

# FORMATION OF COMPANY

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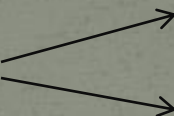
# MODE OF FORMING COMPANY (S.15)

- ONE PERSON : SMC – PVT LTD
- TWO PERSONS : OTHER PVT LTD
- THREE PERSONS : PUBLIC LTD

## OTHER FORMS:

- U/s 42 Associations Not for Profit (License only)
- U/s 282 A NBFC (License based)

# CHARACTERISTICS OF COMPANIES (S.32)

- Separate Legal Personality/Common Seal.
  - Limited Liability.
  - Perpetual Succession.
  - Transferability Of Shares.
  - Regulatory Framework
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graph LR; A[Regulatory Framework] --> B[Regulators]; A --> C[Laws]
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- Regulators
- Laws



# RELATIONSHIPS OF THE COMPANIES

- S.3 Holding & Subsidiaries.
- S.2(2) Associated Companies & Associated Undertakings.

Following are the requirements for registration of a new company under the Companies Ordinance, 1984:-

1. Availability of Name.
2. Documents for registration of a limited company. (CNIC or Passport, MoA, AoA).
3. Form 1, 21 and 29.
4. Affidavit of promoter.
5. Authority letter.
6. Filing fee/registration. (different for manual and electronic).
7. Photocopy letter of name availability.

All these documents are to be submitted to the Registrar.

# IMPORTANCE OF THE DOCUMENTS INVOLVED



# MOA: MEMORANDUM OF ASSOCIATIONS (S.16,17,18)

- Name Clause.
- Address Clause.
- Object Clause.
- Liability Clause.
- Capital Clause.

# AOA: ARTICLES OF ASSOCIATION (S.26 & TABLE A)

- Shares & related matters.
- Meetings and related matters.
- Directors and related matters.
- Audit, Arbitration, Winding-up etc



# NTN RELATED

1. Prescribed NTN application duly signed.
2. Copies of CNIC of all directors.
3. Incorporate certificate
4. Copy of Memorandum of Articles of Association & Form 29.
5. Copy of latest paid electricity bill.
6. Evidence of ownership of premises or Rent Agreement in case rental place of business.
7. Bank certificate in evidence of bank account maintaining with any bank.
8. Copies of NTN certificates of all directors if already obtained otherwise applications for issuance of NTN to all directors.

# FILING/OTHER STATUTORY REGULATIONS

- CONCEPT OF COMPLIANCE AND  
ENFORCEMENT

# IMPORTANT STATUTORY RETURNS:

- Return of Allotments [S.73(1)]
- Particulars of mortgages, charges, etc [S.121,129 and 463]
- Special resolution [S.172]
- Pattern of shareholdings [S.236(1) & 464]
- Auditors' report to the members [S.255(3) & rule 17(B).
- Annual Return [s.156]
- Particulars of directors [Form 29]



# STATUTORY BOOKS:

Few important statutory books are:

- Register of members. S.147
- Minute books. S.173
- Register of officers i.e Director, manager and secretary S.205
- Register of Charges. S.135
- Register of Transfer. S.76

# LIQUIDATION/WINDING UP

- The term winding up of a company may be defined as the proceedings by which a company is dissolved.

# MODES OF WINDING UP

- By the Court; or
- Voluntary (by members or creditors); or
- Subject to the supervision of the Court.



# By the Court:

**Section 305** of the Ordinance envisages certain circumstances under which a company may be wound up. Few of them being:

- In case of default.
- Non commencement of business within a year of incorporation.
- If number of members is reduced below statutory requirements.
- If the company is unable to pay its debts.
- If the company has, by special resolution, resolved that company be wound up by the court.
- If the company is:
  - conceived or brought forth for, or is or has been carrying on, unlawful or fraudulent activities.
  - Carrying business not authorized by MoA.
  - Being run by persons who commit fraud, misfeasance in relation to it.
  -

(continued)

## (CONTINUED)

- Managed by persons who refuse to act according to the requirements of MoA or the provision of ordinance.
- If, being a listed company, it ceases to be such company.
- If the court is of the opinion that it is just and equitable that the company should be wound up.

# Voluntary winding up:

1. Declaration of insolvency by directors.
2. The company passes a special resolution.
3. Notice of resolution to official gazette & newspaper.
4. Notice of appointment of liquidator to the registrar.
5. Liquidator submits his notice of appointment to registrar.
6. In case of complexity, liquidator must call a meeting of creditors.
7. Notice of that meeting to be filed with the registrar.
8. If it exceeds a year, liquidator should summon general meeting & make extension application to court.
9. Minutes of the meeting to be filed with the registrar.
10. Liquidator formulates a report once fully wound up.
11. It is published in Gazette and newspapers and sent to the registrar.



# FORMATION OF AOP/FIL REQ

It is formed under Partnership Act [1932]. following are the requirements:

- Partnership deed (signed by partners)
- Filing with the registrar of firm.
- Provincial matter. (varies depending upon the province of establishment).

# NTN APPLICATION REQUIREMENT (AOP)

1. Prescribed NTN Application duly signed.
2. Copies of CNIC of all partners.
3. Registration certificate of Registrar of firm in case registered with them.
4. Copy of partnership deed.
5. Copy of latest paid electricity bill.
6. Evidence of ownership of premises or Rent Agreement in case rental place of business.
7. Bank certificate in evidence of bank account maintaining with any bank.
8. Copies of NTN certificates of all partners if already obtain otherwise applications for issuance of NTN to all partners.

# FORMS OF NPOs

- Association not for profit. [U/s 42]
- Society. [Under Societies Act 1860]
- Trust. [Under Trust Act 1882]



# FORMATION OF NPO

- All the documents meant for incorporation of a limited company along with a license issued by the SECP. In case of a trade body, a license issued by Ministry of Commerce would also be submitted to the registrar concerned. The application for obtaining the requisite license from the Commission should be accompanied by draft memorandum and Articles of Association, list of promoters, bio-data of each promoter, declaration, names of companies in which the promoters of the proposed association hold any office, estimates of annual income and expenditure and brief statement of work already done or to be done. (Section 42 & Rule 6).