

DELETIONS		
S. No.	Section No.	COMPANIES ORDINANCE 1984
PART I		
1.	2(1) (15)	"existing company" means a company formed and registered under any previous Companies Act.
2.	2(1) (17)	"form" means a form set out in any of the schedules as prescribed.
3.	2(1) (19)	"listed" in relation to securities, means securities which have been allowed to be traded on a stock exchange;
4.	2(1) (21)	"member" means, in relation to a company having share capital, a subscriber to the memorandum of the company and every person to whom is allotted, or who becomes the holder of, any share, scrip or other security which gives him a voting right in the company and whose name is entered in the register of members, and, in relation to a company not having a share capital, any person who has agreed to become a member of the company and whose name is so entered.
5.	2(1) (27)	"previous Companies Act" includes any Act or Acts relating to companies in force before the Indian Companies Act, 1866 (X of 1866), or the Acts repealed thereby, the Indian Companies Act, 1866 (X of 1866), the Indian Companies Act, 1882, (VI of 1882) the Indian Companies Act 1913 (VII of 1913), or any law corresponding to any of those Acts and in force in any of the territories now constituting Pakistan before the extension of the Companies Act, 1913 (VII of 1913), to such territories.
6.	2(1) (30B)	"register" means the register of members of a company and includes the register of debenture-holders or holders of other securities maintained on paper or computer network, floppy, diskette, magnetic cartridge tape, CD-Rom or any other computer readable media.
7.	2(1) (33)	"secretary" means any individual appointed to perform the secretarial, administrative or other duties ordinarily performed by the secretary of a company.
8.	2(1) (34)	"security" means any share, scrip, debenture, participation term certificate, modaraba certificate, musharika certificate, term finance certificate bond, pre-organization certificate or such other instrument as the Federal Government may, by notification in the official Gazette, specify for the purpose;
9.	2(1) (37)	"stock exchange" means a stock exchange registered under the Securities and Exchange Ordinance, 1969 (XVII of 1969).
10.	3	<p>Meaning of "subsidiary" and "holding company".- (1) For purposes of this Ordinance, a company or body corporate shall be deemed to be a subsidiary of another if—</p> <p>(a) that other company or body corporate directly or indirectly controls, beneficially owns or holds more than fifty per cent of its voting securities or otherwise has power to elect and appoint more than fifty per cent of its directors; or</p> <p>(b) the first mentioned company or body corporate is a subsidiary of any company or body corporate which is that other's subsidiary;</p>

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		<p>Provided that where a central depository holds more than fifty percent of the voting securities of a company, such company shall not be deemed to be a subsidiary of the central depository save where such voting securities are held beneficially by the central depository in its own behalf.</p> <p>(2) For the purpose of this Ordinance, a company shall be deemed to be another's holding company if, but only if, that other is its subsidiary.</p>
11.	4	<p>Ordinance not to apply to certain corporations.- Nothing in this Ordinance shall apply to—</p> <p>(i) a trading corporation owned or controlled by a Province and carrying on business only within that Province; or</p> <p>(ii) a co-operative society; or</p> <p>(iii) a university.</p>
PART II		
12.	8	<p>Constitution of Company Benches.-</p> <p>There shall in each High Court be one or more benches, each to be known as the company Bench, to be constituted by the Chief Justice of the High Court to exercise the jurisdiction vested in the High Court under section 7.</p>
13.	9	<p>Procedure of the Court.-</p> <p>(1) Notwithstanding anything contained in any other law, all matters coming before the Court under this Ordinance shall be disposed of, and the judgment pronounced, as expeditiously as possible but not later than ninety days from the date of presentation of the petition or application to the Court and, except in extraordinary circumstances and on grounds to be recorded, the Court shall hear the case from day-to-day.</p> <p><i>Explanation:</i> In this sub-section, "judgment" means a final judgment recorded in writing.</p> <p>(2) The hearing of the matters referred to in sub-section (1) shall not be adjourned except for sufficient cause to be recorded, or for more than fourteen days at any one time or for more than thirty days in all.</p> <p>(3) In the exercise of its jurisdiction as aforesaid, the Court shall, in all matters before it, follow the summary procedure.</p>
14.	10	<p>Appeals against Court orders.-</p>

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		<p>(1) Notwithstanding anything contained in any other law, an appeal against any order, decision or judgment of the Court under this Ordinance shall lie to the Supreme Court where the company ordered to be wound up has a paid-up share capital of not less than one million rupees; and, where the company ordered to be wound up has paid-up capital of less than one million rupees, or has no share capital, such appeal shall lie only if the Supreme Court grants leave to appeal.</p> <p>(2) Save as provided in sub-section (1), an appeal from any order made or decision given by the Court shall lie in the same manner in which and subject to the same conditions under which appeals lie from any order or decision of the Court.</p>
15.	25	<p>Effect of failure to register within ninety days.- No such alteration shall have any operation until registration thereof has been duly effected in accordance with the provision of section 24, and if such registration is not effected within ninety days next after the date of the order of the Commission confirming the alteration, or within such further time, as may be allowed by the Commission, in accordance with the provisions of section 24, such alteration and order, if any, and all proceedings connected therewith shall, at the expiration of such period of ninety days or such further time, as the case may be, become null and void: Provided that the Commission may, on sufficient cause shown, revive the order or alteration, as the case may be, on application made within a further period of ninety days.</p>
16.	53	<p>Matters to be stated and reports to be set out in prospectus.-(1) Every prospectus issued—</p> <p>(a) by or on behalf of a company, or</p> <p>(b) by or on behalf of any person who has been engaged or interested in the formation of a company;</p> <p>shall state the matters specified in section 1 of Part I of the Second Schedule and set out the reports specified in section 2 of that Part and the said sections 1 and 2 shall have effect subject to the provisions contained in section 3 of that part.</p> <p>(1A) A sufficient number of copies of the prospectus issued under sub-section (1) shall be made available at the registered office of the company, with the stock exchange at which the company is listed or proposes to be listed and with the bankers to the issue, and the prospectus in its full text or in such abridged form as may be prescribed, shall be published at least in one Urdu and one English daily newspaper.</p> <p>(2) No prospectus shall be issued or an advertisement of a prospectus published in a newspaper less than seven days or more than thirty days before the subscription list, as specified in the prospectus, is due to open: Provided that the Commission may for special reasons allow a prospectus to be issued or an advertisement of a prospectus to be published more than thirty days before the subscription list is due to open.</p> <p>(3) If a prospectus is issued which does not comply with the provisions of sub-section (1) or sub-section (2), every person who is knowingly responsible for the issue of such prospectus shall be liable to a fine not exceeding ten thousand rupees and in the case of a</p>

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		<p>containing default to a further fine not exceeding two hundred rupees for every day from the day of the issue of the prospectus until a prospectus complying with the requirements aforesaid is issued and a copy thereof is filed with the registrar.</p> <p>(4) A condition requiring or binding an applicant for shares in or debentures of a company to waive compliance with any of the requirements of this section, or purporting to effect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.</p> <p>(5) No one shall issue any form of application for shares in or debentures of a company, unless the form is accompanied by a prospectus which complies with the requirements of this section: Provided that this sub-section shall not apply if it is shown that the form of application was issued either--</p> <p>(i) in connection with a <i>bona fide</i> invitation to a person to enter into an underwriting agreement with respect to the shares or debentures; or</p> <p>(ii) in relation to shares or debentures which were not offered to the public.</p> <p>(6) If any person acts in contravention of the provisions of sub-section (5) he shall be liable to a fine not exceeding two thousand rupees.</p> <p>(7) A director or other person responsible for the prospectus shall not incur liability by reason of any non-compliance with, or contravention of, any of the requirements of this section, if--</p> <p>(a) as regards any matter not disclosed, he proves that he had no knowledge thereof; or</p> <p>(b) he proves that the non-compliance or contravention arose from an honest mistake of fact on his part; or</p> <p>(c) that non-compliance or contravention was in respect of matters which, in the opinion of the registrar or officer dealing with the case, were immaterial, or was otherwise such as ought, in the opinion of that registrar or officer, as the case may be, having regard to all the circumstances of the case, reasonably to be excused: Provided that no director or other person shall incur any liability in respect of the failure to include in a prospectus a statement with respect to the matters specified in clause 18 of Part I of the Second Schedule, unless it is proved that he had knowledge of the matters not disclosed.</p> <p>(8) This section shall not apply--</p> <p>(a) to issue to the existing members or debenture-holders of a company of a prospectus or form of application relating to shares in or debentures of the company, whether an applicant for shares or debentures will or will not have the right to renounce in favour of other persons; or</p> <p>(b) to the issue of a prospectus or form of application relating to shares or debenture which are, or are to be, in all respects uniform with shares or debentures previously issued and for the time being dealt in or quoted on a stock exchange; but, subject as aforesaid, this section shall apply to a prospectus or a form of application, whether issued on or with reference to the formation of a company or subsequently.</p>

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		(9) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or under any other provision of this Ordinance.
17.	54	Expert to be unconnected with formation or management of company. - A prospectus inviting persons to subscribe for shares in or debentures of a company shall not include a statement purporting to be made by an expert, unless the expert is a person who is not, and has not been, engaged or interested in the formation or promotion, or in the management, of the company.
18.	55	Expert's consent to issue of prospectus containing statement by him. - A prospectus inviting persons to subscribe for shares in or debentures of a company and including a statement purporting to be made by an expert shall not be issued, unless-- (a) he has given his written consent to the issue thereof with the statement included in the form and context in which it is included and has not withdrawn such consent before the delivery of a copy of the prospectus for registration; and (b) a statement that he has given and has not withdrawn his consent as aforesaid appears in the prospectus.
19.	56	Penalty and interpretation. - (1) If any prospectus is issued in contravention of section 54 or 55, the company, and every person who is knowingly a party to the issue thereof, shall be punishable with fine not exceeding five thousand rupees. (2) In section 54 and 55, the expression "expert" includes an engineer, a valuer, an accountant and every other person whose profession gives authority to a statement made by him.
20.	57	Approval, issue and registration of prospectus. - (1) No listed company, and no company which proposes to make an application to a stock exchange for listing of its securities, and no other person] shall issue, circulate or publish any prospectus or other document offering for subscription or publicly offering for sale any security unless approval of the Commission to its issue, circulation or publication has been obtained within the period of sixty days preceding the date of its issue. (2) The Commission may, while according approval under sub-section (1), impose such condition as it may deem necessary]; (3) No prospectus shall be issued by or on behalf of a company unless on or before the date of its publication, there has been delivered to the registrar a copy thereof signed by every person who is named therein as a director or proposed director of the company or by his agent authorised in writing, and having endorsed thereon or attached thereto— (a) any consent to the issue of the prospectus required by section 55 from any person as an expert; and (b) in the case of a prospectus issued generally, also (i) a copy of every contract required by clause 16 of Part I of the Second Schedule to be specified in the prospectus, or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof; and (ii) where the persons making any report required by Part II of that Schedule have made therein, or have without giving the reasons, indicated therein, any such adjustments as are mentioned in clause 36 of Part I of that Schedule, a written statement signed by those persons setting out the adjustments and giving the reasons therefor. (4) Every prospectus to which this section applies shall, on the face of it,— (a) state that a copy has been delivered to the registrar as required by sub-section (3);

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		<p>(b) specify any documents required by this section to be endorsed on or attached to the copy so delivered, or refer to statements included in the prospectus which specify those documents; and</p> <p>(c) where application has been made, or is proposed to be made, to a stock exchange for the listing of the security, state that such an application has been made or is proposed to be made.</p> <p>(5) The registrar shall not register a prospectus unless the requirements of sections 52, 53, 54 and 55 and this section have been complied with and the prospectus is accompanied by the consent in writing of the person, if any, named therein as the auditor, legal adviser, attorney, solicitor, banker or broker, being a member of a stock exchange, of the company, to act in that capacity.</p> <p>(6) If a prospectus is issued, published or circulated without complying with, or in contravention of any provision of this section, the company, and every person who is knowingly a party to the issue, publication or circulation of the prospectus, shall be liable to a fine not exceeding ten thousand rupees and in the case of a continuing default to a further fine not exceeding two hundred rupees for every day from the date of issue, publication or circulation, as the case may be, of the prospectus, until a copy thereof complying with all the requirements of this section has been delivered to the registrar.</p>
21.	58	<p>Terms of contract mentioned in prospectus or statement in lieu of prospectus not to be varied.- A company shall not, at any time, vary the terms of contract referred to in the prospectus or a statement in lieu of prospectus except subject to the approval of, or except on authority given by, the company in general meeting.</p>
22.	59	<p>Civil liability for mis-statements in prospectus.- (1) Subject to the provisions of this section, where a prospectus invites persons to subscribe for shares in or debentures of a company, the following persons shall be liable to pay compensation to every person who subscribes for or purchases any share or debentures on the faith of the prospectus for any loss or damage he may have sustained by reason of any untrue statement included therein namely,—</p> <p>(a) every person who is a director of the company at the time of the issue of the prospectus;</p> <p>(b) every person who has authorised himself to be named and is named in the prospectus either as a director, or as having agreed to become a director, either immediately or after an interval of time;</p> <p>(c) every person who is a promoter of the company; and</p> <p>(d) every person who has given consent to the issue of the prospectus under section 55 or sub-section (5) of section 57: Provided that where, under section 55, the consent of a person is required to the issue of a prospectus and he has given that consent, or where, under sub-section (5) of section 57, the consent of a person named in a prospectus is required and he has given that consent, he shall not, by reason of having given such consent, be liable under this sub-section as a person who has authorised the issue of the prospectus except in respect of an untrue statement, if any, purporting to be made by him as an expert.</p> <p>(2) No person shall be liable under sub-section (1), if he proves—</p> <p>(a) that, having consented to become a director of the company, he withdrew his consent before the issue of the prospectus, and that it was issued without his authority or consent;</p>

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		<p>(b) that the prospectus was issued without his knowledge or consent, and that on becoming aware of its issue, he forthwith gave reasonable public notice that it was issued without his knowledge or consent;</p> <p>(c) that, after the issue of the prospectus and before allotment thereunder, he, on becoming aware of any untrue statement therein, withdrew his consent to the prospectus and gave reasonable public notice of the withdrawal and of the reason therefor; or</p> <p>(d) that—</p> <p>(i) as regards every untrue statement not purporting to be made on the authority of an expert or of a public official document or statement, he had reasonable ground to believe, and did up to the time of the allotment of the shares or debentures, as the case may be, believe, that the statement was true; and</p> <p>(ii) as regards every untrue statement purporting to be a statement by an expert or contained in what purports to be a copy of or an extract from a report or valuation of an expert, it was a correct and fair representation of the statement, or a correct copy of, or a correct and fair extract from, the report or valuation; and he had reasonable ground to believe, and did up to the time of the issue of the prospectus believe, that the person making the statement was competent to make it and that that person had given the consent required by section 55 to the issue of the prospectus and had not withdrawn that consent before delivery of a copy of the prospectus for registration or, to the defendant's knowledge, before allotment thereunder; and</p> <p>(iii) as regard every untrue statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, it was a correct and fair representation of the statement, or a correct copy of, or a correct and fair extract from, the document:</p> <p>Provided that this sub-section shall not apply in the case of a person liable, by reason of his having given consent required of him by section 55, as a person who has authorised the issue of the prospectus in respect of an untrue statement purporting to be made by him as an expert. Companies Ordinance, 1984 40</p> <p>(3) A person who, apart from this sub-section would, under sub-section (1), be liable by reason of his having given a consent required of him by section 55, as a person who has authorised the issue of the prospectus in respect of an untrue statement purporting to be made by him as an expert, shall not be so liable, if he proves—</p> <p>(a) that, having given his consent under section 55 to the issue of the prospectus, he withdrew it in writing before delivery of a copy of the prospectus for registration;</p> <p>(b) that, after delivery of a copy of the prospectus for registration and before allotment thereunder, he, on becoming aware of the untrue statement withdrew his consent in writing and gave reasonable public notice of the withdrawal and of the reason therefor; or</p> <p>(c) that he was competent to make the statement and that he had reasonable ground to believe, and did up to the time of the allotment of shares or debentures believe, that the statement was true.</p> <p>(4) Where—</p>

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23.	60	<p>Criminal liability for mis-statements in prospectus.- (1) Where a prospectus includes any untrue statement, every person who signed or authorised the issue of the prospectus shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to ten thousand rupees, or with both, unless he proves either that the statement was immaterial or that he had reasonable ground to believe, and did up to the time of the issue of the prospectus believe, that the statement was true.</p> <p>(2) A person shall not be deemed for the purposes of this section to have authorised the issue of a prospectus by reason only of his having given--</p> <p>(a) the consent required by section 55 to the inclusion therein of a statement purporting to be made by him as an expert, or</p> <p>(b) the consent required by sub-section (5) of section 57.</p>
24.	61	<p>Document containing offer of shares or debentures for sale to be deemed prospectus.- (1) Where a company allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the</p>

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		<p>public, any document by which the offer for sale to the public is made shall, for all purposes, be deemed to be a prospectus issued by the company; and all enactments and rules of law as to the contents, filing and registration of a prospectus and as to liability in respect of statements in and omissions from a prospectus, or otherwise relating to prospectus, shall apply with the modifications, specified in sub-section (3), (4) and (5), and have effect accordingly, as if the shares or debentures had been offered to the public for subscription and as if persons accepting the offer in respect of any shares or debentures, were subscribers for those shares or debentures, but without prejudice to the liability, if any, of the person by whom the offer is made in respect of mis-statement contained in the document or otherwise in respect thereof.</p> <p>(2) For the purposes of this Ordinance, it shall, unless the contrary is proved, be evidence that an allotment of, or an agreement to allot, shares or debentures was made with a view to the shares or debentures being offered for sale to the public if it is shown--</p> <p>(a) that an offer of the shares or debentures or of any of them for sale to the public was made within one year after the allotment or agreement to allot;</p> <p>(b) that at the date when the offer was made; the whole of the consideration to be received by the company in respect of the shares or debentures had not been received by it; or</p> <p>(c) that an offer of the shares or debentures or of any of them for sale to the public was made in pursuance of an understanding to which the company was directly or indirectly a party or a condition imposed by any authority in relation to the position, business or privileges of the company.</p> <p>(3) For the purposes of this section, section 53 shall have effect as if it required a prospectus to state, in addition to the matters required by that section to be stated in a prospectus,--</p> <p>(a) the net amount of the consideration received or to be received by the company in respect of the shares or debentures to which the offer relates; and</p> <p>(b) the place and time at which the contract under which the said shares or debentures have been or are to be allotted may be inspected.</p> <p>(4) For the purposes of this section, section 57 shall have effect as if the persons making the offer were persons named in a prospectus as directors of a company.</p> <p>(5) Where a person making an offer to which this section relates is a company or a firm, it shall be sufficient if the document referred to in sub-section (1) is signed on behalf of the company or firm by two directors of the company or by not less than one-half of the partners in the firm, as the case may be; and any such director or partner may sign by his agent authorised in writing.</p>
25.	62	<p>Offer of shares or debentures for sale by certain persons.- (1) No person who holds more than ten per cent of the shares or debentures of a company shall offer for sale to the public any shares or debenture of the company held by him except with the approval of the Commission.</p>

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		<p>(2) Any document by which an offer for sale to the public is made by any such person as is referred to in sub-section (1) shall, for all purposes, be deemed to be a prospectus issued by a company, and all enactments and rules of law as to the contents, filing and registration of a prospectus and as to the liability in respect of statements in and omissions from a prospectus, or otherwise relating to a prospectus, shall apply with the modifications specified in sub-sections (3) and (4), and have effect accordingly, but without prejudice to the liability, if any, of the persons by whom the offer is made in respect of mis-statements contained in the document or otherwise in respect thereof.</p> <p>(3) For the purposes of this section, section 57 shall have effect as if the person making the offer were a person named in a prospectus as director of a company.</p> <p>(4) Where a person making an offer to which this section relates is a company or a firm, it shall be sufficient if the document referred to in sub-section (2) is signed on behalf of the company or firm by two directors of the company or not less than one-half of the partners in the firm, as the case may be and any such director or partner may sign by his agent authorised in writing.</p> <p>(5) A notice, circular, advertisement or other document soliciting bids, offers, proposals or tenders for sale of shares or other securities acquired in the course of normal business or for negotiating sale thereof or expressing an intention to disinvest such shares or other securities issued by a scheduled bank or a financial institution shall not be deemed to be a prospectus or an offer for sale to the public for the purposes of sections 61 and 62.</p>
26.	62A	Issue of securities outside Pakistan. -- No company shall, except with the prior approval of the Commission, issue any security outside Pakistan.
27.	63	<p>Interpretation of provisions relating to prospectus.- (1) For the purposes of the foregoing provisions relating to a prospectus, --</p> <p>(a) a statement included in a prospectus shall be deemed to be untrue, if the statement is misleading in the form and context in which it is included; and</p> <p>(b) where the omission from a prospectus of any matter is calculated to mislead, the prospectus shall be deemed, in respect of such omission, to be a prospectus in which an untrue statement is included.</p> <p>(2) For the purposes of sections 59 and 60 and clause (a) of sub-section (1) of this section, the expression "included", when used in reference to a prospectus, means included in the prospectus itself or contained in any report or memorandum appearing on the face thereof or by reference incorporated therein or issued herewith.</p>
28.	64	Newspaper advertisement of prospectus. - Where any prospectus is published as a newspaper advertisement, it shall not be necessary in the advertisement to comply with the requirements of sub-clause (1) of clause 1 of section 1 of Part I of the Second Schedule in so far as the said provisions require the contents of the memorandum or the signatories thereto, or the number of shares subscribed for by them, to be specified.
29.	65	Construction of references to offering shares or debentures to the public, etc.. - (1) Any reference in this Ordinance or in the articles of a company to offering of shares or debentures to the public, or to invitation to the public to subscribe for shares or debentures,

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		<p>shall, unless otherwise expressly provided in this Ordinance, include a reference to offering of shares or debentures to any section of the public or to invitation to any section of public to subscribe for shares or debentures, as the case may be.</p> <p><i>Explanation:</i> The term "section of the public" includes existing members or debenture-holders of the company or clients of the persons issuing the prospectus. (2) No offer or invitation shall be treated as made to the public by virtue of sub-section (1) if the offer or invitation can properly be regarded, in all the circumstances--</p> <p>(a) as not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation; or</p> <p>(b) otherwise as being a domestic concern of the persons making and receiving the offer or invitation.</p> <p>(3) Without prejudice to the generality of sub-section (2), a provision in a company's articles prohibiting invitations to the public to subscribe for shares or debentures shall not be taken as prohibiting the making to members or debenture-holders of an invitation which can properly be regarded in the manner set forth in that sub-section.</p> <p>(4) The provisions of this Ordinance relating to private companies shall be construed in accordance with the provisions contained in sub-sections (1) to (3).</p>
30.	66	<p>Penalty for fraudulently inducing persons to invest money.- Any person who, either by knowingly or recklessly making any statement, promise or forecast which is false, deceptive or misleading, or by any dishonest concealment of material facts, induces or attempts to induce another person to enter into, or to offer to enter into,--</p> <p>(a) any agreement for, or with a view to, acquiring, disposing of, subscribing for, or underwriting shares or debentures; or</p> <p>(b) any agreement the purpose or pretended purpose of which is to secure a profit to any of the parties from the yield of shares or debentures, or by reference to fluctuations in the value of shares or debentures;</p> <p>shall be punishable with imprisonment of either description for a term which may extend to three years, or with fine which may extend to twenty thousand rupees, or with both.</p>
31.	68	<p>Restriction as to allotment.- (1) No allotment shall be made of any share capital of a company offered to the public for subscription unless the amount stated in the prospectus as the minimum amount which in the opinion of the directors must be raised by the issue of share capital in order to provide for the matters specified in clause 5 of section 1 of Part I of the Second Schedule has been subscribed, and the full amount thereof has been paid to and received in cash by the company.</p> <p>(2) The amount referred to in sub-section (1) as the amount stated in the prospectus shall be reckoned exclusively of any amount payable otherwise than in cash and is in this Ordinance referred to as the minimum subscription.</p>

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		<p>(3) All moneys received from applicants for shares shall be deposited and kept in a separate bank account in a schedule bank until returned in accordance with the provisions of sub-section (5) or until the certificate to commence business is obtained under section 146.</p> <p>(4) The amount payable on application on each share shall be the full nominal amount of the share.</p> <p>(5) If the conditions aforesaid have not been complied with on the expiration of forty days after the first issue of the prospectus, all money received from applicants for share shall be forthwith repaid to them without surcharge, and, if any such money is not so repaid within fifty days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of one and-a-half per cent for every month or part thereof from the expiration of the fiftieth day:</p> <p>Provided that a director shall not be liable if he proves that the default in repayment of the money was not due to any misconduct or negligence on his part.</p> <p>(6) Any condition purporting to require or bind any applicant for shares to waive compliance with any requirement of this section shall be void.</p> <p>(7) This section, except sub-section (4) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.</p> <p>(8) In the case of the first allotment of shares capital payable in cash of a company which does not issue any invitation to the public to subscribe for its shares, no allotment shall be made unless the minimum subscription, that is to say,--</p> <p>(a) the amount, if any, fixed by the memorandum or articles and specified in the statement in lieu of prospectus as the minimum subscription referred to in sub-section (1) upon which the directors may proceed to allotment; or</p> <p>(b) if no amount is so fixed and specified, the whole amount of the share capital other than that issued or agreed to be issued as paid up otherwise than in cash;</p> <p>has been subscribed and the full nominal amount of each share payable in cash has been paid to and received by the company.</p> <p>(9) Sub-section (8) shall not apply to a private company.</p>

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		<p>(10) In the event of any contravention of any provisions of this section, every promoter, director or other person knowingly responsible for such contravention shall be liable to a fine not exceeding ten thousand rupees and in the case of a continuing contravention to a further fine not exceeding two hundred rupees for every day after the first during which the contravention continues.</p> <p>(11) For the purpose of this section, the expression "promoter" has the same meaning as in section 59.</p>
32.	69	<p>Statement in lieu of prospectus.-- (1) A company having a share capital, which does not issue a prospectus on or with reference to its formation, or which has issued such a prospectus but has not proceeded to allot any of the shares offered to the public for subscription, shall not allot any of its shares or debentures unless, at least three days before the first allotment of either share or debenture, there has been delivered to the registrar for registration a statement in lieu of prospectus signed by every person who is named therein as a director or proposed director of the company or by his agent authorised in writing, in the form and containing the particulars set out in section 1 of Part II of the Second Schedule and, in the cases mentioned in section 2 of that Part, setting out the reports specified therein, and the said section 1 and 2 shall have effect subject to the provisions contained in section 3 of that Part.</p> <p>(2) Every statement in lieu of prospectus delivered under sub-section (1), where the person making any such report as aforesaid have made therein, or have without giving the reason indicated therein, made any such adjustments as are mentioned in clause 5 of Part II of the Second Schedule, shall have endorsed thereon or attached thereto a written statement signed by those persons, setting out the adjustments and giving the reasons thereof.</p> <p>(3) This section shall not apply to a private company.</p> <p>(4) If a company acts in contravention of sub-section (1) or sub-section (2), the company, and every officer of the company who willfully authorises or permits the contravention, shall be liable to a fine not exceeding five thousand rupees and in the case of a continuing contravention with a further fine not exceeding one hundred rupees for every day after the first during which the contravention continues.</p> <p>(5) Where a statement in lieu of prospectus delivered to the registrar under sub-section (1) includes any untrue statement, any person who signed or authorised the delivery of the statement in lieu of prospectus for registration shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to ten thousand rupees, or with both, unless he proves either that the statement was immaterial or that he had reasonable ground to believe, and did up to the time of delivery for registration of the statement in lieu of prospectus believe, that the statement was true.</p>

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		<p>(6) For the purposes of this section,--</p> <p>(a) a statement included in a statement in lieu of prospectus shall be deemed to be untrue if it is misleading in the form and context in which it is included; and</p> <p>(b) where the omission from a statement in lieu of prospectus of any matter is calculated to mislead, the statement in lieu of prospectus shall be deemed, in respect of such omission, to be a statement in lieu of prospectus in which an untrue statement is included.</p> <p>(7) For the purposes of sub-section (5) and clause (a) of sub-section (6), the expression "included", when used with reference to a statement in lieu of prospectus, means included in the statement in lieu of prospectus itself or contained in any report or memorandum appearing on the face thereof, or by reference incorporated therein, or issued therewith.</p>
33.	70	<p>Effect of irregular allotment.- (1) An allotment made by a company to an applicant in contravention of the provisions of section 68 or 69 shall be voidable at the instance of the applicant within thirty days after the holding of the statutory meeting of the company and not later, or in any case where the company is not required to hold a statutory meeting or where the allotment is made after the holding of the statutory meeting within thirty days after the date of the allotment, and not later, and shall be so voidable notwithstanding that the company is in course of being wound up.</p> <p>(2) If any officer of a company knowingly contravenes or permits or authorises the contravention of any of the provisions of section 68 or 69 with respect to allotment, he shall, without prejudice to any other liability, be liable to compensate the company and the allottee respectively for any loss, damages or costs which the company or the allottee may have sustained or incurred thereby:</p> <p>Provided that proceedings to recover any such loss, damages or costs shall not be commenced after the expiration of two years from the date of the allotment.</p>
34.	81	<p>Transfer by nominee or legal representative.- A transfer of the shares or debentures or other interest of a deceased member of a company made by his nominee or legal representative shall, although the nominee or legal representative is not himself a member, be as valid if he had been a member at the time of execution of the instrument of transfer.</p>
35.	82	<p>82. Power to pay certain commission, and prohibition of payment of other commissions, discounts, etc.- (1) It shall be lawful for a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or</p>

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		<p>conditionally, for any shares in or debentures of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in or debentures of the company if—</p> <p>(a) the payment of the commission is authorised by the articles;</p> <p>(b) the commission paid or agreed to be paid does not exceed such rate per cent of amount as may generally or in a particular case be fixed by the Commission; and</p> <p>(c) the amount or rate per cent of the commission paid or agreed to be paid is--</p> <p>(i) in the case of shares or debentures offered to the public for subscription, disclosed in the prospectus; or</p> <p>(ii) in the case of shares or debentures not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in the prescribed form signed in like manner as a statement in lieu of prospectus and delivered before the payment of the commission to the registrar for registration and, where a circular or notice, not being a prospectus, inviting subscription for the shares or debentures, is issued, also disclosed in that circular or notice; and</p> <p>(d) the number of shares or debentures which persons have agreed for a commission to subscribe absolutely is disclosed in the manner aforesaid.</p> <p>(2) Save as aforesaid and save as provided in section 84, no company shall allot any of its shares or debentures, or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in or debentures of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in or debentures of the company, whether the shares, debentures or money be so allotted or applied by being added to the purchase money of any property acquired by the company or to the contract price of any work to be executed for the company, or the money be paid out of the nominal purchase money or contract price, or otherwise.</p> <p>(3) Nothing in this section shall effect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, but brokerage shall not in any case exceed one per cent of the price at which shares or debentures issued have been actually and not merely sold through the broker or shall be paid at not more than such other rate per cent as may from time to time be specified by the Commission, generally or in a particular case.</p> <p>(4) A vendor, promoter, or other person who receives payment in shares, debentures or money from a company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received in payment of any commission the payment of which, if made directly by the company, would have been legal under this section.</p> <p>(5) If default is made in complying with the provisions of this section, the company and every officer of the company who knowingly and willfully is in default shall--</p> <p>(a) for non-compliance with the provisions of clause (b) a sub-section (1), be liable to a fine not exceeding two thousand rupees;</p>

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		(b) for non-compliance with the provisions of clause (c) or clause (d) of that sub-section, be liable to a fine not exceeding one thousand rupees; and (c) for non-compliance with any other provision of this section, be liable to a fine not exceeding five hundred rupees.
36.	85	<p>Redemption of preference shares.- (1) Subject to the provisions of this section, a company limited by shares may redeem the preference shares issued by it: Companies Ordinance, 1984 63 Provided that—</p> <p>(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;</p> <p>(b) no such shares shall be redeemed unless they are fully paid;</p> <p>(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;</p> <p>(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.</p> <p>(2) If a company fails to comply with the provisions of sub-section (1), the company and every officer of the company who knowingly and willfully is in default shall be liable to a fine not exceeding five thousand rupees.</p> <p>(3) The redemption of preference shares under this section by a company shall not be taken as reducing the amount of its authorised share capital.</p> <p>(4) Subject to the provisions of this section, the redemption of preference shares thereunder may be effected on such terms and in such manner as may be provided by the articles of the company.</p>
37.	87	<p>Issue of shares in lieu of outstanding balance of any loans, etc..- Notwithstanding anything contained in section 86 or the memorandum and articles, a company may issue ordinary shares or grant option to convert into ordinary shares the outstanding balance of any loans, advances or credit, as defined in the Banking Companies Ordinance, 1962 (LVII of 1962), or other non-interest bearing securities and obligations out-standing or having a term of not less than three years in the manner provided in any contract with any scheduled bank or a financial institution to the extent of twenty per cent. of such balance: Provided that such shares shall not be issued or option to convert the outstanding balance exercised unless in any two of the preceding three years after expiry of two years from the date of commencement of commercial production, the return on such non-</p>

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		interest bearing securities, obligations, loans, advances or credit has fallen below the minimum rate of return laid down by the State Bank of Pakistan for the said years.
38.	93	<p>Notice to registrar of consolidation of share capital, etc..- (1) Where a company having a share capital has consolidated and divided its share capital into shares of larger amount than its existing shares, it shall, within fifteen days of the consolidation and division, file notice with the registrar of the same, specifying the shares consolidated and divided.</p> <p>(2) If a company makes default in complying with the requirements of sub-section (5) of section 92 or sub-section (1) of this section, it shall be liable to a fine which may extend to one hundred rupees for every day during which the default continues, and every officer of the company who knowingly and willfully authorises or permits the default shall be liable to the like penalty.</p>
39.	94	<p>Notice of increase of share capital or of members.- (1) Where a company having a share capital has resolved to increase its share capital beyond the authorised capital 2[or such capital is increased under sub-section (3-A) of section 92] and where a company not having a share capital has resolved to increase the number of its members beyond the number previously registered, it shall file with the registrar, within fifteen days after the passing of the resolution, a notice of the increase of capital or members, as the case may be, and the registrar shall record the increase:</p> <p>Provided that where default is made by a company in filing a notice of increase in the authorised capital under sub-section (3-A) of section 92, the scheduled bank or the financial institution to whom shares have been issued may file notice of such increase with the registrar and such notice shall be deemed to have been filed by the company itself and the scheduled bank or financial institution shall be entitled to recover from the company the amount of any fee properly paid by it to the registrar in respect of such increase.]</p> <p>(2) The notice to be given under sub-section (1) shall include particulars of the shares to be affected and the conditions, if any, subject to which the new shares are to be issued.</p> <p>(3) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine which may extend to one hundred rupees for every day during which the default continues, and every officer of the company who knowingly and willfully authorises or permits the default shall be liable to the like penalty.</p> <p>(4) No resolution referred to in sub-section (1) shall take effect unless the notice required by that sub-section to be filed with the registrar is duly sent to him.</p>
40.	97	<p>Application to Court for confirming order.- Where a company has passed a resolution for reducing share capital, it may apply by a petition to the Court for an order confirming the reduction.</p>
41.	98	<p>Addition to name of company of “and reduced”.- On and from the passing by a company of a resolution for reducing share capital, or where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any share-holder of any paid-up share capital, then on and from the making of the order confirming the reduction, the company shall,</p>

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		unless otherwise directed by the Court for any special reasons, add to its name until such date as the Court may fix, the words "and reduced" as the last words thereof, and those words shall, until that date, be deemed to be part of the name of the company: Provided that, where the reduction does not involve either the diminution of any liability in respect of unpaid share capital, or payment to any shareholder of any paid-up share capital, the Court may, if it thinks expedient, dispense with the addition of the words "and reduced".
42.	103	Minute to form part of memorandum.-- (1) The minute when registered shall be deemed to be substituted for the corresponding part of the memorandum of the company, and shall be valid and alterable as if it had been originally incorporated therein, and shall be embodied in every copy of the memorandum issued after its registration. (2) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine which may extend to fifty rupees for each copy in respect of which default is made, and every officer of the company who knowingly and willfully authorises or permits the default shall be liable to the like penalty.
43.	114	Debentures not to carry voting rights.- (1) Except as otherwise provided in this Ordinance, no company shall, after the commencement of this Ordinance, issue any debentures carrying voting rights at any meeting of the company: Provided that debentures convertible into ordinary shares may, at the option of the company, carry voting rights: Provided further that such voting rights shall not be in excess of the voting rights attaching to ordinary shares of equal paid-up value. Explanation.- Debentures convertible into ordinary shares include debentures with subscription warrants. (2) Notwithstanding anything contained in this Ordinance, or in the memorandum or articles of any company, no debenture-holder having immediately before the commencement of this Ordinance voting rights shall, after such commencement, exercise any such rights at any meeting of the company, except a meeting of debenture-holders themselves.
44.	115	Perpetual debentures.- A condition contained in any debenture or any deed for securing any debentures, whether issued or executed before or after the promulgation of this Ordinance, shall not be invalid by reason only that thereby the debentures are made irredeemable or redeemable only on the happening of a contingency, however remote, or on the expiration of a period however long.
45.	116	Power to re-issue redeemed debentures in certain cases.- (1) Where either before or after the commencement of this Ordinance a company has redeemed any debentures previously issued, the company, unless the articles or the conditions of issue expressly otherwise provide, or unless the debentures have been redeemed in pursuance of any obligation on the company so to do, not being an obligation enforceable only by the person to whom the redeemed debentures were issued or his assigns, shall have power, and shall be deemed always to have had power, to keep the debentures alive for the purposes of reissue, and where a company has purported to exercise such a power the company shall have power, and shall be deemed always to have had power, to reissue the debentures either by reissuing the same debentures or by issuing other debentures in their place, and upon such reissue the person entitled to the debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the debentures had not previously been issued. (2) Where with the object of keeping debentures alive for the purpose of reissue they have, either before

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		or after the commencement of this Ordinance, been transferred to a nominee of the company, a transfer from that nominee shall be deemed to be a reissue for the purposes of this section. (3) Where a company has, either before or after the commencement of this Ordinance, deposited any of its debentures to secure advances from time to time on current account or otherwise, the debentures shall not be deemed to have been redeemed by reason only of the account of the company having ceased to be in debit while the debentures remained so deposited. (4) The re-issue of a debenture or the issue of another debenture in its place under the power by this section given to, or deemed to have been possessed by, a company, whether the re-issue or issue was made before or after the commencement of this Ordinance, shall be treated as the issue of a new debenture for the purposes of stamp-duty and registration but it shall not be so treated for the purposes of any provision limiting the amount or number of debentures to be issued: Provided that any person lending money on the security of a debenture re-issued under this section which appears to be duly stamped may give the debenture in evidence in any proceedings for enforcing his security without payment of the stamp-duty or any penalty in respect thereof, unless he had notice or, but for his negligence, might have discovered, that the debenture was not duly stamped, but in any such case the company shall be liable to pay the proper stamp-duty and penalty. (5) Nothing in this section shall prejudice any power to issue debentures in the place of any debentures paid off or otherwise satisfied or extinguished, reserved to a company by its debentures or the securities for the same.
46.	117	Specific performance of contract to subscribe for debentures. - A contract with a company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.
47.	134	Penalties. - (1) If any company makes default in filing with the registrar for registration the particulars-- (a) of any mortgage or charge created by the company or any modification thereof; or (b) of the payment or satisfaction of a debt in respect of which a mortgage or charge has been registered under section 121 or section 122; or (c) of the issues of debentures of a series, requiring registration with the registrar under the foregoing provisions of this Ordinance, then, unless the registration has been effected within the prescribed period on the Companies Ordinance, 1984 93 application of some other person, the company, and every officer of the company or other person who is knowingly a party to the default, shall— (i) be liable to a fine not exceeding one hundred rupees for every day during which the default in filing of the particulars of satisfaction of a mortgage or charge continues; and (ii) be liable to a fine not exceeding five hundred rupees for every day during which the default in filing of the particulars of a mortgage or charge or of debentures continues. (2) Subject as aforesaid, if any company makes a default in complying with any of the requirements of this Ordinance as to the registration with the registrar of any mortgage or charge created by the company, or any modification thereof, the company, and

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		<p>every officer of the company who knowingly and willfully authorises or permits the default, shall, without prejudice to any other liability, be liable to a fine not exceeding five hundred rupees to a further fine not exceeding one hundred rupees for every day after the first during which the default continues.</p> <p>(3) If any person knowingly and willfully authorises or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Ordinance without a copy of the certificate of registration being endorsed upon it, he shall, without prejudice to any other liability, be liable to a fine not exceeding two thousand rupees.</p>
48.	41	<p>Alteration of names on commencement of Ordinance and change of status of company.- (1) As from the date of commencement of this Ordinance, the name of every existing company shall be deemed to include, before the last word "Limited", the parenthesis and word "(Private)" in the case of private company and the parenthesis and word "(Guarantee)" in the case of a company limited by guarantee, and the memorandum of association, the certificate of incorporation and other books and papers shall be deemed to be altered accordingly from that date.</p> <p>(2) On conversion of a public company into a private company in accordance with the provisions of this Ordinance, the registrar shall add the parenthesis and word "(Private)" before the word "Limited" in the name of the company in the register and shall also issue a certificate to meet the circumstances of the case.</p> <p>(3) On conversion of a private company into a public company in accordance with the provisions of this Ordinance, the registrar shall omit the parenthesis and word "(Private)" in the name of company in the register and shall also issue a certificate to meet the circumstances of the case.</p> <p>(4) If default is made in complying with a direction issued by the registrar under section 38, or with the requirements of sub-section (2) of section 40, or in giving effect to the provisions of sub-section (1) of this section, the company, and every director or officer of the company who is knowingly and willfully in default, shall be liable to a fine not exceeding ten thousand rupees and to a further fine not exceeding two hundred rupees for every day after the first during which the default continues.</p>
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49.	178 A (Fresh election of directors on request of substa	<p>(1) Notwithstanding anything contained in this Ordinance, where a person acquires 12.5% or more voting shares in a listed company, in his own name, he may apply to the Commission for requiring the company to hold fresh election of directors in accordance with the procedure laid down in section 178 in the forthcoming annual general meeting of the company.</p> <p>2) The Commission may, if it deems appropriate in the interest of the company, its minority shareholders or the capital markets generally, direct the company to hold the election of directors in the manner provided under section 178, and the company shall comply with such direction.</p> <p>(3) The person on whose request fresh election of directors is held shall not sell or otherwise dispose of the shares acquired by him for at least one year from the date of election of directors held under sub-section (2).]</p>

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50.	207 (Terms and conditions of appointment of managing agent)	<p>(1) Where a managing agent is appointed in pursuance of any exemption available under section 206, such appointment shall be subject to such terms and conditions as the Federal Government may deem fit to impose.</p> <p>(2) In the event of any contravention of the terms and conditions imposed by the Federal Government under sub-section (1), the company and every officer thereof who is knowingly and wilfully in default shall be liable to a fine which may extend to twenty thousand rupees and such officer shall in the event of the company incurring a loss on account of such contravention be jointly and severally liable for the loss.</p>
51.	220 (Register of directors shareholding etc.)	<p>(1) Every listed company shall keep a register showing as respects each director, chief executive, managing agent, chief accountant, secretary or auditor of the company, and every other person holding not less than ten per cent of the beneficial interest in the company, the number, description and amount of any shares in, or debentures of, the company or any other body corporate, being the company's subsidiary or holding company, or a subsidiary of the company's holding company, which are held by or in trust for him, or of which he has a right to become holder, whether on payment or not.</p> <p>(2) Where any shares or debentures have to be recorded in the said register or to be omitted therefrom or any particulars changed in relation to any director or other person as aforesaid by reason of a transaction entered into after the commencement of this Ordinance and while he occupies that position or holds such interest, the register shall also show the date of, and the price or other consideration for, the transaction:</p> <p style="padding-left: 40px;">Provided that, where there is an interval between the agreement for any such transaction and the completion thereof, the date so shown shall be that of the agreement.</p> <p>(3) The nature and extent of any position or interest or right in or over any shares or debentures recorded in relation to a director or other person in the said register shall, if he so requires, be indicated in the register.</p> <p>(4) The company shall not, by virtue of anything done for the purposes of this section, be affected with notice of, or put upon inquiry as</p>

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		<p>to the rights of any person in relation to any shares or debentures.</p> <p>(5) The said register shall, subject to the provisions of this section, be kept at the registered office of the company and shall be open to inspection during business hours as follows, subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that no less than two hours in each day are allowed for inspection, —</p> <p style="padding-left: 40px;">(a) during the period beginning fourteen days before the date of the annual general meeting of the company and ending three days after the date of its conclusion, it shall be open to the inspection of any member or holder of debentures of the company; and</p> <p style="padding-left: 40px;">(b) during that or any other period, it shall be open to the inspection of any person acting on behalf of the Commission.</p> <p>(6) Without prejudice to the rights conferred by sub-section (5), the Commission and the registrar may at any time require a certified copy of the said register or any part thereof.</p> <p>(7) The said register shall also be produced at the commencement of the annual general meeting of the company and remain open and accessible during the continuance of the meeting to any person attending the meeting.</p>
52.	221 (Duty of directors to make disclosure of shareholdings etc.)	<p>(1) Every director, officer and such other person as is referred to in sub-section (1) of section 220 shall give notice to the company of such matters relating to himself as may be necessary for the purpose of enabling the company to comply with the provisions of section 220.</p> <p>(2) The notice referred to in sub-section (1) shall be given in writing within fifteen days of each requisition or change of interest or right, as the case may be, referred to in sub-section (1) of section 220 or date of agreement referred to in sub-section (2) of that section.</p> <p>(3) Any person who knowingly and wilfully fails to comply with sub-section (1) or sub-section (2) shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to five thousand rupees, or with both.</p>
53.	228 (Right	Any person depositing any money or security or making any contribution under section 227 shall be entitled, on request made in this behalf to the company or the person concerned or to the trustees referred to in sub-section (3) of section 227, as the case may, be, to

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	to seek bank receipt for money or securities)	see the receipt of the bank or other body for any such money, deposit or security as is referred to in that section.
54.	234 A (Special Audit)	<p>(1) The Commission may on its own motion, or upon an application made by members holding not less than 20% voting rights in a company, order a special audit of the company and appoint an auditor to carry out detailed scrutiny of the affairs of the company.</p> <p>(2) The Commission may during the course of the special audit, pass such interim orders and directions as maybe deemed appropriate by the Commission.</p> <p>(3) On receipt of the special audit report, the commission may issue such directions for immediate compliance to the company and its management as the Commission deems fit.</p> <p>(4) In case where the special audit has been ordered by the Commission on an application made by the member of the company, one half of the expenses of the special audit shall be borne and paid in advance by such members, and the other half shall be borne by the company.</p> <p>(5) In case where the special audit has been ordered by the Commission on its own motion, the expenses of the special audit shall be payable by the company.</p> <p>(6) Where the expenses of the special audit are payable by the company, such expenses in the first instance may be defrayed by the Commission, and the company shall be liable to reimburse the Commission in respect of such expenses</p> <p>(7) The amount of expenses liable to be paid by the company, the members or any other persons, as the case may be, shall be recoverable as arrears of land revenue.</p> <p>(8) The provisions of section 255 shall apply <i>mutatis mutandis</i> to the auditor appointed to carry out the special audit of the company under sub-section (1).</p>

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55.	235 (Treatment of surplus arising out of revaluation of fixed assets)	<p>(1) Where a company revalues its fixed assets, the increase in, or sums added by writing up of, the value of such assets as appearing in the books of accounts of the company shall be transferred to an account to be called "Surplus on Revaluation of Fixed Assets Accounts" and shown in the balance-sheet of the company after Capital and Reserves.</p> <p>(2) Except and to the extent actually realised on disposal of the assets which are revalued, the surplus on revaluation of fixed assets shall not be applied to set-off or reduce any deficit or loss, whether past, current or future, or in any manner applies, adjusted or treated so as to add to the income, profit or surplus of the company, or utilised directly or indirectly by way of dividend or bonus:</p> <p>Provided that the surplus on revaluation of fixed assets may be applied by the company in setting-off or in diminution of any deficit arising from the revaluation of any other fixed assets of the company:</p> <p>[Provided further that incremental depreciation arising out of revaluation of fixed assets may be charged to Surplus on revaluation of fixed assets account.]</p> <p>(3) The requirements of sub-sections (1) and (2) shall also apply to any account representing any increase in or addition to the value of any asset as a result of any revaluation of any fixed assets done before the commencement of this Ordinance, howsoever described, to the extent of the amount thereof appearing in the books of account of the company on such commencement.</p> <p>(4) After revaluation as aforesaid, depreciation on the assets so revalued shall be provided with reference to the value assigned to such assets before revaluation and surplus on revaluation may be amortized according to life of the assets.]</p> <p>(5) If default is made in complying with any requirements of this section, the directors of the company who are knowingly and wilfully in default shall be punishable with fine not exceeding twenty thousand rupees and shall also be jointly and severally liable to the company for any loss sustained by the company on account of such default.</p>
56.	256 (Reading and inspection of	The auditor's report shall be read before the company in general meeting and shall be open to inspection by any member of the company.

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	auditor's report)	
Part X-XII		
57.	308	<p>Withdrawal and transfer of winding up from one Court to another. – If, during the progress of a winding up in a civil court, it is made to appear to the High Court that the same could be more conveniently proceeded within the High Court or in any civil court empowered by the Federal Government under sub-section (1) of section 7, the High Court may, as the case may require,- (a) withdraw the case and proceed with the winding up itself; or (b) transfer the case to such civil court, and thereafter the winding up shall proceed in such civil court.</p>
58.	312	<p>Hearing of winding up petition by the Court. – A petition for winding up of a company shall come up for regular hearing, be proceeded with and decided in the manner laid down in section 9.</p>
59.	325	<p>Appointment and powers of provisional manager. – (1) At any time after the presentation of winding up petition and before the making of a winding up order, the Court may appoint a person eligible for appointment as official liquidator under section 321 to be provisional manager. (2) Before appointing a provisional manager, the Court shall give notice to the company and afford to it a reasonable opportunity to make its representations, if any, unless, for special reasons to be recorded, the Court thinks fit to dispense with such notice. (3) Where a provisional manager is appointed by the Court, the Court may limit and restrict his powers by the order appointing him or by a subsequent order; but otherwise he shall have the same powers as a liquidator. (4) Unless the Court directs otherwise the provisional manager shall cease to hold office as provisional manager on the winding up order being made.</p>
60.	327	<p>Receiver not to be appointed of assets with liquidator. –</p>

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		A receiver shall not be appointed of assets in the hands of a liquidator except by, or with the leave of, the Court.
61.		<p>Committee of inspection in compulsory winding up. – (1) When a winding up order has been made by the Court, the liquidator shall within thirty days summon separate meetings of the creditors and contributories of the company for the purpose of determining whether or not an application is to be made to the Court for the appointment of a committee of inspection to act with the liquidator, and who are to be the members of the committee if appointed: Provided that, where the winding up order has been made on the ground that the company is unable to pay its debts, it shall not be necessary for the liquidator to summon a meeting of the contributories.</p> <p>(2) The Court may make any appointment and order required to give effect to any such determination, and if there is a difference between the determinations of the meetings of the creditors and contributories in respect of the matters aforesaid the Court shall decide the difference and make such order thereon as the Court may think fit.</p>
62.		<p>Committee of inspection in compulsory winding up. – (1) When a winding up order has been made by the Court, the liquidator shall within thirty days summon separate meetings of the creditors and contributories of the company for the purpose of determining whether or not an application is to be made to the Court for the appointment of a committee of inspection to act with the liquidator, and who are to be the members of the committee if appointed: Provided that, where the winding up order has been made on the ground that the company is unable to pay its debts, it shall not be necessary for the liquidator to summon a meeting of the contributories.</p> <p>(2) The Court may make any appointment and order required to give effect to any such determination, and if there is a difference between the determinations of the meetings of the creditors and contributories in respect of the matters aforesaid the Court shall decide the difference and make such order thereon as the Court may think fit.</p>
63.		<p>Constitution and proceedings of committee of inspection. – (1) A committee of inspection appointed under section 331 shall consist of creditors and contributories of the company or persons holding general powers of attorney from creditors or contributories in such proportions as may be agreed on by the meetings of creditors and contributories or as, in case of difference, may be determined by the Court: Provided that, where a winding up order has been made on the ground that a company is unable to pay its debts, the committee shall consist of creditors or persons holding general powers of attorney from creditors.</p>

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		<p>(2) The committee shall meet at such times as it may from time to time appoint, and, failing such appointment, at least once a month, and the liquidator or any member of the committee may also call a meeting of the committee as and when he thinks necessary.</p> <p>(3) The committee may act by a majority of its members present at a meeting but shall not act unless a majority of the members of the committee are present.</p> <p>(4) A member of the committee may resign by notice in writing signed by him and delivered to the liquidator.</p> <p>(5) If a member of the committee becomes bankrupt or compounds or arranges with his creditors or is absent from five consecutive meetings of the committee without the leave of those members who together with himself represent the creditors or contributories, as the case may be, his office shall thereupon become vacant.</p> <p>(6) A member of the committee may be removed by an ordinary resolution at a meeting of creditors, if he represents creditors, or at a meeting of contributories, if he represents contributories, of which seven days' notice has been given, stating the object of the meeting.</p> <p>(7) On a vacancy occurring in the committee the official liquidator shall forthwith summon a meeting of creditors or of contributories, as the case may require, to fill the vacancy, and the meeting may, by resolution, reappoint the same or appoint another creditor or contributory to fill the vacancy: Provided that, if the official liquidator, having regard to the position in the winding up, is of the opinion that it is unnecessary for the vacancy to be filled, he may apply to the Court and the Court may make an order that the vacancy shall not be filled, or shall not be filled except in such circumstances as may be specified in the order. (8) The continuing members of the committee, if not less than two, may act notwithstanding any vacancy in the committee.</p>
64.	334	<p>Discretion of official liquidator. –</p> <p>The Court may provide by any order that the official liquidator may, where there is no committee of inspection, exercise any of the powers mentioned in paragraph (a) or paragraph (b) of sub-section (1) of section 333 without the sanction or intervention of the Court.</p>
65.	335	<p>Provision for assistance to official liquidator. –</p>

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		The official liquidator may, with the sanction of the committee of inspection or, where there is no committee of inspection, with the sanction of the Court, appoint a person entitled to appear before the Court or such person as may be prescribed to assist him in the performance of his duties: Provided that, where the official liquidator is an advocate, he shall not appoint his partner unless the latter consents to act without remuneration.
66.	339	<p>Settlement of list of contributories and application of assets. –</p> <p>(1) As soon as may be after making a winding up order, the Court shall settle a list of contributories, with power to rectify the register of members in all cases where rectification is required in pursuance of this Ordinance and shall cause the assets of the company to be collected and applied in discharge of its liabilities: Provided that, where it appears to the Court that it will not be necessary to make calls on or adjust the rights of contributories, the Court may dispense with the settlement of a list of contributories.</p> <p>(2) In settling the list of contributories, the Court shall distinguish between persons who are contributories in their own right and persons who are contributories as being representatives of, or liable for the debts of, others.</p>
67.	340	<p>Power to require delivery of property. –</p> <p>Without prejudice to the obligation imposed under any other provisions, the Court may, at any time after making a winding up order, require any contributory for the time being on the list of contributories and any trustee, receiver, banker, agent, officer or employee or past officer or employee or auditor of the company to pay, deliver, convey, surrender or transfer forthwith, or within such time as the Court directs, to the official liquidator any money, property or books and papers including documents in his hands to which the company is prima facie entitled.</p>
68.	341	<p>Power to order payment of debts by contributory. –</p> <p>(1) The Court may, at any time after making a winding up order, make an order on any contributory for the time being settled on the list of contributories to pay, in manner directed by the order, any money due from him or from the estate of the person whom he represents to the company, exclusive of any money payable by him or the estate by virtue of any call in pursuance of this Ordinance.</p> <p>(2) The Court in making such an order may:</p>

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		<p>(a) in the case of an unlimited company, allow to the contributory by way of set-off, any money due to him or to the estate which he represents from the company on any independent dealing or contract with the company, but not any money due to him as a member of the company in respect of any dividend or profit; and</p> <p>(b) in the case of a limited company, make to any director whose liability is unlimited or to his estate the like allowance.</p> <p>(3) In the case of any company, whether limited or unlimited, when all the creditors are paid in full, any money due on any account whatever to a contributory from the company may be allowed to him by way of set-off against any subsequent call.</p>
69.	342	<p>Power of Court to make calls. –</p> <p>(1) The Court may, at any time after making a winding up order, and either before or after it has ascertained the sufficiency of the assets of the company, make calls on and order payment thereof by all or any of the contributories for the time being settled on the list of the contributories to the extent of their liability, for payment of any money which the Court considers necessary to satisfy the debts and liabilities of the company, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.</p> <p>(2) In making the call the Court may take into consideration the probability that some of the contributories may partly or wholly fail to pay the call.</p>
70.	343	<p>Power to order payment into bank. –</p> <p>(1) The Court may order any contributory, purchaser or other person from whom any money is due to the company to pay the same into the account of the official liquidator in a scheduled bank instead of to the official liquidator, and any such order may be enforced in the same manner as if it had directed payment to the official liquidator.</p> <p>(2) Information about the amount deposited shall be sent by the person paying it to the official liquidator within three days of the date of payment.</p>
71.	344	<p>Regulation of account with Court. –</p>

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S. No.	Section No.	COMPANIES ORDINANCE 1984
		All moneys, bills, hundis, notes and other securities paid and delivered into the scheduled bank where the official liquidator of the company may have his account, in the event of a company being wound up by the Court, shall be subject in all respects to the orders of the Court.
72.	345	<p>Order on contributory conclusive evidence. –</p> <p>(1) An order made by the Court on a contributory shall, subject to any right of appeal, be conclusive evidence that the money, if any, thereby appearing to be due or ordered to be paid is due.</p> <p>(2) All other pertinent matters stated in the order shall be taken to be truly stated as against all persons, and in all proceedings whatsoever.</p>
73.	346	<p>Power to exclude creditors not proving in time. –</p> <p>The Court may fix a time or times within which creditors are to prove their debts or claims, or to be excluded from the benefit of any distribution made before those debts are proved.</p>
74.	347	<p>Adjustment of rights of contributories. –</p> <p>The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto.</p>
75.	348	<p>Power to order costs. –</p> <p>The Court may, in the event of the assets being insufficient to satisfy the liabilities, make an order as to the payment out of the assets of the costs, charges and expenses incurred in the winding up in such order of priority as the Court thinks just.</p>
76.	349	<p>Distribution by official liquidator. –</p>

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S. No.	Section No.	COMPANIES ORDINANCE 1984
		<p>Subject to any directions given by the Court, the official liquidator shall, within thirty days of the coming into his hands of funds sufficient to distribute among the creditors or contributories after providing for expenses of the winding up or for other preferential payments as provided in this Ordinance, distribute in accordance with the provisions of this Ordinance:</p> <p>Provided that such portion of the funds as may be required for meeting any claim against the company which may be subjudice or subject matter of adjudication or assessment shall not be distributed till the claim is finally settled:</p> <p>Provided further that any amounts retained as aforesaid shall be invested by the official liquidator in Khas Deposit Certificates and the same shall be deposited by him with the Court and the distribution thereof shall be made by him after the pending claims are settled.</p>
77.	350	<p>Dissolution of company. –</p> <p>(1) When the affairs of a company have been completely wound up, or when the Court is of the opinion that the official liquidator cannot proceed with the winding up of the company for want of funds and assets or any other reason whatsoever and it is just and reasonable in the circumstances of the case that an order of dissolution of the company be made, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly: Provided that such dissolution of the company shall not extinguish any right of, or debt due to, the company against or from any person.</p> <p>(2) A copy of the order shall, within fifteen days of the making thereof, be forwarded by the official liquidator to the registrar, who shall make in his books a minute of the dissolution of the company.</p> <p>(3) If the official liquidator makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding one hundred rupees for every day during which he is in default.</p>
78.	351	<p>Power to summon persons suspected of having property of company. –</p> <p>(1) The Court may, at any time after the appointment of a provisional manager or the making of winding up order, summon before it any officer of the company or person known or suspected to have in his possession any property or books or papers of the company, or known or suspected to be indebted to the company, or any person whom the Court deems capable of giving information concerning the promotion, formation, trade, dealings, books or papers, affairs or property of the company.</p>

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S. No.	Section No.	COMPANIES ORDINANCE 1984
		<p>(2) The Court may examine a person summoned under sub-section (1) on oath concerning the matters aforesaid, either by word of mouth or on written interrogatories, and may reduce his answers to writing and require him to sign them.</p> <p>(3) The Court may require a person summoned under sub-section (1) to produce any books and papers in his custody or power relating to the company, but, where he claims any lien on books or papers produced by him, the production shall be without prejudice to that lien, and the Court shall have jurisdiction in the winding up to determine all questions relating to that lien.</p> <p>(4) If any person so summoned, after being paid or tendered a reasonable sum for his expenses, fails to come before the Court at the time appointed, not having a lawful impediment made known to the Court at the time of its sitting and allowed by it, the Court may cause him to be apprehended and brought before the Court for examination.</p> <p>(5) If, on his examination, any officer or person so summoned admits that he is indebted to the company, the Court may order him to pay to the provisional manager or, as the case may be, the liquidator, at such time and in such manner as the Court may direct, the amount in which he is indebted, or any part thereof, either in full discharge of the whole amount or not, as the Court thinks fit, with or without costs of the examination.</p> <p>(6) If, on his examination, any such officer or person admits that he has in his possession any property belonging to the company, the Court may order him to deliver to the provisional manager or, as the case may be, the liquidator, that property or any part thereof, at such time, in such manner and on such terms as the Court may direct.</p> <p>(7) Orders made under sub-sections (5) and (6) shall be executed in the same manner as decrees for the payment of money or for the delivery of property under the Code of Civil Procedure, 1908 (Act V of 1908), respectively.</p> <p>(8) Any person making any payment or delivery in pursuance of an order made under sub-section (5) or sub-section (6) shall by such payment or delivery be, unless otherwise directed by such order, discharged from all liability whatsoever in respect of such debt or property</p>
79.	352	Power to order public examination of promoters, directors, etc.-

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		<p>(1) When an order has been made for winding up a company by the Court, and the official liquidator has made a report to the Court stating that in his opinion a fraud or other actionable irregularity has been committed by any person in the promotion or formation of the company or by any director or other officer of the company in relation to the company since its formation, the Court may, after consideration of the report, direct that such person, director or other officer shall attend before the Court on a day appointed by the Court for that purpose, and be publicly examined as to the promotion or formation or the conduct of the business of the company, or as to his conduct and dealings as director, manager or other officer thereof.</p> <p>(2) The official liquidator shall take part in the examination, and for that purpose may, if specially authorised by the Court in that behalf, employ such legal assistance as may be sanctioned by the Court.</p> <p>(3) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the Court.</p> <p>(4) The Court may put such questions to the person examined as the Court thinks fit.</p> <p>(5) The person examined shall be examined on oath, and shall answer all such questions as the Court may put or allow to be put to him.</p> <p>(6) A person ordered to be examined under this section-</p> <p>(a) shall, before his examination, be furnished at his own cost with a copy of the official liquidator's report; and</p> <p>(b) may at his own cost employ any person entitled to appear before the Court, who shall be at liberty to put to him such questions as the Court may deem just for the purpose of enabling him to explain or qualify any answer given by him: Provided that if he is, in the opinion of the Court, exculpated from any charges made or suggested against him, the Court may allow him such costs as in its discretion it may think fit.</p> <p>(7) If any such person applies to the Court to be exculpated from any charges made or suggested against him, it shall be the duty of the official liquidator to appear on the hearing of the application and call the attention of the Court to any matters which appear to the official liquidator to be relevant, and if the Court, after hearing any evidence given or witnesses called by the official liquidator, grants the application, the Court may allow the applicant such costs as it may think fit.</p>

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		<p>(8) Notes of the examination shall be taken down in writing and shall be read over to or by, and signed by, the person examined, and may thereafter be used in evidence against him and shall be open to the inspection of any creditor or contributory at all reasonable times.</p> <p>(9) The Court may, if it thinks fit, adjourn the examination from time to time.</p> <p>(10) An examination under this section may, if the Court so directs, and subject to any rules in this behalf, be held before any officer of the Court, being an Official Referee, Master, Registrar, Additional Registrar or Deputy Registrar.</p> <p>(11) The powers of the Court under this section as to the conduct of the examination, but not as to costs, may be exercised by the person before whom the examination is held by virtue of a direction under sub-section (10).</p>
80.	353	<p>Power to arrest absconding contributory. –</p> <p>The Court, at any time either before or after making a winding up order, on proof of probable cause for believing that a contributory is about to quit Pakistan or otherwise to abscond, or to remove or conceal any of his property, for the purpose of evading payment of calls or of avoiding examination respecting the affairs of the company, may cause the contributory to be arrested and his books and papers and movable property to be seized, and him and them to be safely kept until such time as the Court may order</p>
81.	354	<p>Saving of other proceedings. –</p> <p>Any powers conferred on the Court by this Ordinance shall be in addition to, and not in derogation of, any existing power of instituting proceedings against any contributory or debtor of the company, or the estate of any contributory or debtor, for the recovery of any call or other sums.</p>
82.	344	<p>Regulation of account with Court. –</p> <p>All moneys, bills, hundis, notes and other securities paid and delivered into the scheduled bank where the official liquidator of the company may have his account, in the event of a company being wound up by the Court, shall be subject in all respects to the orders of the Court.</p>

DELETIONS		
S. No.	Section No.	COMPANIES ORDINANCE 1984
83.	345	<p>Order on contributory conclusive evidence. –</p> <p>(1) An order made by the Court on a contributory shall, subject to any right of appeal, be conclusive evidence that the money, if any, thereby appearing to be due or ordered to be paid is due.</p> <p>(2) All other pertinent matters stated in the order shall be taken to be truly stated as against all persons, and in all proceedings whatsoever.</p>
84.	346	<p>Power to exclude creditors not proving in time. –</p> <p>The Court may fix a time or times within which creditors are to prove their debts or claims, or to be excluded from the benefit of any distribution made before those debts are proved.</p>
85.	347	<p>Adjustment of rights of contributories. –</p> <p>The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto.</p>
86.	348	<p>Power to order costs. –</p> <p>The Court may, in the event of the assets being insufficient to satisfy the liabilities, make an order as to the payment out of the assets of the costs, charges and expenses incurred in the winding up in such order of priority as the Court thinks just.</p>
87.	349	<p>Distribution by official liquidator. –</p> <p>Subject to any directions given by the Court, the official liquidator shall, within thirty days of the coming into his hands of funds sufficient to distribute among the creditors or contributories after providing for expenses of the winding up or for other preferential payments as provided in this Ordinance, distribute in accordance with the provisions of this Ordinance:</p>

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		<p>Provided that such portion of the funds as may be required for meeting any claim against the company which may be subjudice or subject matter of adjudication or assessment shall not be distributed till the claim is finally settled: Provided further that any amounts retained as aforesaid shall be invested by the official liquidator in Khas Deposit Certificates and the same shall be deposited by him with the Court and the distribution thereof shall be made by him after the pending claims are settled.</p>
88.	350	<p>Dissolution of company. –</p> <p>(1) When the affairs of a company have been completely wound up, or when the Court is of the opinion that the official liquidator cannot proceed with the winding up of the company for want of funds and assets or any other reason whatsoever and it is just and reasonable in the circumstances of the case that an order of dissolution of the company be made, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly: Provided that such dissolution of the company shall not extinguish any right of, or debt due to, the company against or from any person.</p> <p>(2) A copy of the order shall, within fifteen days of the making thereof, be forwarded by the official liquidator to the registrar, who shall make in his books a minute of the dissolution of the company.</p> <p>(3) If the official liquidator makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding one hundred rupees for every day during which he is in default.</p>
89.	351	<p>Power to summon persons suspected of having property of company. –</p> <p>(1) The Court may, at any time after the appointment of a provisional manager or the making of winding up order, summon before it any officer of the company or person known or suspected to have in his possession any property or books or papers of the company, or known or suspected to be indebted to the company, or any person whom the Court deems capable of giving information concerning the promotion, formation, trade, dealings, books or papers, affairs or property of the company.</p> <p>(2) The Court may examine a person summoned under sub-section (1) on oath concerning the matters aforesaid, either by word of mouth or on written interrogatories, and may reduce his answers to writing and require him to sign them.</p>

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		<p>(3) The Court may require a person summoned under sub-section (1) to produce any books and papers in his custody or power relating to the company, but, where he claims any lien on books or papers produced by him, the production shall be without prejudice to that lien, and the Court shall have jurisdiction in the winding up to determine all questions relating to that lien.</p> <p>(4) If any person so summoned, after being paid or tendered a reasonable sum for his expenses, fails to come before the Court at the time appointed, not having a lawful impediment made known to the Court at the time of its sitting and allowed by it, the Court may cause him to be apprehended and brought before the Court for examination.</p> <p>(5) If, on his examination, any officer or person so summoned admits that he is indebted to the company, the Court may order him to pay to the provisional manager or, as the case may be, the liquidator, at such time and in such manner as the Court may direct, the amount in which he is indebted, or any part thereof, either in full discharge of the whole amount or not, as the Court thinks fit, with or without costs of the examination.</p> <p>(6) If, on his examination, any such officer or person admits that he has in his possession any property belonging to the company, the Court may order him to deliver to the provisional manager or, as the case may be, the liquidator, that property or any part thereof, at such time, in such manner and on such terms as the Court may direct.</p> <p>(7) Orders made under sub-sections (5) and (6) shall be executed in the same manner as decrees for the payment of money or for the delivery of property under the Code of Civil Procedure, 1908 (Act V of 1908), respectively.</p> <p>(8) Any person making any payment or delivery in pursuance of an order made under sub-section (5) or sub-section (6) shall by such payment or delivery be, unless otherwise directed by such order, discharged from all liability whatsoever in respect of such debt or property</p>
90.	352	<p>Power to order public examination of promoters, directors, etc.-</p> <p>(1) When an order has been made for winding up a company by the Court, and the official liquidator has made a report to the Court stating that in his opinion a fraud or other actionable irregularity has been committed by any person in the promotion or formation of the company or by any director or other officer of the company in relation to the company since its formation, the Court may, after consideration of the report, direct that such person, director or other officer shall attend before the Court on a day appointed by the</p>

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		<p>Court for that purpose, and be publicly examined as to the promotion or formation or the conduct of the business of the company, or as to his conduct and dealings as director, manager or other officer thereof.</p> <p>(2) The official liquidator shall take part in the examination, and for that purpose may, if specially authorised by the Court in that behalf, employ such legal assistance as may be sanctioned by the Court.</p> <p>(3) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the Court.</p> <p>(4) The Court may put such questions to the person examined as the Court thinks fit.</p> <p>(5) The person examined shall be examined on oath, and shall answer all such questions as the Court may put or allow to be put to him.</p> <p>(6) A person ordered to be examined under this section-</p> <p>(a) shall, before his examination, be furnished at his own cost with a copy of the official liquidator's report; and</p> <p>(b) may at his own cost employ any person entitled to appear before the Court, who shall be at liberty to put to him such questions as the Court may deem just for the purpose of enabling him to explain or qualify any answer given by him: Provided that if he is, in the opinion of the Court, exculpated from any charges made or suggested against him, the Court may allow him such costs as in its discretion it may think fit.</p> <p>(7) If any such person applies to the Court to be exculpated from any charges made or suggested against him, it shall be the duty of the official liquidator to appear on the hearing of the application and call the attention of the Court to any matters which appear to the official liquidator to be relevant, and if the Court, after hearing any evidence given or witnesses called by the official liquidator, grants the application, the Court may allow the applicant such costs as it may think fit.</p> <p>(8) Notes of the examination shall be taken down in writing and shall be read over to or by, and signed by, the person examined, and may thereafter be used in evidence against him and shall be open to the inspection of any creditor or contributory at all reasonable times.</p> <p>(9) The Court may, if it thinks fit, adjourn the examination from time to time.</p>

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		<p>(10) An examination under this section may, if the Court so directs, and subject to any rules in this behalf, be held before any officer of the Court, being an Official Referee, Master, Registrar, Additional Registrar or Deputy Registrar.</p> <p>(11) The powers of the Court under this section as to the conduct of the examination, but not as to costs, may be exercised by the person before whom the examination is held by virtue of a direction under sub-section (10).</p>
91.	353	<p>Power to arrest absconding contributory. –</p> <p>The Court, at any time either before or after making a winding up order, on proof of probable cause for believing that a contributory is about to quit Pakistan or otherwise to abscond, or to remove or conceal any of his property, for the purpose of evading payment of calls or of avoiding examination respecting the affairs of the company, may cause the contributory to be arrested and his books and papers and movable property to be seized, and him and them to be safely kept until such time as the Court may order</p>
92.	354	<p>Saving of other proceedings. –</p> <p>Any powers conferred on the Court by this Ordinance shall be in addition to, and not in derogation of, any existing power of instituting proceedings against any contributory or debtor of the company, or the estate of any contributory or debtor, for the recovery of any call or other sums.</p>
93.	363	<p>Provisions applicable to members' voluntary winding up. –</p> <p>The provisions contained in sections 364 to 370, both inclusive, shall, subject to the provisions of section 371 apply in relation to a members' voluntary winding up.</p>
94.	374	<p>Notice of resolution passed by creditors' meeting to be given to registrar. –</p> <p>(1) Notice of any resolution passed at a creditors' meeting in pursuance of section 373 shall be given by the company to the registrar, along with the consent of the liquidator to act as such, within ten days of the passing thereof.</p>

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		<p>(2) If default is made in complying with sub-section (1), the company and every officer of the company who is in default shall be punishable with fine which may extend to two hundred rupees for every day during which the default continues.</p> <p>(3) For the purpose of this section, a liquidator of the company shall be deemed to be an officer of the company.</p>
95.	376	<p>Appointment of committee of inspection.-</p> <p>(1) The creditors at the meeting to be held in pursuance of section 368 or 373 or at any subsequent meeting may, if they think fit, appoint a committee of inspection consisting of not more than five persons.</p> <p>(2) If such a committee is appointed, the company may either at the meeting at which the resolution for voluntary winding up is passed or at any subsequent general meeting, appoint such number of persons, not exceeding five, as they think fit to act as members of the committee: Provided that the creditors may, if they think fit, resolve that all or any of the person so appointed by the company ought not to be member of the committee of inspection.</p> <p>(3) If the creditors so resolve, the person mentioned in the resolution shall not, unless the Court otherwise directs, be qualified to act as a member of the committee.</p> <p>(4) On any application to the Court for a direction under sub-section (3), the Court may, if it thinks fit, appoint other persons to act as such members in place of the persons mentioned in the creditors' resolution.</p> <p>(5) Subject to the provisions of sub-sections (2) to (4) and to such rules as may be prescribed, the provisions of section 332, except sub-section (1) thereof, shall apply with respect to a committee of inspection appointed under this section as they apply with respect to a committee of inspection appointed in a winding up by the Court.</p>
96.	383	<p>Provisions applicable to every voluntary winding up.-</p> <p>The provisions contained in sections 384 to 395, both inclusive, shall apply to every voluntary winding up whether a members' or a creditors' winding up.</p>

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S. No.	Section No.	COMPANIES ORDINANCE 1984
97.	384	<p>Accounts and statements to be audited. –</p> <p>(1) All accounts and statements referred to in sections 369, 370, 381 and 382 shall, before being placed before the meetings of the creditors or contributories, be duly audited by an auditor appointed in the manner provided in section 434.</p> <p>(2) The auditor's report shall be annexed to the accounts and statements referred to in sub-section (1).</p> <p>(3) The auditor shall submit his report within two months of the end of the period to which the accounts relate, or within such extended time as may be allowed to him by the registrar.</p> <p>(4) Whoever fails to comply with any provision of this section shall be punishable with a fine which may extend to five thousand rupees.</p>
PART XIII		
98.	474.	<p>Cognizance of offences, etc..- (1) Save as provided in section 476, no Court or authority or officer shall take cognizance of any offence against this Ordinance (other than an offence with respect to which proceedings etc. instituted under section 418) which is alleged to have been committed by any company or any officer or auditor thereof, except on the complaint in writing of-</p> <p>(a) the ¹[Commission or the] registrar; or</p> <p>(b) in the case of a company having a share capital, by a member or members holding not less than five per cent of the issued share capital of the company or a creditor or creditors of the company having interest equivalent in amount to not less than five per cent of the issued share capital of the company; or</p> <p>(c) in the case of a company not having a share capital, by any member or creditor entitled to present a petition for winding up of the company:</p> <p>Provided that nothing in this sub- section shall apply to a prosecution by a company of any of its officers or employees:</p> <p>Provided further that, where the registrar is himself empowered to impose a penalty, he may take cognizance of the offence and start proceedings on the basis of a memorandum of allegations placed on record by him or an officer subordinate to him.</p>

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S. No.	Section No.	COMPANIES ORDINANCE 1984
		<p>(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act V of 1898) where the complainant under sub-section (1) is registrar or the Commission or a person authorized by the Federal Government, the personal attendance of the complainant before the Court or authority trying the offence shall not be necessary unless the Court, the Commission, the registrar or other officer, as the case may be, for reasons to be recorded, requires his personal attendance at the trial.</p> <p>(3) Sub-section (1) shall not apply to any action taken by the liquidator of a company in respect of any offence alleged to have been committed in respect of any of the matters included in Part XI, or in any other provision of this Ordinance relating to the winding up to companies.</p> <p>(4) A liquidator of a company shall not be deemed to be an officer of the company within the meaning of sub-section (1).</p>
99.	485.	<p>Appeals against orders etc.- (1) Any person aggrieved by an original order, directive or judgment of the Commission or the Federal Government other than an order, directive or judgment passed on a revision or review application may, within thirty days thereof, as an alternative to making an application for revision or review to the Commission or the Federal Government, as the case may be, prefer an appeal to the High Court within whose jurisdiction the order, directive or judgment is passed:</p> <p>Provided that no appeal under sub-section (1) shall lie from an order which does not dispose of the entire case before the Commission or the Federal Government, as the case may be, or an order against which an appeal lies before the Appellate Bench of the Commission.</p> <p>(2) An appeal under sub-section (1) shall be heard by a Bench of two Judges of the High Court and shall lie on any one of the following grounds, namely:-</p> <ul style="list-style-type: none"> (a) the decision being contrary to law or to some usage having the force of law; or (b) the decision having failed to determine a material issue of law or usage having the force of law; or (c) a substantial error apparent in the procedure provided by or under this Ordinance which may possibly have led to an error in the decision.

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S. No.	Section No.	COMPANIES ORDINANCE 1984
100	508.	<p>Repeal of laws and savings. - (1) The laws mentioned in the Seventh schedule shall stand repealed to the extent specified in the fourth column thereof from the date of coming into force of this Ordinance.</p> <p>Provided that-</p> <p>(i) the repeal shall not affect the incorporation of any company registered under any law hereby repealed;</p> <p>(ii) any document referring to any former law relating to companies shall be construed as referring to the corresponding provision of this Ordinance;</p> <p>(iii) all funds and accounts constituted or maintained under this Ordinance shall be deemed to be in continuation of the corresponding funds and accounts constituted or maintained under the former laws relating to companies;</p> <p>(iv) where any offence has been committed under any former law relating to companies, proceedings may be taken under this Ordinance in respect of such offence after the commencement of this Ordinance, in the same manner as if the offence had been committed under the corresponding provision of this Ordinance.</p> <p>(2) The mention of particular matters in this section or in any other section of this Ordinance shall not prejudice the general application of section 6 of the General Clauses Act, 1897 (X of 1897), with regard to the effect of repeals.</p>