



THE COMPANIES ORDINANCE, 1984

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(PRIVATE COMPANY LIMITED BY SHARES)  
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Articles of Association

Of

**VALUE STOCK AND COMMODITIES**

**(PRIVATE) LIMITED**

**PRELIMINARY**

1. Subject as hereinafter provided, the regulations contained in Table "A" in the First Schedule to The Companies Ordinance, 1984, (hereinafter referred to as Table 'A') shall apply to the company so far as those are applicable to Private Companies, with the exception of the Regulations which are modified, altered or added hereunder.

**PRIVATE COMPANY**

2. The Company is a Private Company within the meaning of clause 28 of section 2(1) of the Companies Ordinance, 1984 and accordingly:
  - (a) No invitation shall be issued to the public to subscribe for any share, debentures or debenture-stock of the Company.
  - (b) The numbers of the members of the Company (exclusive of persons in the employment of the Company), shall be limited to fifty provided that for the purpose of this provision when two or more persons hold one or more shares in the company jointly they shall for the purposes of this be treated as single member; and
  - (c) The right to transfer shares of the Company is restricted in manner and to the extent hereinafter appearing.

**BUSINESS**

3. The company is entitled to commence business from the date of its incorporation.
4. The business of the company shall include all or any of the objects enumerated in the Memorandum of Association.



5. The business of the company shall be carried out at such place or places in the whole of Pakistan or elsewhere as the directors may deem proper or advisable from time to time.

## **CAPITAL**

6. The authorized share capital of the Company is Rs.150,000,000 (Rupees One Hundred Fifty Million only) divided into 150,000 ordinary shares of Rs. 1000 (Rupees One Thousand only ) each with powers to increase, reduce, consolidate, subdivide or otherwise re-organize the Share Capital of the Company.
7. The shares shall be under the control of the Board of Directors who may allot or otherwise dispose off the same to such persons, firms, corporation or corporations on such terms and conditions and at any such time as may be thought fit.
8. The shares in the capital of the Company may be allotted or issued in payment of any property, land, machinery or goods supplied or any services rendered to the Company or promotion or formation of the Company or conduct of its business and any shares so allotted may be issued as fully paid shares.

## **SHARES, TRANSFER AND TRANSMISSION**

9. Every person, whose name is entered as a member in the Register of Members shall without payment, be entitled to a certificate under the common seal of the Company specifying the shares held by several persons. The Company shall not be bound to issue more than one certificate and delivery of a share certificate to any one of several joint holders shall be sufficient delivery to all.
10. The directors may decline to register any transfer of shares to transferee of whom they do not approve and shall not be bound to show any reasons for exercising their discretion subject to the provisions of Section 77 and 78 of the Companies Ordinance, 1984.
11. No share can be mortgaged, pledged, sold, hypothecated, transferred or disposed of by any member to a non-member without the previous sanction of the Board of Directors.
12. The legal heirs, executors or administrators of a deceased holder shall be the only persons to be recognized by the directors as having title to the shares. In case of shares registered in the name of two or more holders, the survivors and the executors of the deceased shall be the only persons to be recognized by the company as having any title to the shares.

## **GENERAL MEETINGS**

13. The first Annual General meeting, shall be held within 18 months from the date of incorporation of the Company in accordance with the provisions of section 158, within eighteen months from the date of incorporation of the Company and thereafter once at least in every year and within a period of four months following the close of its



financial year and not more than fifteen months after the holding of its last preceding annual general meeting as may be determined by the directors. The directors may, whenever, they think fit, call an extra ordinary general meeting of the shareholders in terms of section 159 of the Companies Ordinance, 1984.

### **PROCEEDINGS AT GENERAL MEETING**

14. Twenty-One days' notice at least specifying the place, the day and the hour of meeting and, in case of special business, the general nature of such business, shall be given to the members in the manner provided in Table "A" but the accidental omission to give notice to or the non-receipt of such notice by the member shall not invalidate the proceedings of the General Meeting.
15. The Chief Executive, with the consent of a meeting at which quorum is present and shall if so directed by the meeting may adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **QUORUM**

16. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Two members, present in person, representing not less than twenty-five percent of the total voting power either on their own account or as proxies, shall form a Quorum for a General Meeting.

### **VOTES OF MEMBERS**

17. At any General Meeting a resolution put to the vote of the General Meeting shall be decided on a show of hands unless a poll is demanded, in accordance with the provisions of section 167 of the Companies Ordinance, 1984.
18. On a show of hands every member present shall have one vote and on poll, every member present in person or by proxy shall have one vote in respect of each share held by him.
19. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

### **CHAIRMAN**

20. The Directors may from time to time appoint one of their members to be the Chairman of the Company for a period not exceeding three years on such terms and conditions as they deem fit. The Chairman shall preside over the meetings of the Board of



Directors and members of the Company. In his absence, the Directors may elect one of them to preside over Board's / General Meetings. The question arising at the meeting of the Directors shall be decided by a majority of votes. In the case of equality of votes, the Chairman or the Director presiding over the meeting, as the case may be, shall have a casting vote.

### **CHIEF EXECUTIVE**

21. The first Chief Executive of the Company will be appointed by the Board of Directors within fifteen days from the date of incorporation of the Company who shall hold office till the First Annual General Meeting.

### **DIRECTORS**

22. Unless otherwise determined, the number of directors shall not be less than two. The following will be the first directors of the Company.

1. **Mr. KHURAM GULZAR**
2. **Mr. KAMRAN GULZAR**

23. The election of the Directors shall be held in accordance with the provisions of Section 178 of the Companies Ordinance, 1984.

24. The first Directors including the Chief Executive shall hold office up to the First Annual General Meeting in accordance with the provisions of the Companies Ordinance, 1984, unless any one of them resigns earlier or becomes disqualified for being Director or otherwise ceases to hold office.

25. A resolution for removing a Director shall not be deemed to have been passed if the number of votes against him is less than the number of votes that would have been necessary for the election of Directors at the immediately preceding annual election of Directors in the manner aforesaid but as provided under Section 181 of the Companies Ordinance, 1984.

26. The remuneration of Directors except regularly paid Chief Executive and full time working Directors shall, from time to time, be determined by the Board of Directors but it shall not exceed Rs. 500/- per meeting at which the Directors are present.

27. The Directors may sanction the payment of such additional sums as they may think fit to any Director for any special service he may render to the Company or be thought capable of rendering either by fixed sum or in any other form as may be determined by the Directors subject to the provisions of the Companies Ordinance, 1984.

28. The Director who resides out of station shall also be entitled to be paid such travelling and other expenses for attending the meeting for the Company as may be fixed by the Directors from time to time according to the provisions of the Companies Ordinance, 1984.

29. Any casual vacancy occurring on the Board of Directors shall be filled up in a



resolution by the Board of Directors and the person so appointed shall hold office for the remainder of the term of the directors in whose place he is appointed.

30. No Director shall be disqualified from his office by contracting with the Company either as vendor, purchaser or otherwise nor shall any Director be liable to account for any profit realised from any such contract or arrangement or the fiduciary relation thereby established, but the nature of his interest must be disclosed by him at the first meeting of the Directors after acquisition of his interest.

### **NOMINEE DIRECTOR**

31. In addition to the elected Directors, the Financial Institutions shall be entitled, during the currency of their respective loan(s) to the Company to appoint one person on the Board of Directors of the Company to be called Nominee Director and to recall and/or replace such a person from time to time. Such Nominee Director on the Board of Directors of the Company may not be holders of share(s) in the Capital of the Company and regulations and/or rules pertaining to the election, retirement, qualification and/or disqualification of Directors shall not apply to him.

### **NOTICES**

32. Notices for every meeting of the Board of Directors will be given in writing and there must be given a reasonable time in advance. The nature of the business to be transacted at an intended Board meeting will be specified in the notice.

### **MANAGEMENT**

33. The whole business and affairs of the company shall, subject to the control and supervision of the Board of Directors, be managed and controlled by the Chief Executive.
34. Subject to the limit fixed by the Directors, the Chief Executive may from time to time raise or borrow any sums of money for and on behalf of the Company from other companies, banks or financial institutions on such terms as may be approved by the Board of Directors from time to time.
35. Without prejudice to the powers conferred by these Articles, the Board of Directors shall have the following powers :-
  - (a) To take on lease, purchase, erect or otherwise acquire for the Company any assets, stocks, lands, buildings, property, rights or privileges which the Company is authorized to acquire at such price and on generally such terms and conditions as they think fit.
  - (b) To let, mortgage, sell, exchange or otherwise dispose of absolutely or conditionally all or any part of the assets, stocks, raw materials, properties, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they think fit.



- (c) To appoint any person or persons to be attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions and for such periods and subject to such conditions as they may, from time to time, think fit.
- (d) To enter into, carry out, rescind and vary all financial arrangements with any bank, person, company, firm or corporation or in connection with such arrangements to deposit, pledge or hypothecate property of the company or the documents representing or relating to the same.
- (e) To make and give receipts, release and discharge all moneys payable to the Company and for the claims and demands of the Company.
- (f) To compound or allow time to the payment or satisfaction of any debt due to or by the Company and any claims and demands by or against the Company and to refer claims or demands by or against the Company to arbitration and observe and perform the awards.
- (g) To institute, prosecute, compromise, withdraw or abandon any legal proceedings by or against the company or its affairs or otherwise concerning the affairs of the Company.
- (h) To raise and borrow money from time to time for the purposes of the Company, on the mortgage of its property or any part thereof and/or on any bond or debenture payable to bearer otherwise repayable in such a manner and generally upon such terms as they think fit
- (i) To open, operate and maintain bank/banks account(s) individually or jointly as the Board may authorize or to any other person on its behalf.

### **BORROWING POWERS**

- 36. The Directors may from time to time raise, borrow or secure the payment of any sums for the purpose of the company in such manner and upon such terms and conditions as they think fit and in particularly by the issue of debentures, debenture-stock or other securities charged upon all or any part of the property of the Company present or future.
- 37. Debentures, debenture-stock or other securities may be issued with any special privilege as to redemption, surrender, allotment of shares, attending and appointment of Directors or other privileges subject to any permission required by law.

### **THE SEAL**

- 38. The directors shall have a common seal and the Directors shall provide for the safe custody of the same. The seal shall not be applied on any instrument except by the



authority of the Board of Directors and in the presence of at least two Directors who shall sign every instrument to which the seal shall be affixed in their presence. Such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.

### **ACCOUNTS**

39. The directors shall cause to be kept proper books of account as required under section 230 of the Companies Ordinance, 1984.
40. The books of account shall be kept at the registered office of the company or at such other place as the directors shall think fit subject to the provisions Section 230 of the Companies Ordinance, 1984.

### **AUDIT**

41. Once at least in every year the accounts of the Company shall be audited and the correctness of the Balance Sheet shall be ascertained by one or more Auditors. The Auditors shall be appointed and their duties regulated in accordance with the provisions Section 252 to 255 of the Companies Ordinance, 1984.

### **INDEMNITY**

42. In connection with carrying on the business of the Company, the Chief Executive, every Director, or other officers of the company shall be indemnified by the Company for all losses and expenses occasioned by error of judgment or oversight on his part, unless the same happens through his own dishonesty or willful act and defaults.

### **SECRECY**

43. No member shall be entitled to visit and inspect the Books of the Company Without the permission of the Chief Executive or one of the Directors or to require discovery of any information regarding any detail of the Company's business or any matter which is or may be in the nature of trade secret, or secret process which may relate to the conduct of the Company's business and which in the opinion of the Directors, will not be in the interest of the members of the Company to communicate to the public.

### **ARBITRATION**

44. Whenever any difference arises between the company on the one hand and the members, their executors, administrators or assignees on the other hand, touching the intent or construction or the incidence or consequences of these present or of the statute or touching anything thereafter done, executed, omitted, or suffered in pursuance of these presents or otherwise relating to these presents, or to any statute affecting the Company, every such difference shall be referred for the decision of the arbitrator who will be qualified in Islamic law.



45. The cost incidental to any such reference and award shall be at the discretion of the arbitrator or umpire respectively who may determine the amount thereof and direct the same to be shared between the attorney and client or otherwise and may award by whom and in what manner the same shall be borne and paid.

#### **WINDING UP**

46. If the Company is wound up, whether voluntarily or otherwise the liquidator may, with the sanction of a special resolution, divide among the contributors in specie, any part of the assets and liabilities of the Company, subject to the Section 421 and other provisions of the Companies Ordinance, 1984 as may be applicable.

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We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company, in pursuance of this Articles of Association, and we respectively agree to take the number of shares in the capital of the company as set opposite to our names.

Name and Surname (Present & Former) In full (in block letters) And C.N.I.C. #	Father's Name (in Full)	Nationality with any former Nationality	Occupation	Residential Address (in Full)	Number of shares taken by each subscriber	Signatures
1. MR. KHURRAM GULZAR C.N.I.C.# 35202-4282657- 5	Gulzar Ahmad	Pakistani	Trading Business	House No.508/C, Faisal Town Lahore	5,000 Five Thousand	
2. MR. KAMRAN GULZAR C.N.I.C.# 35202-2809929-3	Gulzar Ahmad	Pakistani	Trading Business	House No.508/C, Faisal Town Lahore	5,000 Five Thousand	
				Total Number of Shares Taken	10,000 Ten Thousand	

Dated this.....21st....day of...March 2006

Signature.....

Witness to the above signatures :

Nationality : Pakistani

Full Name : IMRAN SAEED (FCA)

Occupation : Chartered Accountant

Father's Name: Muhammad Saeed

C.N.I.C. # 35202-9035267-5

Full Address : 2nd Floor, Suit No. 31,  
Sadiq Plaza, The Mall, LAHORE

