement.
45.	493	To make necessary orders and to impose penalty for wrongful withholding of property of a private or non-listed public company.
46.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.

47.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.
48.	507	To permit use of Urdu words or abbreviations for the purpose of the Ordinance.

49. To enforce compliance with all the provisions of the Companies Ordinance, 1984 as applicable to companies other than listed companies except NBFCs and insurance companies.

<u>S. No.</u>	<u>Companies (General Provisions and Forms) Rules, 1985</u>	<u>Nature of power/function</u>
1.	6(4)(iii)	To approve change in the Memorandum and Articles of Associations of companies formed under section 42 of the Companies Ordinance, 1984.

<u>S. No.</u>	<u>Relevant rule of the Companies (Audit Of Costs Account) Rules, 1998</u>	<u>Nature of power/function</u>
1	3(2)	To accord approval of appointment of cost auditor

<u>S. No.</u>	<u>Relevant rule of the Companies Share Capital (Variation In Rights & Privileges) Rules, 2000</u>	<u>Nature of power/function</u>
1.	5(1)	To accord approval for issue of further share capital carrying different rights in case of private and non-listed companies.

<u>S. No.</u>	<u>Relevant regulation of the Companies (Registration Offices) Regulations, 2003</u>	<u>Nature of power/function</u>
1.	23	To authorize the registrar concerned or any other person to institute or cause to be instituted any legal proceedings or defend or conduct or cause to be defended or conducted any other legal proceedings.

2.	27(2)	To specify the form and manner of annual report to be furnished by the Registrar of Companies.
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<u>S. No.</u>	<u>Single Member Companies Rules, 2003</u>	<u>Nature of power/function</u>
1.	9	To approve the conversion of private company into single member company.

(c)

POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO REGISTRAR OF COMPANIES

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	37 (3) & (4)	To decide as to whether or not certain name of a company is in violation of the provisions of this section.
2.	170	To call or direct the calling of an over-due statutory meeting, annual general meeting or an extra-ordinary general meeting of non-listed and private companies.
3.	186	To take cognizance of contravention of sections 174 to 185, if penalty does not involve debarment of director(s) in the case of a private or non-listed company.
4.	262(3)	To extend the time for retention of record seized under section 262(1) or (2) for further 30 days.
5.	326(5)	To take cognizance of any lapse, delay or other irregularity on the part of official liquidator.
6.	427(2)	To allow the creditors or the contributories to inspect the documents in case of voluntary winding up.
7.	467	To accord special permission to take over or remove any original document from custody of registrar.
8.	472(1)	To make an order directing a private or non-listed company and its officers to make good the default and undo the irregularities.
9.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, applicable to matters of non-listed companies allocated to Registration Department and/or which fall within the jurisdiction of

		Registrar of Companies through delegation of powers.
11.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
12.	484(1)	To hear a revision application against an order passed by an Additional Registrar, Joint Registrar, Deputy Registrar or Assistant Registrar.
13.	484(2)	To review the order originally made by him.
14.	488	To grant relief in cases in which the powers have been exercised by him as Registrar.

(d) **POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO REGISTRARS CONCERNED OF THE COMPANY REGISTRATION OFFICES**

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	21(2)	To confirm alteration in the Memorandum of Association.
2.	21(3)	To dispense with the notice to persons likely to be affected by the alteration in the Memorandum.
3.	22	To make order confirming alteration in the Memorandum subject to terms and conditions.
4.	23	To adjourn the proceedings for an arrangement for purchase of interests of dissident members and to give other directions in the matter.
5.	24(3)	To extend time for filing of documents with the Registrar under this section.
6.	25	To revive order confirming alteration in the Memorandum.

Note: The above powers at S. No. 1 to 6 are delegated subject to the condition that any discretion or dispensation under section 21 shall be exercised in consultation with the Registrar of Companies (Headquarters).


7.	170	To call or direct the calling of an over-due statutory meeting, annual general meeting or an extra-ordinary general meeting of non-listed and private companies.
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The powers of the Executive Director (Registration) shall be exercised in his absence by the Director (Company Law).

In addition to above, powers of the Commission as per rules prescribed or regulations made under a particular section of the Companies Ordinance 1984 are also delegated to the Commissioner or the officer concerned, if powers and functions of the Commission provided in the section of the Ordinance relevant to the said rules or regulations have been delegated to him;

The Chairman shall have the authority to exercise all powers delegated above to the Commissioners and officers, concurrently.

[No.CLD.RD.470/1/2007]


(Abdul Rehman Qureshi)
Advisor/Secretary