



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Company Law Division

No. CLD/D-II/51/2003

Islamabad, the April 14, 2004

CIRCULAR NO. 19 OF 2004

SUBJECT: Transmission of Quarterly Accounts by the Listed Companies

Section 245 of the Companies Ordinance, 1984 provides that every listed company shall, within one month of the close of the first, second and third quarter of its year of accounts; transmit to its members its accounts at the end of each quarter. The Commission has received proposals from few listed companies suggesting that sending periodical accounts to all the shareholders by mail is a costly and cumbersome exercise and the objective of the statutory provisions in the said Section 245 would be achieved if it is allowed to place quarterly accounts of companies on their website instead of transmitting the same to the shareholders by post. This would also ensure timely availability of the information to the shareholders and investors.

2. The Commission has examined the proposal having regard to the relevant statutory provisions and the rights of shareholders and after due consideration, it has been decided that a listed company may place its quarterly accounts on its website which will be treated compliance of the provisions of Section 245 of the Companies Ordinance, 1984 subject to fulfillment of the following conditions:

- (i) The companies intending to place the quarterly accounts on their website, instead of sending the same by post to the members, shall be required to seek the consent of its shareholders in a General Meeting and also to consult the respective stock exchanges.
- (ii) The companies shall be required to seek prior permission of the Commission for transmitting their quarterly accounts through their website. The application made by a company for this purpose shall indicate its website address and Enforcement Department would grant permission after visiting the website and finding it in order. The website address shall not be changed except with the approval of the Commission.
- (iii) The company, after obtaining the requisite permission, shall inform its shareholders through an advertisement in the Press that the subsequent quarterly accounts would be transmitted to them through the company website.



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- (iv) The respective Stock Exchanges and the Commission shall be informed in writing, by post.
- (v) The requirement of filing the prescribed number of copies of periodical accounts with the Commission and the Stock Exchange(s) by post, shall be fulfilled, in addition to the transmission of the same through the website of the Commission and the Stock Exchange(s).
- (vi) The listed companies shall supply the copies of the quarterly accounts to the shareholders, on demand, at their registered addresses free of cost, within one week of such demand.
- (vii) The companies shall also be required to transmit their periodical accounts electronically to the concerned stock exchange(s) so as to place the same on the their website.
- (viii) A group of companies under the same management may maintain a single website instead of having an independent website for each company. Such a website however, would display the link to each company at a prominent place on its website.
- (ix) The Enforcement Department would maintain a list of companies, who have been granted such permission, and this list would be placed on the SEC's website.
- (x) The listed companies shall also be required to intimate to the Commission through e-mail that quarterly accounts have been placed on their websites, on the due date.

(Imran Bashir)
Director (Enforcement)

Distribution:

1. Chief Executives of all listed companies
2. Managing Directors of Stock Exchanges, Karachi/Lahore/Islamabad
3. The President, the Institute of Chartered Accountants of Pakistan
4. The President, the Institute of Cost and Management Accountants of Pakistan
5. The Chairman, Leasing Association of Pakistan
6. The Chairman, Modaraba Association of Pakistan
7. The Chairman, Mutual Fund Association of Pakistan
8. Press Information Department, Islamabad
9. Associated Press of Pakistan
10. All officers of the Commission