



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
(COMPANY LAW DIVISION)
CORPORATIZATION & COMPLIANCE DEPARTMENT

No. CLD/RD/602(1)A/2004

Islamabad, June 28, 2012

CIRCULAR NO. 23/2012

Subject: Re-launching of Company Easy Exit Scheme (CEES)

The Securities and Exchange Commission of Pakistan, on continuous demand from various quarters, has decided to re-launch the scheme known as Company Easy Exit Scheme (CEES). The CEES provides an opportunity to the defunct companies, having no assets or liabilities and not carrying any business, to get their names struck off the register of companies under section 439 of the Companies Ordinance, 1984 (the "Ordinance") without going into lengthy winding up procedure. It is pertinent to mention that CEES launched in year 2002 attracted deregistration of 2860 companies, CEES year 2004 attracted 1519 companies, CEES year 2007 attracted 1656 companies and CEES year 2010 attracted 1892 companies. The salient features of the scheme are as under:

- (a) The scheme shall remain operative, for a period of two month from 2nd July, 2012 to 31st August, 2012.
- (b) The companies not having any assets and liabilities, not carrying on any business and are not in operation shall be eligible to make application under the scheme, to get their names struck off the register of companies in terms of section 439 of the Ordinance. Format of the application is provided at Annexure-I.
- (c) The scheme shall be applicable to only private and non-listed public companies (companies formed under licensing regime/special permission shall be required to obtain NOC from concerned quarter/authority). However, the scheme shall not apply to the following companies:
 - i. Listed companies,
 - ii. Foreign Companies,
 - iii. Companies which have any assets and liabilities or are carrying on any business and are in operation,
 - iv. Companies having liabilities outstanding in relation to any loans(s) obtained from the banks /financial institution, taxes, utility charges, or any obligations towards government departments or private parties;
 - v. Companies having outstanding secured loans;
 - vi. Companies against which investigations, enquiries or inspections are either pending or are in the process of initiation with Federal Government, Provincial Government, SECP, SBP, NAB, FBR or other agencies or if completed, there is no prosecution pending in the court or the competent authority, as the case may be, arising out of such investigations, enquiries or inspection;

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- vii. Companies against which any matter is pending before the court of law;
 - viii. Companies having dispute regarding management or shareholding;
 - ix. Companies regarding which filing of document have been stayed by any court or any competent authority;
 - x. Companies found involved in illegalities before or after the launch of the scheme;
 - xi. Housing and real estate development or real estate marketing companies or companies involved in soliciting public deposits and repayment thereof or delivery or promised goods or services there against in yet not completed.
- (d) Application fee under CEES shall be Rs 10,000.
- (e) The application shall be supported with a resolution of the shareholder of the company. In case of resolution passed with simple majority, view point of the dissenting shareholders shall also be furnished. The format of resolution is given at Annexure-II.
- (f) As companies will be required to hold Extraordinary General Meeting (EOGM), these companies are authorized to hold EOGM to pass resolution to file application under CEES at a shorter notice of at least three (3) days, under sub-section (7) of Section 159 of the Ordinance.
- (g) Majority of the directors including chief executive of the company shall also furnish a declaration/indemnity duly verified by an affidavit administered before the Class I Magistrate/Oath Commissioner/Notary Public that company has no assets or liabilities and that it is not carrying on any business or any operation; and that it has no liabilities outstanding in relation to any loan(s) obtained from the banks/financial institutions, taxes, utility charges, or any obligations toward government departments or private parties, and they indemnify to pay any claim if any complaint comes to surface. The format of declaration/undertaking is given at Annexure-III.
- (h) Auditors' certificate, on the format given as Annexure-IV, shall be furnished in the case of non-listed public company; a private company which is subsidiary of any public company; a private company having paid up capital of three million rupees or more and a company formed under licensing regime/special permission.
- (i) On receipt of sufficient number of applications or at each month end, notices will be sent for publication in Official Gazette in terms of section 439(3) of the Ordinance inviting any objection from possibly interested parties against such striking the company name off the register of companies. Such notices would also be placed on website of the Commission for information of the general public.
- (j) In case any objection is received, the registrar concerned shall examine the issue in detail and decide the acceptance or rejection of the application after giving proper notice and opportunity of hearing to the applicant company and the objecting party.
- (k) If no objection is received and registrar is satisfied that the company is really not in operation and has no assets or liabilities, at the expiration of the three months time mentioned in the notice under section 439(3) of the Ordinance, the registrar shall strike off the name of the company from the register and shall send notice thereof for publication in the Official Gazette in terms of section 439(5) of the Ordinance and

on the publication of this notice in the Official Gazette, the company shall be dissolved: Provided that the liability criminal, civil or otherwise (if any) of every director, officer, liquidator and member of the company shall continue and may be enforced as if the company had not been dissolved; Provided further that nothing in this scheme shall affect the powers of the Court to wind up a company the name of which has been struck off the register.

- (I) In case the objections are accepted and the applications are turned down, the companies and parties concerned shall be informed accordingly.



(Nazir Ahmed Shaheen)
Executive Director

Distribution:

1. The Institute of Chartered Accountants of Pakistan, Karachi,
2. The Institute of Cost & Management Accountants of Pakistan, Karachi,
3. The Institute of Corporate Secretaries of Pakistan, Karachi,
4. Federation of Pakistan Chambers of Commerce and Industry, Karachi,
5. All Chambers of Commerce & Industry,
6. All Pakistan Newspapers Association of Pakistan, Karachi,
7. All Company Registration Offices,
8. Official website for information.

ON LETTER HEAD OF THE COMPANY

No.

Date

To,

The Additional/Joint/Deputy/ Assistant Registrar
Company Registration Office,
.....(City)

Subject: APPLICATION FOR STRIKING OFF THE NAME OF COMPANY M/S.
LIMITED UNDER
SECTION 439 OF THE COMPANIES ORDINANCE, 1984.

Dear Sir,

Please refer to "Company Easy Exit Scheme" announced vide circular No. 23/2012 dated 29.6.2012.

2. The Company after carefully considering all aspects has duly resolved in its Meeting of Shareholders held on _____ to make an application seeking striking the name of our company off the register of companies under section 439 of the Companies Ordinance, 1984. The resolution has been passed unanimously / with simple majority (strike out the part not applicable).

3. Now, therefore, the undersigned requests to take action to strike the name of the company off the register of the companies. We furnish the following details and documents for considering the application.

- i) Shareholders' resolution dated _____ as per Annexure-
(In case of resolution passed with simple majority, view point of dissenting shareholders is attached.)
- ii) Declaration/Indemnity by majority of Directors including Chief Executive, duly verified by an Affidavit as per Annexure- .
- iii) Auditors' certificate as per Annexure- . (Applicable in case of a non-listed public company, a private company which is subsidiary of any public company; a private company having paid up capital of three million rupees or more; and a company formed under licensing regime.
- iv) No objection certificate (NOC) from concerned licensing/permitting authority (Applicable only in case of company formed under licensing regime/special permission).
- v) Paid Challan of Rs. _____ duly deposited in MCB Bank is attached.

Yours faithfully,

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Name & Signatures
Chief Executive / Director

Correspondence Address:

Contact Numbers (Mobile/Landline both):

Email:

SHAREHOLDERS' RESOLUTION

In General Meeting of M/s. _____ (the 'Company') held on _____ at _____ (place address) _____; the following shareholders were present:

- | | |
|-----------|-----------|
| 1. _____; | 2. _____; |
| 3. _____; | 4. _____; |
| 5. _____; | |

(the number of shareholders may vary from case to case and if the number of shareholder is large, a separate list of members present in the meeting can be attached)

The shareholders of the Company considered the fact that the Company has no assets and liabilities; that it is not carrying on any business or any operation; that it has no liabilities outstanding in relation to any loan(s) obtained from the banks, financial institutions, taxes, utility charges, or any obligations towards government departments or private parties; and neither any case is pending against the company before any court of law nor is any investigation, enquiry or prosecution pending against the company before any competent authority; and accordingly, after carefully considering all aspects, have duly resolved unanimously / with majority (strike out the part not applicable), the following:

- a) That an application under Company Easy Exit Scheme (CEES) seeking striking the name of our Company off the register of companies under section 439 of the Companies Ordinance, 1984 may be filed with the Registrar of Companies; and
- b) That Mr./Ms. _____, Chief Executive/ Director of the Company is hereby authorized to file the application under CEES in this behalf.

In case, if the resolution has been passed by majority and not unanimously, view point of the dissenting shareholders is given in the following (or attached if needed):

1. Mr. X was of the view that
2. Mr. Y was of the view that, etc.

[This shall not apply in case the resolution has been passed unanimously]

- Signed -

Chief Executive or Director or Secretary

On Stamp Paper of Requisite Value
DECLARATION/ INDEMNITY

We, the following directors/ chief executive of M/s..... (the 'Company') do hereby solemnly affirm and state as follows:-

1. That the Company has (number) directors including chief executive and we form a majority of the board of directors of the Company;
2. That a resolution has been passed by the shareholders of the company in their general meeting, held on .. (date) ... to furnish application seeking striking off the name of company from the register of the companies under section 439 of the Companies Ordinance, 1984.
3. That the resolution has been passed unanimously / with simple majority (strike out the part not applicable). [In case of resolution passed with simple majority, view point of dissenting shareholders is attached separately.]
4. That the Company has no assets and liabilities;
5. That the Company is not carrying on any business or any operation;
6. That the Company has no liabilities outstanding in relation to any loan(s) obtained from the banks, financial institutions, taxes, utility charges, or any obligations towards government departments (including FBR) or private parties;
7. That neither any case is pending against the company before any court of law nor is any investigation, enquiry or prosecution pending against the company before Federal Government, Provincial Government, SECP, SBP, NAB, FBR or any competent authority;
8. That in case of any loss(es) to any person or any valid claim from any person, if any, arising out of the striking off the name of the Company from the register of companies, we hereby undertake in writing:
 - (a) to pay and settle all lawful claims arising out of the striking off the name of the Company.
 - (b) to indemnify any person for any such losses that may arise pursuant to striking off the name of the Company.
 - (c) to settle all lawful claims and liabilities which have not come to our notice at this stage, even after the name of the Company has been struck off in terms of Section 439 of the Companies Ordinance, 1984.
9. That we are fully aware of the fact that in case we make any false statement about any of the above matters, we shall be liable for civil as well as criminal consequences.
10. That the contents of the application and whatever stated above are true and correct according to our best knowledge and belief.

Deponents

(Signed with names, father/husband's names, designations, residential addresses and CNIC numbers)

Place :

Date :

Verified/Attested by
Class-I Magistrate/Oath Commissioner /Notary Public
Seal of Attesting Officer

Auditors' Certificate

We have examined the books and record of M/s. (the 'Company') and have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of this certificate and after due verification thereof, we certify that:

- a. the Company has no assets and liabilities;
- b. the Company is not carrying on any business or any operation;
- c. the Company has no liabilities outstanding in relation to any loan(s) obtained from the banks / financial institutions, taxes, utility charges, or any obligations towards government departments or private parties; and
- d. the Company has obtained No objection certificate/s from all concerned licensing/permitting authority/ies (Applicable only in case of company formed under licensing regime/special permission).

Place:

Date:

(Signature with name of Auditors)