

SECP
Guide SERIES



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

GUIDE

FOR

CHANGE IN COMPANY OBJECTS

Published by Registration Department

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INTRODUCTION

The business proposed to be undertaken by a company is mentioned in clause III of its Memorandum of Association, which relates to objects of a company. The Companies Ordinance, 1984 (the Ordinance) allows a company to alter the object clause of its Memorandum of Association with the approval of the Securities & Exchange Commission of Pakistan (SECP), on the petition filed by a company within 60 days of the passing of Special Resolution, for the reasons provided under section 21 of the Ordinance and the procedure laid down under rule 3 read with rules 28, 30 and 32 of the Companies (General Provisions and Forms) Rules, 1985 (the Rules).

ABOUT THIS GUIDE

This Guide is intended to provide basic information about the alteration in the object clause of the Memorandum of Association of a company and making a petition to the SECP for confirmation of the alteration; so as to facilitate the companies from the point of view of practical approach to law and corporate procedure. This is a guide only and must be read with the relevant provisions of law.

CHAPTER 1

APPROVING AUTHORITY

An alteration takes effect only if and to the extent confirmed by SECP. However, in order to facilitate the corporate sector, the powers of SECP have been delegated to the registrars concerned i.e. the Incharges of the Company Registration Offices (CROs) of SECP situated in different cities all over the country i.e. Karachi, Lahore, Islamabad, Peshawar, Faisalabad, Multan, Sukkur and Quetta. The addresses of the CROs are given at the end of this Guide.

REASONS/GROUNDS FOR MAKING ALTERATION IN OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION

Clause III of the Memorandum of Association of a company may be altered on any of the following grounds:

- to carry on some business, not being a business specified in its memorandum, which may conveniently or advantageously be combined with the business of the company; or
- to enlarge or change the local area of its operations; or
- to carry on its business more economically or more efficiently; or
- to attain its main business purpose by new or improved means; or
- to restrict or abandon any of the objects specified in the memorandum; or
- to sell or dispose of the whole or any part of the undertaking of the company;
or
- to amalgamate with any other company or body of persons.

CHAPTER 2

PROCEDURE FOR CHANGE IN COMPANY OBJECTS

INTERNAL PROCEDURE

Step-wise internal procedure for change in objects of a company

1. Seek the approval of the board of directors for placing special resolution before the company in general meeting for alteration in Memorandum of Association (**change in objects**). The reasons for making alteration fall within the broad categories as mentioned in chapter 1 of this Guide.
2. Send at least 21 days notice, to the members for convening of the general meeting - Annual General Meeting (AGM) or Extraordinary General Meeting (EOGM). However, an EOGM may be held at a shorter notice with the approval of registrar in case of an emergency affecting the business under proviso to section 159(7) of Companies Ordinance, 1984. The draft special resolution for change in objects and statement of material facts is also sent alongwith the said notice to members. In case of a listed company, notice is also required to be published at least in one issue each of a daily newspaper in English and Urdu languages having circulation in the Province in which the stock exchange(s) on which the company is listed is/are situated.
3. Pass special resolution with a majority of not less than 3/4th of the members entitled to vote as are present in person or through proxy in the general meeting.
4. File copy of the special resolution on prescribed Form 26 (format available on SECP website) along with paid challan of prescribed filing fee within 15 days of passing of Special Resolution with the Registrar concerned (in case of submission in physical form). The fee as specified in Annex-A is to be deposited; in the designated branches of MCB Bank Limited. For submission in physical form, preprinted Challans are available at all the designated branches of MCB Bank Limited. In case of online submission, challan is auto generated by the system as explained in the procedure for online submission.

5. Submit application to SECP (the registrar concerned) in the manner provided in chapter 3.

CHAPTER 3

PROCEDURE FOR SUBMISSION OF APPLICATION FOR CHANGE IN COMPANY OBJECTS

This part of this guide explains the procedure for the submission of application and relevant documents to be submitted with offline application and stepwise procedure to file online application.

Modes of Submission

There are two modes of submission of Form 26 as well the application for alteration in the Memorandum of Association of a company namely;

- i. **Offline** - submission of application in physical form.
- ii. **Online** - submission of application by using eServices of SECP.

The details about both the modes of submissions are given below:

Procedure for offline submission

The petition alongwith relevant documents shall be filed with the Registrar concerned within 60 days of passing of Special Resolution. There is no specific format of the petition, however, the application must contain the information and accompanied with the documents, as provide under rule 3 of the Rules, as mentioned in the specimen application hereunder:

Companies Registration Office,

Name of City (Karachi/Lahore/Islamabad/Peshawar/Quetta/Faisalabad/Multan/Sukkur)

**Subject: APPLICATION U/S. 21 FOR ALTERATION IN THE OBJECT CLAUSE
OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

Dear Sir,

We submit the following information/documents for seeking your approval for alteration in the object clause of Memorandum of Association of the company in accordance with the Special Resolution adopted by the members of the company in their meeting held on _____, subject to approval of the SECP:

1	Name and Address of the company	<u>A B C</u> (Private) Limited having its registered office at _____ Karachi.
2	Number and date of Incorporation	No. 0000000/0000 dated 000000
3	Subscribed and paid up capital	Rs. 00,000/- divided into 000 shares of Rs. 10/- each)
4	Redeemable capital	Rs. 00,000/- divided into 000 shares of Rs. 10/- each) OR Nil (as the case may be)
5	Business actually being carried on and the clause in the memorandum justifying it	The company is presently engaged in the business of providing consultancy services, conducting of feasibility studies and preparation of feasibility reports for setting up of petroleum industries including but not limited to crude oil refining and processing of , LPG, CNG, LNG, Bitumen and other hydrocarbons in terms of sub clause 1 of clause III of the Memorandum of the Association.
6	Reasons for the proposed alteration	To increase the scope of the business in the inflationary period for the Financial Strength of the Company.

7	Names and addresses of each of company's creditors to whom an amount exceeding fifty thousand rupees is due with the amount mentioned against each	<table border="1"> <thead> <tr> <th data-bbox="760 212 894 327">S. No.</th> <th data-bbox="894 212 1159 327">Names and addresses of creditors</th> <th data-bbox="1159 212 1349 327">Amount due</th> </tr> </thead> <tbody> <tr> <td data-bbox="760 327 894 365">1</td> <td data-bbox="894 327 1159 365"></td> <td data-bbox="1159 327 1349 365"></td> </tr> <tr> <td data-bbox="760 365 894 403">2</td> <td data-bbox="894 365 1159 403"></td> <td data-bbox="1159 365 1349 403"></td> </tr> <tr> <td data-bbox="760 403 894 449">3</td> <td data-bbox="894 403 1159 449"></td> <td data-bbox="1159 403 1349 449"></td> </tr> </tbody> </table>	S. No.	Names and addresses of creditors	Amount due	1			2			3		
S. No.	Names and addresses of creditors	Amount due												
1														
2														
3														
8	Consent of creditors to the proposed alteration	As per Annexure "A-1 to A-3.												
9	Copy of Special Resolution	As per Annexure "B"												
10	Minutes of the meeting	As per Annexure "C"												
11	Statement in a comparative form showing the existing provisions of the memorandum as are proposed to be altered and the provisions as would appear after the proposed alterations indicating the clause of sub-section (1) of section 21 under which each alteration is considered permissible by the company along with brief reasons explaining how it considers it permissible	As per Annexure "D"												
12.	Existing memorandum and articles of association	As per Annexure "E"												
13.	Amended Memorandum and articles of association	As per Annexure "F"												
14.	Pattern of holding of shares on form 34	As per Annexure "G"												
15.	Names and addresses of the persons likely to be affected along with their consent to the alteration	<table border="1"> <thead> <tr> <th data-bbox="760 1533 1003 1612">S. No.</th> <th data-bbox="1003 1533 1166 1612">Names and addresses</th> <th data-bbox="1166 1533 1398 1612">Copy of consent</th> </tr> </thead> <tbody> <tr> <td data-bbox="760 1612 1003 1650">1</td> <td data-bbox="1003 1612 1166 1650"></td> <td data-bbox="1166 1612 1398 1650">Annex H-1</td> </tr> <tr> <td data-bbox="760 1650 1003 1688">2</td> <td data-bbox="1003 1650 1166 1688"></td> <td data-bbox="1166 1650 1398 1688">Annex H-2</td> </tr> <tr> <td data-bbox="760 1688 1003 1726">3</td> <td data-bbox="1003 1688 1166 1726"></td> <td data-bbox="1166 1688 1398 1726">Annex H-3</td> </tr> </tbody> </table>	S. No.	Names and addresses	Copy of consent	1		Annex H-1	2		Annex H-2	3		Annex H-3
S. No.	Names and addresses	Copy of consent												
1		Annex H-1												
2		Annex H-2												
3		Annex H-3												
16.	Particulars of dissenting shareholders or Creditors together with their objections:	<table border="1"> <thead> <tr> <th data-bbox="760 1845 1003 1961">S. No.</th> <th data-bbox="1003 1845 1138 1961">Names and addresses</th> <th data-bbox="1138 1845 1398 1961">Copy of consent</th> </tr> </thead> <tbody> <tr> <td data-bbox="760 1845 1003 1961"></td> <td data-bbox="1003 1845 1138 1961"></td> <td data-bbox="1138 1845 1398 1961"></td> </tr> </tbody> </table>	S. No.	Names and addresses	Copy of consent									
S. No.	Names and addresses	Copy of consent												

	<i>(If any):</i>	1		<i>Annex I-1</i>
		2		<i>Annex I-2</i>
		3		<i>Annex I-3</i>
17.	<i>Copy of latest audited accounts:</i>	<i>As per Annexure "J"</i>		
18.	<i>Affidavit by the Secretary verifying the correctness of the contents and enclosures</i>	<i>As per Annexure "K"</i>		
19.	<i>Original Bank Challan evidencing the deposit of Rs. 10,000/- in the any of the designated branches of MCB, being application fee.</i>	<i>As per Annexure "L"</i>		

It is requested that the approval to the alteration in the Object Clause of Memorandum of Association of the Company may please be granted.

Yours truly,

Chief Executive/ Director/Secretary
ABC (Private) Limited

Step Wise Procedure for Online Submission:

Like many of our online services, online change in company objects process requires no paper work and enables the company to submit application without visiting offices of SECP. The application can be submitted by using eServices portal of SECP. The process for online submission is very simple and easy.

Step 1: Log on to eServices

- **In case the company has eServices Login name and Password:**

Connect to eServices <https://eservices.secp.gov.pk/eServices> and log on to your account using your eServices Login name and Password provided by SECP.

Important Note: PLEASE NOTE THAT "SIGN UP" LINK ON eServices WEBPAGE, IS FOR NEW INCORPORATION PROCESS ONLY AND NOT FOR ALREADY INCORPORATED COMPANIES.

• In case the company has not obtained eServices Login name and Password, please follow the procedure as under:

1. Apply for an eServices Login name and Password by writing a letter, on the company letterhead, duly signed by the Chief Executive Officer and the Company Secretary, or Chief Financial Officer, or one of the Directors of the company, along with a copy of their CNIC.
2. Mention the email address on which the eServices Login name and Password will be dispatched. Please, only provide POP3 email address such as abc@comsats.com, free email address such as hotmail, gmail, or yahoo is not acceptable.
3. SECP will confirm the validity of the email address; after validation, the eServices Login name and Password will be emailed to the specified email address.
4. All letters requesting an eServices User Identification and Password to be addressed to Director (MIS), SECP at one of the following addresses:

Director (MIS)

SECP,

NIC Building, Registration Department, Jinnah Avenue
Islamabad, Pakistan

email: ibtesam.moatisim@secp.gov.pk Phone: +92-51-9207091-3 (Ext: 280)

Deputy Director (MIS)

SECP,

NIC Building, Registration Department, Jinnah Avenue
Islamabad, Pakistan

email: salman.lodhi@secp.gov.pk Phone: +92-51-9207091-3 (Ext: 286)

Note

The request for User ID and password may also be sent to SECP by email. The scanned image of the signed application shall be sent at

the address given above.

Step 2: Enter information

Click the relevant process available on the process listing webpage "Change in Company Objects". An input page is displayed wherein the following information will be entered by the user.

i. Company information:

Details of Company Name, Incorporation Number and date will be automatically generated from the system.

ii. Payment Details:

Select Bank Branch from the list, where fee will be deposited.

iii. Resolution Details:

Fill the details of the resolution as a result of which the decision for alteration in the object clause of memorandum of association took place. These include date of dispatch of notice, date of passing of Special Resolution and the reason for alteration.

iv. Members Details :

Fill details of total number of members, members present in the meeting, members voted for and against the motion and their share representation in the company

v. Meeting Address:

Fill details of address, City, Province and Postal Code of the venue where the general meeting took place at which the resolution for change of company name was passed.

vi. Signatory:

Enter details of signatory. Signatory could be Chief Executive or one of the Directors or Company Secretary.

vii. Press Continue Link:

By pressing Continue Link, Process Document Listing Page will be displayed, containing the following links:

a. Update Form Data:

Click link if you want to update the data. After updating data, press Continue link again. Process Document Listing Page will be displayed again.

b. View Form 26:

System automatically fills out the Form using the data entered by you. You can view the Form by clicking on this link.

c. Fill New Attachment Form:

In this link, you can attach the required documents in PDF format. The size of the attachment should be of less than 2 MB. Attach the required document and click Save Form. The following documents are to be attached with the application:

- (1) Justification/reasons for the proposed alteration;
- (2) Copy of Special resolution on Form-26;
- (3) Copy of Minutes of Meeting
- (4) Copy of Existing Memorandum of Association
- (5) Comparative statement showing the existing provision and the provision as would appear after the proposed alteration
- (6) Amended Memorandum and Articles of Association
- (7) Patter of holding of shares on prescribed form 34
- (8) Copy(ies) of NOC(s) from creditor(s)
- (9) NOC of the respective regulatory authority (in case of special nature business company)
- (10) Objections of dissenting shareholders/creditors

- (11) Names and addresses of interested parties likely to be affected by proposed amendment
- (12) A copy of the latest balance sheet
- (13) Authority Letter in favour of the consultant, if any.
- (14) Clippings of Urdu and English newspapers (in case of a Listed Company only)

d. Fill Bank Challan Form:

Click link and Bank Challan will be displayed. Bank Challan is automatically populated with prescribed fee and other information by the eServices application.

Press “*Save Form button*” to save challan.

e. Sign Form:

By clicking Sign Form, the digital Signature Pad window will appear. Form is signed using the digital certificates. Digital Certificates are obtained from the NIFT (www.niftetrust.com). Select all the options available Under “Select for Signature” Column. Now, select the correct Digital Signature from the dropdown menu. Press “Sign” button.

Persons competent to sign the application

The Chief Executive or director or secretary of the company, if authorized by the board, may sign or digitally sign in case of online submission, the application and all its enclosures, with the affidavit that the contents of the application and its enclosures are true and correct.

After you press Sign button, click “Submit to SECP” button. All the documents will be submitted to the SECP and a process reference number will be generated and displayed.

Step 3 - Printing of challan and deposit of fee

- i. Click “submitted process” button on the left hand side of the screen.
- ii. Click “*challan form*” link for printing the challan.
- iii. Click print form button. Four copies namely “original, bank copy, SECP copy and depositor copy” shall be automatically printed. The fee shall be deposited in the Bank branch selected by the applicant from the branches of MCB Bank Limited. The bank shall retain the SECP and bank copies and return original and depositor copy to the depositor.

The process will be initiated as soon as the SECP receives the verification of deposit of fee from the Bank.

User will get the response by receiving an email notifying approval, rejection or seeking compliance.

CHAPTER 4

Post Submission procedure

This part of guide explains the post submission procedure i.e issuance of order by the competent authority, filing of certified copy of order by the company and the issuance of filing certificate by the registrar.

Confirmation of alteration by the Commission (powers now delegated to the registrar concerned)

The Commission (powers now delegated to the registrar concerned) may make an order confirming the alteration either wholly or in part, and on such terms and conditions as it thinks fit.

Procedure on confirmation of the alteration.- (only for Offline submission)

A certified copy of the order confirming the alteration, together with a printed copy of the memorandum as altered shall be filed by the company with the registrar within ninety days from the date of the order. This requirement is applicable only if the documents have been submitted in the physical form (Offline). The registrar shall register the same, and

issue an Acknowledge of filing, which shall be conclusive evidence that all the requirements of this Ordinance with respect to the alteration and the confirmation thereof have been complied with and thenceforth the memorandum so altered shall be the memorandum of the company.

The Commission may by order at any time extend the time for the filing of the aforesaid documents with the registrar section for such period as it thinks proper.

Effect of failure to register within ninety days.- (always for offline submission)

If the certified copy of order and other relevant documents are not filed with the registrar within 90 days from the date of order or within such further time, as may be allowed by the Commission (powers now delegated to the registrar concerned), as aforesaid the order becomes null and void.

Provided that the Commission (powers now delegated to the registrar concerned) 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.

ANNEXURE "A"

CHECK LIST

S. No.	Documents	No.	Yes
		x	√
1.	Have you filed Form 26 (only in case of physical submission).		
2.	Have you given all the information as required by Rule 3 of the Companies (General Provisions and Forms) Rules, 1985?		
3.	Have you enclosed copy of special Resolution on		

	Form-26?		
4.	Have you enclosed copy of Minutes of Meeting?		
5.	Have you enclosed Copy of Existing Memorandum of Association?		
6.	Have you enclosed Copy of Amended Memorandum of Association		
7.	Have you enclosed statement in comparative form showing existing and proposed provisions of Memorandum of Association?		
8.	Have you enclosed a copy of latest audited balance sheet?		
9.	Have you enclosed copy(ies) of NOC(s) from creditor(s)?		
10.	Have you enclosed pattern of holding of shares?		
11.	Have you enclosed Affidavit from the Chief Executive or Secretary?		
12.	Have you enclosed copy of Authority Letter in favor of consultant?		
13.	Have you enclosed Original paid Bank Challan of Rs. 10,000/- being application fee, in case of physical submission?		
14.	Have you deposited the fee Rs. 5,000/- being application fee, in case of online submission?		
15.	Have you enclosed Clippings of Urdu and English newspapers if you are a Listed Company?		
16.	Have you enclosed objections of dissenting shareholders/creditors?		
17.	Have you enclosed names and addresses of the persons whose interests likely to be affected by proposed amendment?		
18.	Are you filing petition within 60 days of passing of special resolution?		

ANNEXURE "B"

SCHEDULE OF FEE

Item	Fee for online submission	Fee for submission in physical form
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<i>Filing of Form 26</i>	600	1,500
Application fee	5,000	10,000
<i>Filing of copy of Order confirming alteration and amended copy of memorandum</i>	600	1,500

Further information

Statutory forms and guidance booklets are available, on SECP's website, <http://www.secp.gov.pk>. These Guides briefly describe procedures of important matters relating to the Ordinance and the rules and regulations made thereunder. For further details please consult relevant law, rules or contact with any of the Company Registration offices (CROs) of SECP as per addresses given hereunder:

1. Company Registration Office, 4th Floor, State Life Building No.2, <u>Karachi</u> . Phone: 021-99213272, Fax 021-99213279 Email: crokarachi@secp.gov.pk	2. Company Registration Office, 63-A, Nawa-i-Waqt Building, Abdali Road, <u>Multan</u> . Phone: 061-9200530 Fax 061-9200530 Email: cromultan@secp.gov.pk
3. Company Registration Office, 3rd & 4th Floors, Associated House, 7-Egerton Road, <u>Lahore</u> . Phone: 042- 99200274, Fax 042-99202044 Email: crolahore@secp.gov.pk	4. Company Registration Office, 356-A, Al-Jamil Plaza, 1st Floor, Peoples Colony, Small D Ground, <u>Faisalabad</u> . Phone: 041-9220284 Fax: 041-2899134 Email: crofsb@secp.gov.pk
5. Company Registration Office, State Life Building, 7-Blue Area, <u>Islamabad</u> Phone: 051-9208740, Fax 051-9206893 Email: croislamabad@secp.gov.pk	6. Company Registration Office, 382/3, (IDBP House), Shahr-e-Hali, <u>Quetta Cantt.</u> Ph: 081-2844136 Fax: 081- Email: croqta@qta.paknet.com.pk
7. Company Registration Office, 1st Floor, State Life Building, The Mall, <u>Peshawar Cantt.</u>	8. Company Registration Office, House # 28, Hamdard Housing Society,

Phone: 091-9213178, Fax 091-9213686
Email: cropeshawar@secp.gov.pk

Airport Road, Sukkur.
Ph: 071-5633757 Fax:
071-5630517
Email:
croskr@hotmail.com

PUBLIC CONSULTATION

If you have any suggestions for the development in the legal framework or otherwise, please let us know about your opinion/comments on the following address:

Executive Director (Registration) of Companies,
Securities and Exchange Commission of Pakistan,
NIC building, Jinnah Avenue, Blue Area,
Islamabad, Pakistan.

Comments can also be sent via electronic mail at the following address:

headquarters@secp.gov.pk

DISCLAIMER

The booklet has been published with the intention to create an awareness of the concept of the relevant matters. However, the booklet does not tell everything and the opinions or legal interpretations, contained in the booklet are circumstantial and may vary under different situations. If the reader is in doubt or dealing with any specific condition, it is recommended to refer to the Ordinance and allied laws and consult an adviser for seeking professional advice.

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6. Directors and Secretaries Guide
7. Company Mortgages and Charges
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9. Investors Guide (Vol.-II)
10. Investor's Guide for Lodging Complaints
11. Guide on Accounts and Accounting Reference Dates

12	Guidebook on Further Issue of Shares otherwise than Rights
13	Guidebook on Issue of Preference Shares
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17	Investigation into the affairs of a company
18	Foreign Companies Guide
19	Licensing & Registration of Associations Not-For-Profit
20	Guide for Appointment of Statutory Auditors and Ancillary Matters
21	Filing of Statutory Returns (note: it has been prepared, but its name is missing)