

## Holding of Annual General Meeting by Listed Companies

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Securities and Exchange Commission of Pakistan has observed that a large number of the listed companies are holding their annual general meetings either within the period of closure of share transfer books or on the last day of the books closure. As a result the statutory provisions of the Companies Ordinance, 1984 are not being followed.

2. Attention is invited to section 151 of the Companies Ordinance, 1984 (the Ordinance) which authorises a listed company to close the register of members, by giving not less than 7 days previous notice by advertisement in the newspapers. The period of the book closure for any time or times is not to exceed 45 days in a year and the period for one time closure is not to exceed 30 days. The objective of the books closure is to update the register of members for the purpose of determining the names of their shareholders for issuing notice of meeting and to distribute the dividend etc. Similarly section 158 of the Ordinance provides that notice of annual general meeting shall be sent to the shareholders at least 21 days before the date fixed for the meeting. Furthermore, section 233 of the Ordinance requires that every company shall send a copy of annual report and the audited accounts at least 21 days before the meeting at which the same are to be laid before the shareholders.

3. The above provisions of the law are not being followed in letter and spirit by large number of the listed companies. Practically the updated list of shareholders is available on the last day of books closure and notice of the meeting as well as the annual report and accounts are to be mailed on the basis of the updated list. Keeping in view the statutory requirement of 21 days, the annual general meeting can be held 21 days after the re-opening of the share transfer books.

4. All the listed companies are advised to adhere to the legal provisions of the law while sending the notices, annual report and accounts and holding of annual general meeting.

5. Respective Stock Exchange shall ensure compliance of the statutory requirements while clearing the date of annual general meeting of a company.

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Chief (Securities)