

Circular No. 7 - Reference No. 1(12)RCP/SEC/2000
Appointment of directors/chief executive in Modaraba Companies

May. 25, 2000

Attention is invited to section 6 and 11 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, under which registration of Modaraba companies is granted and floatation of Modarabas is authorized by Registrar Modaraba subject to such conditions as he may deem fit. Such conditions, inter alia, provide that no change can be made in the company's major shareholders and its directors/chief executive without prior approval of the Registrar.

2. It has been noticed that some of the Modaraba companies have changed their directors and the chief executive without prior approval of the Registrar Modaraba, in violation of the conditions of Registration and Authorization Certificates. Such a violation, apart from any other penal action likely to be taken against the management, may result in cancellation of Registration of Modaraba company and its removal from management of Modaraba floated by it.

3. All the Modaraba companies are, therefore, cautioned to abide by the conditions of Registration and Modaraba Authorization Certificate judiciously.

4. It may also be noted that, in future, incomplete applications for approval of change in the management shall not be considered by this office and in case any information/deficiencies/shortcomings as pointed out, are not supplied/removed within ten days of the issue of the letter, the matter shall be treated as having been closed. In order to facilitate the Modaraba companies, a [form containing all such information](#) in case of directors other than nominee directors, has been designed. The applications for change in directors/chief executive shall not be treated complete unless the information/documents as per [Form-I](#) annexed to this circular are furnished alongwith the documents. The form should be enclosed with the application and the information must be substantiated with documentary evidence.

5. It may be clarified that in case of nominee directors, their particulars need to be furnished on [Form-II](#) alongwith documents.

(Muhammad Ishaq Mallal)
Registrar Modaraba Companies and Modarabas

Distribution:

All Modaraba companies.