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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 27th July, 1999

No. F. 22 (9)/99-Legis.—The following Act of Majlis-e-Shoora (Parliament) received the assent of the President on the 20th July, 1999, and is hereby published for general information :—

ACT No. V OF 1999

An Act further to amend the Companies Ordinance, 1984.

WHEREAS it is expedient further to amend the Companies Ordinance, 1984 (XLVII of 1984), for the purposes hereinafter appearing ;

It is hereby enacted as follows :—

1. **Short title commencement.**—(1) This Act may be called the Companies (Amendment) Act, 1999.
- (2) It shall come into force at once.

(1223)

Price : Rs. 3.00

2. **Amendment of section 14, Ordinance XLVII of 1984.**—In the Companies Ordinance, 1984 (XLVII of 1984), hereinafter referred to as the said Ordinance, in section 14, in sub-section (3), in clause (c), for the full stop at the end, the semi-colon and the word “:or” shall be substituted and thereafter the following new clause shall be added, namely:—

- “(d) a partnership formed to carry on practice as lawyers, accountants or any other profession where practice as a limited liability company is not permitted under the relevant laws or regulations for such practice.”.

3. **Amendment of section 53, Ordinance XLVII of 1984.**—In the said Ordinance, in section 53, after sub-section (1) the following new sub-section shall be inserted, namely:—

“(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 is proposed 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.”.

4. **Amendment of section 236, Ordinance XLVII of 1984.**—In the said Ordinance, in section 236, in sub-section (2),-

- (i) in clause (d) the word “and” at the end, shall be omitted ; and
- (ii) in clause (e), for the full stop at the end a semi-colon shall be substituted and thereafter the following new clauses shall be added, namely:—
- (f) state the earning per share ;
- (g) give reasons for incurring loss and a reasonable indication of future prospects of profit, if any ; and
- (h) contain information about defaults in payment of debts, if any, and reasons thereof.”.

5. **Amendment of section 245, Ordinance XLVII of 1984.**—In the said Ordinance, in section 245, -

- (a) in sub-section (1), in clause (b), for the word "five", the word "three" shall be substituted ; and
- (b) for sub-section (3), the following shall be substituted, namely :—

"(3) If a company fails to comply with any of the requirements of this section, every director including chief executive and chief accountant of the company who has knowingly by his act or omission been the cause of such default shall be liable to a fine of not exceeding one hundred thousand rupees and to a further fine of one thousand rupees for every day during which the default continues."

6. Amendment of section 254, Ordinance XLVII of 1984.—In the said Ordinance, in section 254, for sub-section (1) the following shall be substituted, namely :—

"(1) A person shall not be qualified for appointment as an auditor,—

- (i) in the case of a public company or private company which is subsidiary of a public company unless he is a Chartered Accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961) ; and
- (ii) in the case of a private company having paid up capital of three million rupees or more unless he is a Chartered Accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961)."

KHAN AHMAD GORAYA
Secretary.