



PAKISTAN
STOCK EXCHANGE



SHAREHOLDERS' RIGHTS GUIDE

Pakistan Stock Exchange Limited (PSX) is issuing this 'Shareholder's Rights Guide' to educate the shareholders about their rights and obligations and guide investors on the significant provisions regarding their rights

DISCLAIMER: Shareholders should not construe this guide as comprehensive and interpretive of all applicable regulatory provisions. Shareholders are further advised in their own interests to read and understand the applicable laws, rules and regulations to obtain complete understanding of their rights.

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1. INTRODUCTION TO SHAREHOLDERS' RIGHTS:

The guide aims to create awareness amongst shareholders of their rights in order to ensure shareholders' participation in the affairs of the company they are in possession of, in compliance with the provisions of law. The shareholders are entitled to various provisions of the Companies Act, 2017.

The Companies Act, 2017 is an Act to reform and re-enact the law relating to companies and for matters connected therewith with an objective of regulating corporate entities for protecting the "interests of shareholders", among others.

The exercise of these rights is encouraged and lawful for shareholders. The sections below highlight shareholders' rights and their importance. Moreover, this guide also presents guidelines for investors in order for them to take prudent investment steps and decisions in sections further below in this document.

2. SCOPE OF SHAREHOLDERS' RIGHTS:

By purchasing a share in a company, a shareholder becomes a part owner of that company and is thereby entitled to certain rights under the Companies Act, 2017. These rights include, but are not limited to:

- Right to the offer of shares by the company at the time of further issue of shares
- Right to receive dividends
- Right to participate and vote in general meetings
- Right to elect and remove directors
- Right to contest election for the position of director
- Right to appoint auditors and fix their remuneration
- Right to receive residual assets post-winding up of a company
- Right to have various periodical reports
- Right to have access to certain information of the company

3. SHAREHOLDERS' RESPONSIBILITIES VIS A VIS GOVERNANCE OF COMPANY

Shareholders can use their right to vote at shareholders' meetings to elect the board of directors for managing the affairs of the company. Shareholders have the responsibility to oversee the conduct of the board of directors and utilize their voting rights through responsible and informed votes to safeguard their financial and company-related interests.

By using their voting rights effectively, shareholders can play a role in the governance of the corporation. Shareholders must keep a watchful eye on the affairs of the company to ensure that the management is performing its duties in accordance with provisions of the law and that the corporate governance practices meet high standards of accountability, transparency and fiduciary responsibility. Shareholders are to ensure that management performs their duties and functions in the best interest of the shareholders.

4. SHAREHOLDERS' RIGHTS EXPLAINED

4.1 HOLDING OF SHARES:

Shareholders of companies own a part of the company in terms of having share capital in the form of a scrip or other security. This share represents a part of the capital of the company which gives shareholders voting rights in the company as their name is entered in the register

of members. The liability of a shareholder is limited to the amount of his nominal share which means the only risk that a shareholder has in this regard is that of losing his initial outlay in case the company shuts down and winds up business.

4.2 RIGHT TO RECEIVE SHARE CERTIFICATES:

A shareholder has the right to receive share certificates within 30 days of the allotment of the shares of a company. Share certificates provide evidence of the ownership or title of the shares. [Section 71 of the Companies Act, 2017]

4.3 RIGHT TO RECEIVE DUPLICATE SHARE CERTIFICATES:

In case the original share certificates are lost, destroyed, defaced, mutilated or torn, shareholder has a right to apply to the company for issuance of duplicate copy of the share certificates. After enquiry into the facts of the matter, the company shall subject to such terms and conditions, if any, as it may consider necessary, issue the duplicate share certificates within 30 days of the date of the application from the shareholder [Section 73 of the Companies Act, 2017].

4.4 RIGHT TO TRANSFER OF SHARES:

An application for registration of transfer of shares and other transferable securities along with proper instrument of transfer duly stamped and executed by the transferor and the transferee may be made to the company either by the transferor or the transferee. The company shall, within 15 days after the application for the registration of the transfer of any such securities, complete the process and ensure delivery of the certificates to the transferee at his registered address and enter in its register of members the name of the transferee. [Section 74 of the Companies Act, 2017]

In case of conversion of physical shares and other transferable securities into book-entry form, the company shall, within ten days after an application is made for the registration of the transfer of any shares or other securities to a central depository, register such transfer in the name of the central depository. [Section 74 of the Companies Act, 2017]

In case the Board of the company refuses the transfer of shares notifying the defects or invalidity thereof to the transferee, a notice shall be communicated within a period of 15 days, 5 days in case transferee is a central depository, to the transferee notifying the defect or invalidity who shall, after the removal of such defect or invalidity, be entitled to re-lodge the transfer deed with the company. [Section 75 of the Companies Act, 2017]

Furthermore, shareholders have a right to make an appeal to the SECP (the "Commission") against refusal of transfer of shares by the company within 60 days of the date of refusal. The Commission may, if it deems fit, order the company to register the share transfer or transmission after giving reasonable notice and opportunity of hearing which is required to be implemented by company within 15 days. [Section 80 of the Companies Act, 2017]

4.5 FURTHER ISSUE OF SHARES BY THE COMPANY (RIGHTS ISSUE):

When a company issues further capital through Rights Issuance, a shareholder has a preemptive right to participate in the same. The company formally asks existing shareholders, through a letter of offer, if they want to purchase new shares in the company, in proportion of the existing shares held by each member, regardless of the class of shares. The said letter of offer specifies the number of shares offered to the member and a time not less than 15 days

but not exceeding 30 days, within which the offer if not accepted will be deemed to be declined. A member of the listed company, not interested to subscribe, may exercise the right to renounce the shares offered to him/ her in favour of any other person, before the date of expiry stated in the letter of offer. If the whole or any part of the shares offered is declined or is not subscribed, the directors may allot such shares in such manner as they may deem fit within a period of 30 days from the close of the offer. [Section 83 of the Companies Act, 2017]

4.6 RIGHT TO BE INFORMED ON AND APPROVE VARIATION OF SHAREHOLDERS' RIGHTS:

Variation of rights of shareholders, such as abrogation, revocation or enhancement of the rights of shareholders, are only affected by an amendment in the Articles of Association of the company regarding shareholders' rights, in the manner provided under Section 38 of the Companies Act, 2017. Not less than 10% of the class of shareholders aggrieved by the variation of rights can file petition before the High Court for an order cancelling the Resolution effecting the variation in the rights of shareholders, within 30 days of the passing of the Resolution [Section 59 of the Companies Act, 2017].

4.7 RIGHT TO SHARE IN THE PROFITS THROUGH DIVIDENDS:

Shareholders have a right to receive dividend that has been declared by the company. Interim dividend is to be declared by the board of the directors [Section 183(2)(k) of the Companies Act, 2017] whereas final dividend upon recommendation of the board of directors of the company is declared by the company in general meeting. No dividend shall exceed the amount recommended by the Board [Section 240 of the Companies Act, 2017].

Any dividend declared by a company must be paid to its registered shareholders or to their order within such period and in such manner as may be specified. Any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholders entitled to the payment of the dividend, as per their direction. In case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders [Section 242 of the Companies Act, 2017].

The chief executive of the company shall be responsible to make the payment of cash dividend within a period of fifteen working days from the date of declaration [Section 243 of the Companies Act, 2017].

4.8 HOLDING OF GENERAL MEETINGS:

(i) Holding of a Statutory Meeting [Section 131 of the Companies Act, 2017]:

Every public company having a share capital is required to, within a period of one hundred and eighty (180) days from the date at which the company is entitled to commence business or within nine (09) months from the date of its incorporation whichever is earlier, hold a general meeting of the members of the company, to be called the "statutory meeting". If first Annual General Meeting of a company is decided to be held earlier, no statutory meeting shall be required.

(ii) Holding of an Annual General Meeting [Section 132 of the Companies Act, 2017]:

Every company must hold an Annual General Meeting (AGM) once every year within sixteen (16) months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty (120) days following the close of its financial year. Shareholders of the company whose names are on the register have the

right to attend the AGM. Shareholders must be sent a notice of the AGM at least 21 days before the date of the meeting.

(iii) Calling of an Extra-ordinary General Meeting [Section 133 of the Companies Act, 2017]:

All general meetings of a company other than the AGM and the Statutory Meeting are called Extra-ordinary General Meeting (EOGM). The board may at any time call an extra-ordinary general meeting of the company to consider any matter which requires the approval of the company in a general meeting.

The Board shall proceed to call an EOGM at the requisition made by the members in case of a company having share capital, representing not less than one-tenth of the total voting power as on the date of deposit of requisition, and in case of a company not having share capital, not less than one-tenth of the total members.

If the directors do not proceed to cause a meeting within 21 days from the date on which the requisition is submitted, the shareholders may themselves call the meeting which is required to be held within ninety days of the date of requisition and claim back their expenses.

Notice of EOGM must be sent to the members at least 21 days before the date of the meeting and shall be served to the members in the manner provided for section 55 of the Act. Provided that in case of a company other than listed, if all the members entitled to attend and vote at any extraordinary general meeting so agree, a meeting may be held at a shorter notice [Section 133(8) of the Companies Act, 2017].

4.9 RIGHT TO RECEIVE NOTICE AND PARTICIPATION IN COMPANY'S GENERAL MEETINGS BY SHAREHOLDERS:

Companies should inform shareholders about the rules, including voting procedures, governing general meetings. Shareholders should be given sufficient and timely information about the date, location, and agenda including the issues to be decided at the meeting. A Notice specifying the day, time and venue of the general meeting and a statement of the business to be transacted with all material facts, is to be sent to every member of the company at least 21 days before the meeting. A statement setting out all material facts concerning any business other than ordinary business to be conducted at the general meeting, including in particular the nature and extent of any director's interest in the same, is to be clearly stated in the Notice. Such Notice is to be sent to the shareholders, SECP and also published in English and Urdu languages at least in one issue each of a daily newspaper of respective language having nationwide circulation. [Section 132 of the Companies Act, 2017]

Members of a company may participate in the meeting personally, through video-link or by proxy [Section 134(4) of the Companies Act, 2017].

4.10 PLACING ITEMS ON THE AGENDA OF A MEETING:

A copy of draft resolutions to be placed in a company's general meeting other than routine and procedural resolutions is required to be sent to each member along with the Notice of the meeting. The members having not less than 5% shares of the voting rights can also propose a resolution and submit it to the company.

In case of a meeting requisitioned by the members, the draft resolution is forwarded in order to reach the company, along with the requisition and in case of any other meeting at least 10 days prior to the meeting. [Section 140 of the Companies Act, 2017].

4.11 PASSING OF ORDINARY RESOLUTION AT A COMPANY'S GENERAL MEETING:

The "ordinary resolution" means a resolution passed by a simple majority of such members of the company entitled to vote as are present in person or by proxy or exercise the option to vote through postal ballot, as provided in the articles or as may be specified, at a general meeting. [Section 2(46) of the Companies Act, 2017]

Matters that can be resolved through passing of Ordinary Resolution [Section 134(2) of the Companies Act, 2017]:

- (i) the consideration of financial statements and the reports of the board and auditors;
- (ii) the declaration of any dividend;
- (iii) the election and appointment of directors in place of those retiring; and
- (iv) the appointment of the auditors and fixation of their remuneration.

4.12 PASSING OF SPECIAL RESOLUTIONS AT A COMPANY'S GENERAL MEETING:

The "special resolution" is a resolution which is passed by majority of not less than 3/4^{ths} of such members entitled to vote as are present in person or by proxy or vote through postal ballot or e-voting at a general meeting and a 21 days prior Notice of which has been sent to all shareholders, specifying the intention to propose a special resolution. [Section 2(66) of the Companies Act, 2017].

Some of the matters that can be resolved through passing of Special Resolution:

- (i) Change of name by a company [Section 12 of the Companies Act, 2017]
- (ii) Change of registered office of a company [Section 21 of the Companies Act, 2017]
- (iii) Alteration of Memorandum of Association [Section 32 of the Companies Act, 2017]
- (iv) Alteration of Articles of Association [Section 38 of the Companies Act, 2017]
- (v) Conversion of public company into private company and vice-versa [Section 46 of the Companies Act, 2017]
- (vi) Conversion of status of private company into a single-member company [Section 47 of the Companies Act, 2017]
- (vii) Conversion of status of unlimited company as limited company and vice-versa [Section 48 of the Companies Act, 2017]
- (viii) Conversion of a company limited by guarantee to a company limited by shares and vice-versa [Section 49 of the Companies Act, 2017]
- (ix) Issue shares at a discount [Section 82 of the Companies Act, 2017]
- (x) Further issue of capital [Section 83 of the Companies Act, 2017]
- (xi) Issue employees' stock options [Section 83A of the Companies Act, 2017]
- (xii) Alter the share capital [Section 85 of the Companies Act, 2017]
- (xiii) Purchase of, or subscription for shares for the benefit of employees through provision by a company of money in accordance with a scheme approved by company [Section 86(3)(b) of the Companies Act, 2017]
- (xiv) Purchase of own shares of company [Section 88 of the Companies Act, 2017]
- (xv) Reduction of share capital [Section 89 of the Companies Act, 2017]
- (xvi) Making liability of directors unlimited in case of a limited company [Section 99 of the of the Companies Act, 2017]

- (xvii) Removal of chief executive by special resolution [Section 190 of the Companies Act, 2017]
- (xviii) Investments in associated companies and undertaking [Section 199 of the Companies Act, 2017]
- (xix) Related party transactions where majority of directors are interested [Section 208 of the Companies Act, 2017]
- (xx) Removal of auditors [Section 246(5) of the Companies Act, 2017]
- (xxi) Investigation of company's affairs [Section 257 of the Companies Act, 2017]
- (xxii) Winding-up of a company by the Court [Section 301 of the Companies Act, 2017]
- (xxiii) Voluntary winding-up of a company [Section 347 of the Companies Act, 2017]

Every special resolution passed by a company shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by a director or secretary of the company. A copy of every special resolution is required to be forwarded to any shareholder on his request on payment of the amount as prescribed by the company. [Section 150 of the Companies Act, 2017]

4.13 RIGHT TO SEEK COURT DECLARATION TO INVALIDATE THE PROCEEDINGS OF A GENERAL MEETING:

Members having at least 10% of the voting powers in the company may file for a petition in Court within thirty days of a meeting whereby any material defect or omission in the Notice or irregularity in the proceedings of a general meeting which prevented members from using their rights effectively is observed. The Court may declare the proceedings of such a meeting as invalid and direct holding of a fresh general meeting. [Section 136 of the Companies Act, 2017]

4.14 RIGHTS OF VOTING OF SHAREHOLDERS:

Shareholders are asked by the company to vote on important matters which affect the company. Shareholders should carefully consider the decision to benefit from exercising their voting rights.

Every shareholder has votes proportionate to the paid-up value of shares carrying voting rights held by him/ her in accordance with the entitlement of the class of such shares. However, at the voting through show of hands, every member present for the time being, has one vote.

No member holding shares carrying voting rights shall be debarred from casting his vote nor shall anything contained in the articles have the effect of so debaring him. [Section 134(7) of the Companies Act, 2017]

4.15 RIGHT TO APPOINT THE PROXY:

Shareholders on a poll can cast their votes either personally or through video-link or by proxy or through postal ballot in a manner and subject to the conditions as may be specified. [Section 134(9) of the Companies Act, 2017]

A proxy shall have the same rights of attending and voting at a meeting as a shareholder. A shareholder cannot appoint more than one proxy for any meeting. A proxy must be a shareholder unless the articles of a company provides for no such binding.

The Notice of a meeting must specify the shareholder's right to vote through e-voting or appoint a proxy and the rights of such a proxy as to the attendance and voting at a meeting. A proxy

form must accompany such Notice of the meeting. [Section 137 of the Companies Act, 2017 and Companies (Postal Ballot) Regulations, 2018]

Every shareholder having voting rights has a right to inspect all proxies submitted with the company within business office hours of the company. [Section 137(8) of the Companies Act, 2017]

4.16 RIGHT TO DEMAND A POLL ON ANY RESOLUTION:

Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion, and shall be ordered to be taken by him/ her on a demand made in that behalf by the members present in person or through video-link or by proxy, where allowed, and having not less than one-tenth of the total voting power.

The demand for a poll may be withdrawn at any time by the members who made the demand. [Section 143 of the Companies Act, 2017]

4.17 RIGHT TO REQUEST CERTIFIED COPY OF MINUTES OF ANY GENERAL MEETING:

Any member shall at any time after seven days from the meeting be entitled to be furnished, within seven days after he has made a request in that behalf to the company, with a certified copy of the minutes of any general meeting at such charge not exceeding the amount as may be fixed by the company. [Section 152(2) of the Companies Act, 2017]

4.18 RIGHT TO APPLY TO THE COMMISSION TO CALL OVERDUE GENERAL MEETINGS:

A member can apply to the Commission for direction to the company for holding an overdue general meeting if the company fails to hold its annual general meeting, statutory meeting or extraordinary general meeting within the prescribed period of time under the Ordinance. [Section 147 of the Companies Act, 2017]

4.19 RIGHT TO APPOINT AND REMOVE AUDITORS:

The directors appoint first auditor(s) within 90 days of incorporation, subject to certain provisions, who stands retired at the conclusion of the first AGM. However, if the directors fail to appoint first auditor(s), the Commission may, of its own motion or on an application made to it by the company or any of its members, direct to make good the default within such time as may be specified in the order. Thereafter, members at each AGM are to appoint the auditor(s).

A member or members having not less than ten percent shareholding of the company shall also be entitled to propose any auditor or auditors for appointment whose consent has been obtained by him/ her and a notice in this regard has been given to the company not less than seven days before the date of the annual general meeting. [Section 246 of the Companies Act, 2017]

The auditor(s)' remuneration is also fixed by the members in the general meeting or by the board or by the Commission, if the auditors are appointed by the board or the Commission, as the case may be. Members can remove the auditor(s) through passing a special resolution in a general meeting in accordance with the procedure prescribed. [Section 246 of the Companies Act, 2017]

4.20 RIGHT TO CONTEST FOR ELECTION TO THE BOARD OF DIRECTORS:

A member has the right to contest for election as a director of a company, subject to basic conditions for the office of directorship of the company. [Section 153 of the Companies Act, 2017].

4.21 VOTING IN SEPARATE CATEGORIES FOR FEMALE AND INDEPENDENT DIRECTORS IN THE ELECTION OF DIRECTORS.

It is mandatory that voting for the election of directors of the listed company shall be held separately for the following three categories i.e. female directors, independent directors and other directors [Section 154, 159 and 166 of the Companies Act, 2017].

The member on his/her discretion may cast the vote to any candidate in each category of female, independent and other directors contesting the election of directors.

The division of votes available to each member for a category shall be in proportion to the number of seats of directors under such category.

Any member who seeks to contest for election in the category of independent director or a female director, as the case may be whether retiring or otherwise, file with the company not later than fourteen days before the date of the meeting at which the elections are to be held, a notice of intention and select any one category in which he/she intends to contest for the election of director.

4.22 RIGHT TO ELECT AND REMOVE DIRECTORS:

Shareholders have a right to elect directors to run the business on their behalf and hold them accountable for their acts. The number and name of first directors are determined by the subscribers of the memorandum and their particulars are submitted to the SECP along with the documents for the incorporation of the company. This will hold true until the first AGM is held. Thereafter, subsequent directors are elected in the AGM of the company for a period of three years. [Section 161 of the Companies Act, 2017]

The shareholders may, if they so desire, remove a director by passing a resolution in a general meeting. [Section 163 of the Companies Act, 2017]

4.23 RIGHT TO APPLY TO THE COURT FOR DECLARATION OF ELECTION OF DIRECTORS AS INVALID:

The members having not less than 10 percent of the voting power in the company can make an application to the Court for declaring the election of any or all of the directors as invalid, within 30 days of the date of election of the said directors. [Section 160 of the Companies Act, 2017].

4.24 RIGHT TO RECEIVE OR OBTAIN COPIES OF FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT :

Any member of the company is entitled, on request and on payment of such fee as may be fixed by the company, to be provided with a copy of any financial statements and auditor's report. The copy must be provided within seven days after the request is received by the company. [Section 235 of the Companies Act, 2017]

All those persons who are entitled to receive Notice may request for such copies [Section 55 of the Companies Act, 2017].

4.25 RIGHT TO OBTAIN COPIES OF MEMORANDUM & ARTICLES OF ASSOCIATION:

Shareholders have a right to obtain the copies of the Memorandum & Articles of Association of the company on payment of a fixed amount, within 14 days of application for receipt of such copies. [Section 39 of the Companies Act, 2017]

4.26 RIGHT TO INSPECT COMPANY DOCUMENTS AND RETURNS:

The books or papers can be inspected by the shareholders under various provisions of the Companies Act, 2017 or authorization by the directors of the company in a general meeting. Various rights as such, as provided in the Companies Act, 2017 are as under:

- (i) Right to inspect the register of transfer of shares and other securities [Section 74(4) of the Companies Act, 2017].
- (ii) Right to inspect the copies of instruments creating mortgages and charges and company's register of mortgages. [Section 112(2) of the Companies Act, 2017].
- (iii) Right to inspect the Register and Index of Members and Debenture-holders [Section 124(1) of the Companies Act, 2017].
- (iv) Right to inspect the books containing the minutes of proceedings of the general meeting [Section 152(1) of the Companies Act, 2017].
- (v) Right to inspect the register of directors or officers of a company [Section 198(1) of the Companies Act, 2017].
- (vi) Right to inspect register of contracts or arrangements in which directors are interested [Section 209(3) of the Companies Act, 2017].
- (vii) Right to inspect contract of employment with directors [Section 210 of the Companies Act, 2017].
- (viii) Right to inspect the contract for the appointment of chief executive, whole time director or secretary, having directors' interest [Section 213(3) of the Companies Act, 2017].

4.27 RIGHT TO APPLY TO COURT FOR RECTIFICATION OF REGISTER OF MEMBERS:

In case of the following, the member or debenture holder of the company may apply to the Court for rectification of register:

- (i) The name of any person is fraudulently or without sufficient cause entered in or omitted from register; or
- (ii) Default is made or unnecessary delay takes place in entering or omitting the name of a member or debenture holder. [Section 126 of the Companies Act, 2017]

4.28 RIGHT TO APPLY FOR AN INVESTIGATION INTO THE AFFAIRS OF THE COMPANY:

The members holding not less than one tenth of the total voting powers may submit an application to the SECP for initiating an investigation into the affairs of the company. [Section 256 of the Companies Act, 2017]

4.29 RIGHT TO LODGE A COMPLAINT WITH THE REGISTRAR FOR PREVENTION OF OPPRESSION AND MISMANAGEMENT:

Any member or members holding not less than ten percent of the issued share capital of a company, or a creditor or creditors having interest equivalent in amount to not less than ten

percent of the paid up capital of the company, may lodge a complaint with the Court that the affairs of the company are being conducted or likely to be conducted in an unlawful or fraudulent manner or in a manner not provided in the memorandum or in a manner oppressive to members of prejudicial to public interest. The Commission or the registrar may also make an application to the Court by petition for an order, if required [Section 286 of the Companies Act, 2017].

4.30 RIGHT TO RESIDUAL ASSETS AT THE TIME OF CLOSING DOWN OF COMPANY:

Closing down of a company refers to the process whereby a company is shutting down and all the affairs of the company are wound up, all its assets are realized, its liabilities paid off and the balance, if any, is distributed to its shareholders in proportion to their holding in the company. A liquidator is appointed who takes control of the company, collects its debts and distributes any surplus amongst the members proportionate to their shareholding. It is basic right of the shareholders of a company to receive their share of the residual assets at the time of winding up in proportion to their holding in the company.

4.31 STATUS OF COMPANIES BEING WOUND UP:

A company being wound up shall continue to be a company for all purposes till its final dissolution in accordance with the provisions of the Companies Act, 2017 and, unless otherwise specified, all provisions and requirements of the Companies Act, 2017 relating to companies shall continue to apply after considering the necessary changes in the case of companies being wound up. [Section 387 of the Companies Act, 2017]

Moreover, from the date of commencement of the winding up of a company, the official liquidator or the liquidator shall be deemed to have taken the place of the board and chief executive of the company, as the case may be.

4.32 RIGHT OF JOINT-HOLDERS:

Joint shareholders have the following rights:

(i) **Participation in meetings:**

Notice may be given by the company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share. [Section 55(3) of the Companies Act, 2017]

(ii) **Voting:**

In case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy or through video-link shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose, seniority shall be determined by the order in which the names stand in the register of members [First Schedule, Table A: Companies Act, 2017].

(iii) **Dividends:**

If several persons are registered as joint-holders of any share, any one of them may give effectual receipt for any dividend payable on the share [First Schedule, Table A: Companies Act, 2017].

4.33 RIGHT TO FILE A WINDING UP PETITION:

If the company is conducting its business in a manner oppressive to the minority members or persons concerned with the formation or promotion of the company then it may be wound up by the Court [Section 301(g)(iii) of the Companies Act, 2017].