

Pattern of holding of the shares in the Central Depository System and rights of such shareholders.

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Circular No. 17

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Section 236 of the Companies Ordinance, 1984 provides that in the case of a public company, the directors report shall, in addition to other matters specified in that section, circulate with it information about the pattern of holding of the shares in form 34 prescribed under the Companies (General Provisions and Forms) Rules, 1985. Another mandatory requirement of the Company Law as contained in sections 158 and 233 *ibid* is that every company shall, besides the notice of the meeting, send a copy of the audited annual accounts alongwith a copy of the auditors report and directors report to the registered address of the every member of the company atleast twenty-one days before the date of the meeting. The aforesaid legal provisions equally apply to the companies which have entered the central depository system.

2. The following two lapses/omissions on the part of the listed companies which have been brought under the central depository system have been noticed:-

i) The pattern of the holding of the shares and the categories of shareholders are not reported in accordance with the requirements of form 34 and the Central Depository Company (CDC) is shown as a shareholder instead of the actual shareholders and the beneficial owners; and

ii) the notices of the meetings and the copies of the annual accounts are not circulated to all the members of the companies.

3. All the listed companies which have entered the central depository system are, therefore, directed to report the "pattern of the holding of shares" and "categories of shareholders" in a manner prescribed in form 34; and to circulate the notices of the meetings and copies of the annual and half yearly accounts to all the shareholders in accordance with the statutory provisions of sections 158 and 233 of the Companies Ordinance, 1984, on the basis of the list of shareholders provided by the Central Depository Company.

(M. Zafar-ul-Haq Hijazi)
Commissioner (E&M)

Distribution:-

Chief Executives of all listed companies.

Chief Executives of Stock Exchanges, Karachi/Lahore/Islamabad.

The Institute of Chartered Accountants of Pakistan, Karachi.

The Institute of Cost and Management Accountants of Pakistan, Karachi.

Press Information Department, Islamabad.

Associated Press of Pakistan.

All officers of SECP.