

**A Company set up Under Section 42 of the Companies Ordinance, 1984.  
Having Share Capital**

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Articles of Association

of

**PAKISTAN GEMS AND  
JEWELLERY DEVELOPMENT COMPANY**

**PRELIMINARY**

1. In these Articles, unless the context or the subject matter otherwise requires :-

- i. **“Attorney”** includes an attorney duly constituted or appointed under power of attorney or any other authority in writing.
- ii. **“BOD”** means Board of Directors of the Company as constituted under provisions of these presents.
- iii. **“Chief Executive Officer”** (CEO) means the Chief Executive Officer within the meaning of Section 2(6) of the Ordinance. He / She will be from the private sector and hold office as provided in the Ordinance.
- iv. **“Company”** means **Pakistan Gems and Jewellery Development Company**.
- v. **“Government”** includes the Government of Pakistan.
- vi. **“Legal advisor”** means an Advocate entitled to appear before any of the High Courts or the Supreme Court of Pakistan who shall be appointed by the CEO and approved by the BOD and includes a law firm.
- vii. **“Member”** means member of the Company whose name appears and / or is borne on the register of members.
- viii. **“Month”** means English calendar month.
- ix. **“Office”** means Registered Office of the Company.

- x. **“Ordinance”** means the Companies Ordinance, 1984 and every statutory modification thereof for the time being in force.
- xi. **“PIDC” means** Pakistan Industrial Development Corporation (Pvt) Limited.
- xii. **“Prescribed”** means as prescribed by BOD in bye-laws through resolution from time to time.
- xiii. **“Register”** means register of members to be kept pursuant to the Ordinance.
- xiv. **“Seal”** means common seal of the Company.
- xv. **“Secretary”** means any individual hired, to perform secretarial, administrative or other duties ordinarily performed by secretary of a company.
- xvi. **“Special resolution”** and ordinary resolution have the same meaning as assigned thereto respectively by the Ordinance.
- xvii. **“These presents”** means and include Articles of Association and any modification or alteration thereof.
- xviii. Written and in writing includes printing, lithography, type-writing, telex, tele-facsimile (fax) and other modes of representing or reproducing words in a visible form.
- xix. Words importing feminine gender include the masculine gender.
- xx. Words importing masculine gender include the feminine gender.
- xxi. Words importing persons include the bodies corporate and otherwise, firms, registered or un-registered associations, and governmental, non-governmental, semi-governmental organizations.
- xxii. Words importing plural number include the singular number.
- xxiii. Words importing singular number include the plural number.
- xxiv. Words of expressions in these presents shall, except where it is repugnant to the subject or context, bear the same meaning as in a standard English dictionary.

## **BUSINESS**

2. The business of the Company, its affairs and / or functions shall comprise of achieving objects given in the Memorandum and includes undertaking of all or any of the several objects, and any act, deed or thing done in pursuance thereof, ancillary and / or incidental thereto as expressed in, and authorized by the Memorandum of Association hereto annexed.

3. No business of the Company shall be commenced unless the requirements of Section 146 of the Ordinance are fulfilled and certificate of commencement of business in this regard is obtained. The minimum subscription for the purpose of commencement of business shall be Rupees One Million (Rs. 1,000,000/-).

### **SHARE CAPITAL**

4. The authorized share capital of the Company shall be Rs. 1,550,000,000/- (Rupees One Billion five hundred and Fifty Million only) out of which Rs. 150,000,000 (One hundred and fifty million only) shall be provided by PIDC and Rs. 1,400,000,000 (One Billion four hundred million only) shall be provided by the Government of Pakistan from PSDP Funds. The capital shall be divided into 155,000,000/- (One hundred fifty five Million) ordinary shares of Rs. 10/- (Rupees Ten only) each with powers to increase and reduce the Capital of the Company and to divide the shares in the capital for the time being into several classes and kinds in accordance with the provisions of the Companies Ordinance, 1984.

### **MEMBERSHIP**

5. The subscribers to these presents and the Memorandum of Association hereunto annexed shall be admitted to membership of the Company and subsequently to whom shares are allotted and whose names appear in the register, shall be members of the Company.

6. The Company, at its registered office, shall maintain Register of members clearly indicating their full names, addresses and occupations and every member shall sign the same. If a member changes his address, he shall forthwith notify his new address to the secretary who shall thereupon cause new address to be noted down in the register. However, where such member does not notify any change of address, the address appearing therein shall be deemed to be the correct address.

7. Subject to the foregoing and / or other provisions, membership of the Company shall be open to all persons / organizations / institutions.

8. The Company shall function notwithstanding any vacancy occurring in its BOD and no act, direction or proceeding thereof shall be rendered invalid merely by reason of such vacancy or any defect in appointment of any of its officers.

9.(i) The Chief Executive Officer (CEO), if he is a shareholder shall not be paid any remuneration.

(ii) The Non-Executive Directors on Board shall be paid amount/out of pocket expenses incurred for attending the meetings of the Board. The payment of amount/out of pocket expenses shall not be applicable for attending Committees Meetings and to representative of Directors. The Share holders shall determine the scale of amount/out of pocket expenses from time to time.

10. The members shall not be paid any remuneration or dividend.

## MEETINGS

11. The Company shall, within a period of not less than three months, not more than four months from the date at which the Company is entitled to commence business, hold a General Meeting of the members of the Company which shall be called "The statutory meeting". The statutory report of such meeting shall be forwarded to every member at least twenty one days before the date on which the meeting is held, in the manner laid down under Section 157 of the Ordinance.

12. The first Annual General Meeting shall be held within eighteen (18) months from the date of incorporation of the Company, at such time and place as may be determined by BOD, as prescribed by Section 158 of the Ordinance.

13. All extra ordinary General Meeting will be held as prescribed by Section 159 of the Ordinance.

14. All meetings of the Company will be governed by the provision of Section 160 of the Ordinance.

15. Subject to provisions of the Ordinance relating to special resolutions, at least twenty one days prior notice (exclusive of day on which the notice is served or deemed to be served, but inclusive of day on which the notice is given), specifying the place, day and hour of the meeting, and in case of special business, the general nature of such business, shall be given of every General Meeting whether annual or extraordinary to members in the manner in which notices are required to be served in accordance with the provisions contained herein below.

16. Any accidental omission to give notice or its non-receipt by any of the members shall not invalidate proceedings of meeting.

17. The quorum of General Meetings shall be not less than two members present personally who represent not less than twenty five percent 25% of the total voting power, either on their own account or as proxies. No business shall be transacted at any General Meeting unless the quorum is present at the commencement of business.

18. If within half an hour of the time appointed, the quorum is not present, the meeting if called on requisition of members, shall be dissolved. In any other case, it shall stand adjourned to same day in the next week at the same time and place, and if at the adjourned meeting, the quorum is not present within half an hour from the time appointed the meeting will proceed with the members present being not less than two.

19. The meeting will be chaired by a Director appointed by the board for that meeting.

20. The chairman of the meeting may, with consent of members of any meeting at which quorum is present (and shall if so directed by meeting), adjourn the same from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place. When a meeting is adjourned from ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or the business to be transacted at an adjourned meeting.

21. At any General Meeting, a resolution put to vote of the meeting shall be decided on show of hands unless a poll (before or on declaration of result of show of hands) demanded in accordance with provisions of the Ordinance and unless a poll is so demanded, a declaration by chairman of the meeting that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority and an entry to that effect in minutes book shall be conclusive evidence of the fact, without proof of the number or proportion of votes recorded in favor of or against such resolution.

22. If a poll is duly demanded, it shall be taken in such manner as the board shall direct in accordance with Section 168 of the Ordinance and the result of such poll shall be deemed to be resolution of the meeting at which it was demanded.

23. In the case of an equality of votes, whether on show of hands or on poll, the Chairman of the meeting at which show of hands takes place, or at which the poll is demanded, as the case may be, shall be entitled to a casting vote.

24. The demand of a poll shall not prevent continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

### **VOTES OF MEMBERS**

25. On show of hands and on poll, every member present in person shall have a vote according to share holding. Voting by proxy is allowed as envisaged under Section 161 of the Ordinance.

26. Any corporation or a body corporate which is member may by resolution of its Directors or other governing body, authorize such person as it thinks fit, to act as its representative at any meeting. The persons so authorized shall be entitled to exercise similar powers on behalf of corporation which he represents as that corporation could exercise if it were an individual present in person. A corporation or the body corporate, as the case may be, attending a meeting through such representative shall be deemed to be present at the meeting in person.

### **BOARD OF DIRECTORS (BOD)**

27. The subscribers of Memorandum of Association shall be the first Directors of the Company whose names are given below and hold office until election of Directors in the first Annual General Meeting subject to the provisions of Section 174 and 176 of the Ordinance.

1. Mr. Abdul Bari Khan
2. Mr. Shahab Anwar Khawaja
3. Sheikh Muhammad Mutiullah

28. (a) Subject to the provisions of Sections 178(5) and 183 of the Ordinance, the subsequent Board of Directors shall comprise of Sixteen (16) members, including CEO of the Company. PIDC, a company owned and controlled by the Federal Government, shall nominate the Directors on the Board which shall be as follows:-

(i) Eight (08) members shall be from Private Sector Stake Holders, three both from Jewellery and Gemstone sector. These (08) shall comprise of;

1. Two (2) from Sindh,
2. Two (2) from Punjab,
3. One (01) from Baluchistan,
4. One (01) from Khyber Pakhtoonkhwa,
5. One (01) from Gilgit Baltistan,

CEO, Pakistan Gems and Jewellery Development Company, shall also be a member of the Board.

(ii) Eight (08) shall be ex-officio Directors, namely;

1. Secretary, Ministry of Industries & Production,
2. Secretary, TDAP (Trade Development Authority of Pakistan),
3. CEO Small and Medium Enterprises Development Authority (SMEDA),
4. CEO of Pakistan Industrial Development Corporation (PIDC),
5. Secretary, Mines and Mineral Development Department (Government of Baluchistan),
6. Secretary, Mines and Mineral Development Department (Government of Khyber Pakhtoonkhwa),
7. Secretary, Mines Development, Industries, Commerce and Labour Department, (Government of Gilgit Baltistan)
8. Secretary, Industries, Commerce, Mineral Resources and Labour Department, (Government of Azad Jammu & Kashmir).

Provided that the Directors of the Company shall, subject to Section 174 and 178, fix the number of Directors of the Company.

Further provided that the term of office of a private sector member of BOD may be three (3) years or hold office during the pleasure of the Federal Government under Section 183(C) of the Ordinance.

(b) Any person, who is a loan defaulter, or is a sponsor of a company, which is in loan default, or otherwise ineligible to hold any such post under or by any law can not be member BOD.

(c) No person shall be elected or nominated as a Director of more than five Public Sector Companies and listed companies simultaneously, except their subsidiaries.

29. The business of the Company shall be managed by BOD, which shall determine direction and scope of activities thereof in accordance with the objects specified in Memorandum of Association. In particular and without prejudice to the foregoing, BOD shall perform the following functions and exercise powers.

- i. Issue debentures or participation term certificates or any other instrument in the nature of redeemable capital.
- ii. To borrow moneys otherwise than on debentures.
- iii. To invest the surplus funds of the Company.
- iv. To make loans for promotion of objects of the Company, however the Company shall not act as a banking company or financial institution.
- v. To authorize any of its Directors or any other officer of the Company to enter into any contract on behalf of the Company.
- vi. To approve annual or half yearly or periodical accounts.
- vii. To approve and grant increment / bonus to employees.
- viii. To incur capital expenditure or dispose of fixed assets.
- ix. To undertake obligations under leasing contracts.
- x. To determine terms of and the circumstances in which a law suit may be compromised and a claim or right in favor of the Company may be released, extinguished or relinquished to institute, conduct, defend or abandon any legal proceedings by or against the Company in consultation with the legal advisor and in pursuance thereof, to compound and / or allow time for payment or satisfaction of any debt due and / or any claim or demand by or against the Company.
- xi. To refer any claims or demands or any other dispute by or against the Company to arbitration and observe and perform the awards, in consultation with legal advisor.
- xii. To approve projects and assignments as well as providing technical assistance as may be mutually agreed upon.

- xiii. To establish by laws and service rules.
- xiv. To prepare and execute detailed plans and programs for the furtherance of objects of the Company.
- xv. To consider annual and supplementary budgets placed before it and pass them with such modification as may be deemed necessary for being submitted in Annual General Meeting.
- xvi. To prepare annual report and cause preparation of accounts.
- xvii. To create posts and appoint such staff as may be required for efficient management and regulate recruitment and terms and conditions of their services.
- xviii. To receive and to have custody of funds and resources, operate and manage properties of the Company.
- xix. To incur expenditure subject to provisions of the approved budget.
- xx. To enter for and on behalf of the Company into agreements including those containing arbitration clauses.
- xxi. To establish, maintain, amalgamate and / or close down offices of the Company.
- xxii. The Board may constitute following Five (5) committees i.e. Audit Committee, HR & Nomination Committee, Marketing & Exhibition Committee, Assaying & Hallmarking Committee, Finance & Procurement Committee and/or any other Committee as required by the Board. The member of each Committee will be both from Public and private sector Directors, to deal with any specific task as may be determined from time to time and to confirm appointment of legal advisor.

The Board committees shall be chaired by non- executive directors & majority of their members shall be independent. The CEO shall not be a member of Audit Committee.”
- xxiii. To oversee and inquire into the matters / functions and utilization of powers of the officers / employees / staff of the Company and hold him / them accountable.
- xxiv. To impose and recover fees and charges for the services rendered, and
- xxv. To create a reserve and or / sinking fund.



30. The term of office of a member of BOD shall be three (03) years, unless he resigns earlier or becomes disqualified from being Director or otherwise ceases to hold office. No member of BOD shall serve for more than two (02) consecutive terms except ex officio members.

31. No action or decision by BOD shall be rendered invalid or inoperative on account of any vacancy or vacancies in its composition.

32. The meeting of BOD shall be held in the following manner.

- (a) Once in each quarter of year to be called by notice under signature of secretary.
- (b) All meetings shall be presided by Chairman and in his absence, any one of the Directors present may be elected to be the Chairman of that meeting.
- (c) Minutes of meetings shall be recorded by secretary or in his absence by member of BOD, appointed by the presiding officer. The minutes shall be duly approved or corrected at the following regular meeting and filed in the permanent record.

33. Every notice calling for meeting of BOD shall state in writing the date, time and place of meeting and be sent to every member ordinarily seven clear days before the day appointed for the meeting.

34. Any inadvertent omission to give notice or non-receipt or late receipt thereof by any member shall not invalidate the proceedings of meeting.

35. At least 1 / 3<sup>rd</sup> of the total members of BOD shall constitute quorum provided that out of which at least two shall be from private sector.

36. Each member of BOD shall have one vote. All questions at meetings of BOD shall be determined by votes, the presiding officer shall have the casting vote.

37. Any business which BOD may consider necessary to perform except such as may be required to be placed before General Meeting, may be performed by resolution, in writing, circulated among all members, and any such resolution so circulated and approved by majority of members and signed by all shall be as effectual and binding as if a resolution has been passed at a meeting of BOD.

38. The proceeding of meeting of BOD and resolution passed by circulation shall be recorded in the book maintained for this purpose.

39. BOD may by resolution delegate such administrative, financial and other powers to the CEO, subject to the condition that action taken by him under powers so delegated, shall have to be confirmed and/or ratified at the next meeting of BOD.

### **THE CHIEF EXECUTIVE OFFICER (CEO)**

40. The CEO shall be appointed as such by the majority of the BOD in its first meeting and hold office for a period of three (3) years. The procedure for subsequent appointments shall be regulated in accordance with Sections 198 and 199 of the Ordinance in consultation with the holding Company i.e. PIDC.

41. On expiry of his term of office under Section 198 or Section 199(1) of the Ordinance, the CEO shall be eligible for reappointment. The retiring CEO shall continue to perform functions until his successor is appointed.

42. The CEO shall exercise general control over the Company and shall exercise *inter alia*, the following powers, in accordance with the rules enacted by BOD:

- i. to appoint and to remove or suspend managers / officers or any other employees as deemed necessary, to determine their powers, duties and fix salaries or emoluments and to require security in such instances and to such amount as deemed necessary ;
- ii. to contract out operational and management functions as and when required to reputable firms or companies ;
- iii. to execute contracts and enter into transactions on behalf of the Company ;
- iv. to implement directions / instructions of the Board ;
- v. to properly administer the affairs, funds and resources of the Company ;
- vi. to make, draw, endorse, sign, accept, negotiate and give cheques, bills of lading, drafts, orders, bills of exchange, promissory notes and other negotiable instruments above Rupees One Million jointly with any other officer as nominated by BOD for the said purpose ;
- vii. to take any other decisions deemed expedient for achieving objects of the Company ;
- viii. to institute, conduct, defend or abandon any legal proceedings by or against the Company and / or to refer any claims / demands / disputes for arbitration thereon under instructions and in accordance with terms and conditions set out by the Board ;
- ix. to coordinate and exercise general supervision over all activities of the Company and keep the Board informed thereof ; and
- x. Any other task as may be delegated by the Board.

### **REMOVAL OF CEO**

43. The BOD of the Company by resolution passed by not less than three-fourth of the total number of Directors for the time being, or the Company by a special resolution may remove a CEO before the expiration of his term of office notwithstanding anything contained in the articles or in any agreement between the Company and such CEO.

### **THE CHAIRMAN**

44. i. The Directors shall elect the Chairman in their first meeting who shall hold office till the holding of the first Annual General Meeting. The subsequent Chairman shall be elected by the Directors who shall hold office for a period of 3 years unless he earlier resigns, becomes disqualified, is removed by the Directors or otherwise ceases to hold office. He shall be from Private Sector. The Chairman shall be eligible for re-appointment
- ii. Every meeting of the Company shall be presided by the Chairman.
- iii. If at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, any one of the Directors present may be elected to be Chairman of that meeting.

### **COMPANY SECRETARY**

45. The Secretary shall be appointed on such terms and conditions as approved by BOD.

### **RESOURCES OF THE COMPANY**

46. The resources of the Company shall consist of the following.
- i. Funds / grants provided by the Government and PIDC.
- ii. Moneys received through sale and / or short or long-term lease of plots.
- iii. Fees, charges and / or royalty(ies) imposed for the services rendered, and products provided.
- iv. Income and receipt from other sources.
47. All properties of the Company, moveable or immovable, shall vest in the Company and administered on its behalf, by the CEO, within parameters set in General Meeting or otherwise as directed by the CEO, within parameters set in General Meeting or otherwise as directed by BOD.

48. The Company may purchase, hire, lease, exchange or otherwise acquire property, moveable or immovable, tangible or intangible (including copyrights, patents and intellectual properties) which may be necessary or convenient for the purposes thereof and construct, alter and / or maintain such assets, buildings and works as may be deemed necessary.

49. The income and property(ies), however derived, shall be applied towards promotion and furtherance of the objects as set forth in the Memorandum of Association hereto annexed. Save as otherwise provided, no portion of the income and property shall be paid or transferred directly or indirectly by way of dividend, or by way of profits to persons who at any time are or have been members or to any person claiming through them provided that nothing herein shall prevent payment in good faith any remuneration to any employee or other person, not being member, in return for services rendered to the Company or for traveling allowance, and other similar out of pocket expenses.

50. (a) All funds shall be paid into the Company's accounts with banks of the Company and shall not be withdrawn except by cheque signed by authorized representatives in accordance with the prescribed procedure.

(b) Unless otherwise authorized by BOD, no new account in name of the Company shall be opened.

### **THE SEAL**

51. The seal shall not be affixed to any instrument except by authority of a resolution of BOD and in presence of at least two members or such other persons as BOD may appoint for the purpose who shall sign every instrument to which the seal is affixed in their presence. The seal of the Company shall remain under the custody and control of CEO.

### **ACCOUNTS**

52. The Company shall cause to be kept proper books of account with respect to the following.

- i. All sums of money received and expended and the matters in respect of which the receipt and expenditure takes place.
- ii. All sales and purchases of goods by the Company.
- iii. All assets and liabilities of the Company.

53. The books of account shall be kept at the office or such other place a BOD shall think fit and open to inspection by members of BOD during business hours.

54. BOD shall, from time to time, determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers or any of them shall be open to inspection of members not being members of BOD and no members (to being a member of BOD) shall have any right of inspecting any such accounts and books or papers except as conferred by law or authorized by BOD or the Company in General Meeting.

55. BOD shall cause to be prepared and laid before General Meeting such profit and loss accounts or income and expenditure accounts and balance sheets duly audited and reports as are required by Sections 233 and 236 of the Ordinance.

56. A balance sheet, profit and loss account, income and expenditure account and other reports referred to supra shall be made out every year and presented before AGM, made up to date not more than four months before such meeting. The balance sheet and profit and loss account or income expenditure account shall be accompanied by a report of auditors and that of BOD.

57. A copy of the balance sheet, profit and loss account or income and expenditure account and reports of BOD and auditors shall, at least twenty one days prior to AGM be sent to members of the Company.

#### **AUDIT**

58. The Company at each AGM shall appoint auditors being chartered accounts to hold office until next AGM, provided that auditors appointed in the General Meeting may be removed before conclusion of the next AGM through special resolution.

59. The first auditors shall be appointed by BOD within sixty days of date of incorporation of the Company who shall hold office until the conclusion of first AGM.

60. Following person / firms shall not be appointed as auditors

- i. A person who is, or at any time during the preceding three years was, a Director, other officer or employee of the Company.
- ii. The spouse and / or child of a Director.
- iii. Any member of BOD or an officer of the Company, or a partner of or person in the employment of such member of BOD or officer or any person, indebted to the Company.
- iv. A body corporate.

- v. A person or his spouse or minor children, or in case of a firm, all partners of such firm who holds any shares of an audit client or any of its associated companies.
- vi. Any person who holds shares prior to his appointment, whether as an individual or a partner in a firm.
- vii. Any person / firm being disqualified for appointed of any other company which is subsidiary or holding or subsidiary of that holding company.
- viii. If any person after already appointed as an auditor becomes indebted to the Company, his appointment shall thereupon be terminated.
- ix. The first auditors may be removed prior to holding of first AGM by a special resolution.

61. If, after his appointment, an auditor becomes subject to any of the disqualifications specified supra, he / it (as the case may be) shall be deemed to have vacated his office as auditor with effect from the date on which he becomes so disqualified.

62. The remuneration of the auditors shall be fixed in General Meeting except that the remuneration of any auditors appointed before the first AGM or to fill any casual vacancy may be fixed by BOD.

63. Every auditors of the Company shall have right of access at all times to the books, assets and accounts and vouchers and shall be entitled to require from BOD and officers, such information and explanation as may be necessary for performance of his / their duties.

64. The auditors shall make a report to members, on the accounts examined by them, and on every balance-sheet, income and expenditure account laid before the Company in AGM, during their tenure office and the report shall state whether or not they have obtained required information and explanation and whether or not in their opinion the balance-sheet is in conformity with the law and whether or not such balance-sheet, and income and expenditure account, exhibit true and correct view of the state of the Company's affairs according to the best of their information and explanation given to them as shown by the books and whether or not in their opinion, the books of accounts have been kept as required by the Ordinance ; where any of the matters referred to herein above and answered in the negative or with a qualification, the report shall state the reasons for such answers and the report shall be attached to the balance-sheet, income and expenditure account and such report shall be read in AGM and shall be open to inspection by any member.

65. The auditors shall be entitled to attend any General Meeting and to receive all notices of, and any communications relating to General Meeting which any member of the Company is entitled to receive, and to be heard at any General Meeting which he attends on any part of the business which concerns him as an auditor.

66. The auditor's report shall be read in General Meeting and open to inspection by any member.

67. Every account when audited and approved by General Meeting shall be conclusive except as regards any error discovered within that period, the account shall forthwith be corrected and henceforth shall be conclusive.

### **NOTICE**

68. The Secretary may give a notice to any member either personally or by sending it by registered post to him at his address.

69. Where a notice is sent by registered post, service of the notice shall be effected by properly addressing, pre paying and posting a letter containing the notice and unless the contrary is proved, service of notice shall be deemed to have been effected at the time at which the letter would be delivered in the ordinary course of post.

70. Notice of every General Meeting shall be given in the manner described supra to every member.

### **INDEMNITY**

71. Every member of the Company and BOD, the CEO, or any other officer or employee shall be indemnified by the Company against all costs, losses which they may incur or become liable to pay by reason of any contract entered into or act or deed done by them in discharge of their duties in good faith and any loss occasioned by any error of judgment, damage or misfortune which may happen in execution of their duties in connection with affairs of the Company.

### **SECRECY**

72. Every Director, Secretary, Auditor, Trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall observe strict secrecy representing all transactions of the Company, and the state of account with individuals and in matters relating thereto and shall not reveal any of the matters which may come to his knowledge in discharge of his duties except when required so to do by the Directors or the Company in General Meeting or by a court of law, and except so far as may be necessary in order to comply with any of the provisions herein contained.

**SUPPLEMENTARY PROVISIONS RELATING TO TAX**

73. The Company shall abide by and adhere to the following rules :-
- i. The Company shall get its annual accounts audited from a firm of Chartered Accountants.
  - ii. The Company shall, in the event of its dissolution, after meeting all liabilities, transfer all its assets to an Institution, fund, trust, society or organization, which is an approved non-profit organization, and intimation of such transfer will be given to Commissioner, Central Board of Revenue, within three months of the dissolution.
  - iii. The Company shall utilize its money, property or income or any part thereof, solely for promoting its objects.
  - iv. The Company shall not pay or transfer any portion of its money, property or income, directly by way of dividend, bonus or profit, to any of its members(s) or the relative or relatives of member or members.
  - v. The Company shall maintain its banks accounts with a scheduled bank or in a post office or national saving organization, National Bank of Pakistan or national commercialized banks.
  - vi. The Company shall regularly maintain its books of accounts in accordance with generally accepted accounting principles and permit their inspection to the interested members of the public, without any hindrance, at all reasonable times.
  - vii. Without prejudice to the powers conferred on the Commission under Section 42 of the Companies Ordinance, 1984, the association shall not change its memorandum without approval of Commissioner, Income Tax, if it has been approved by him as a non-profit organization.
  - viii. The Company shall restrict the money validly set apart or not utilized to twenty five percent (25%) of the income including surplus worked out of amount of donations made to it. Provided that certificate will be provided to the Commissioner, Central Board of Revenue that the amounts so in excess of the said limit have been invested in Government Securities or any of mutual funds registered with Securities and Exchange Commission of Pakistan subject to the condition that such deposit / investment in or through the financial institution(s) shall not exceed  $1 / 3^{\text{rd}}$  of the surplus at the end of the year as mentioned.
74. The Company shall restrict the money validly set apart or not utilized to twenty five percent (25%) of the income including surplus worked out of amount of donations made to it. Provided that a certificate shall be provided to the commissioner,



Central Board of Revenue that the amounts so in excess of the said concerned department limit have been invested in Government Securities or in the financial institutions including NIT Units or any of mutual funds registered with State Bank of Pakistan or Securities and Exchange Commission of Pakistan subject to the condition that such deposit / investment in or through the financial institution(s) shall not exceed  $1 / 3^{\text{rd}}$  of the surplus at the end of the year as mentioned.

#### **AMENDMENT**

75. Subject to the provisions of this Ordinance and to the conditions contained in its memorandum, a company may by special resolution alter or add to its articles, and any alteration or addition so made shall be as valid as if originally contained in the articles, and be subject in like manner to alteration by special resolution.

Provided that, where such alteration effects the substantive rights or liabilities of members or of a class of members, it shall be carried out only if a majority of at least three-fourth of the members or of the class of members affected by such alteration, as the case may be, personally or through proxy vote for such alteration.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of these articles of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

S. No.	Name and Surname (present & former) in full (in Block Letters) & CNIC #	Father's/ Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Residential address in full	Number of shares taken by each subscriber	Signatures
1	Mr. ABDUL BARI KHAN 42000-0477733-1	DR. ABDUL MAJEED KAH	Pakistani	Chief Executive Officer/secretary Pakistan industrial Development Corporation Pvt Ltd	95/1, 7 <sup>th</sup> street off Khayaban-e- Rahat Phas VI DHA Karachi	1 (One)	-----
2	MR. SHAHAB ANWAR KHAWAJA 35202-3988191-5	MR. KABIR ALI KHAWAJA	Pakistani	Chief Executive officer Small & Medium Enterprise Development Authority	14-Golf Road, GOR1 Lahore	1 (One)	-----
3	SHIEK MUHAMMAD MATIULLAH 42301-9740197-1	SHEIKH MUHAMMAD ULLAH	Pakistani	Business (Proprietor of Nauratan Exports)	208-Gem & Jewellery Trade Center, Blenkin Street Saddar Karachi.	1 (One)	-----

Total number of shares taken 3 (Three)

Dated the 23<sup>rd</sup> day of June 2006

Witness to above signatures.

\_\_\_\_\_  
Signatures

Full Name, FEROZ AHMED

NIC Number, 4210-1680849-9

Father's/Husband's Name: HASSAN

Full Address: 1735/757 New Anjum Colony Baldia Town Karachi

Occupation: Employment