

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, the 18th September, 2023

NOTIFICATION

S.R.O. 1331 (I)/2023.- In exercise of powers conferred by Section 510 read with sub-clause (c) of sub-section (1) of Section 83 of the Companies Act, 2017 (Act No. XIX), the Securities and Exchange Commission of Pakistan, is pleased to notify the following conditions and requirements for issuance of further shares to any person (by way of other than right) either for cash or for consideration other than cash in case of a private company, namely: -

- (i) power to issue shares to any person by way of other than right either for cash or for consideration other than cash is specifically provided in the articles of association;
- (ii) the issue is proposed and approved by the board;
- (iii) the issue of shares to any person by way of other than right offer is subject to approval of the shareholders through special resolution;
- (iv) the proposal by the board referred in clause (ii) above, shall clearly state as follows:
 - (a) quantum of the issue both in terms of the number of shares and percentage of existing paid up capital;
 - (b) issue price per share and justification for the same;
 - (c) consideration against which shares are proposed to be issued i.e. cash or other than cash;
 - (d) name of person(s), their brief profile, existing shareholding, if any, in the company, to whom the shares are proposed to be issued;
 - (e) purpose of the issue;
 - (f) justification for issue of the shares by way of other than right;
 - (g) benefits of the issue to the company and its members, if any;
 - (h) consent of the person(s) to whom the shares are to be issued is(are) obtained;
 - (i) the company is compliant with the requirements of the Companies Act, 2017 and rules and regulations made thereunder;
 - (j) the proposed new shares shall rank *pari passu* in all respects with the existing ordinary shares of the company. In case, the proposed new shares are different from the issued ordinary shares in any respect, then the board's decision must state the differences in detail;
 - (k) where shares are proposed to be issued for consideration other than

in cash, the value of non-cash assets or services or intangible assets shall be determined by a valuer:

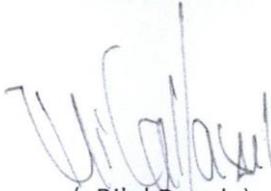
Provided that the valuation shall not be older than six months from the date of passing of special resolution and the valuer must be registered as per the requirements of the Companies (Further Issue of Shares) Regulations, 2020.

- (v) The notice of general meeting for approval of members through special resolution shall contain material information/facts as provided in para (iv) above in addition to other matters contained under sub-section (3) of Section 134 of the Companies Act, 2017 along with copy of latest audited financial statements:

Provided that in case first annual general meeting is not due or the last audited financial statements are older than six months from the date of special resolution or the company is not required to get its financial statements audited under proviso to sub-section (5) of Section 223 of the Companies Act, 2017, the company shall prepare and attach interim unaudited financial statements.

- (vi) The company shall ensure to issue shares within sixty days from the date of passing of special resolution or within an extended period of time of thirty days with the approval of the Board.

[File No. CLD/CCD/PR/05/2019]


(Bilal Rasul)
Secretary to the Commission