

## Press Release

### Listed Companies Asked to Provide Adequate Information to Shareholders

**ISLAMABAD – December 26, 2005:** – The Securities and Exchange Commission of Pakistan (SECP) has directed listed companies to provide adequate information to shareholders in cases of disposal of complete undertakings or sizeable parts thereof.

Directors of companies are required under Section 196(3)(a) of the Companies Ordinance, 1984 to take consent of the shareholders in the general meeting before making a deal to sell, lease, or dispose of the undertakings, or their sizeable part, and to provide a statement of all material facts concerning the proposed sale or lease or disposal of assets.

It has been observed that listed companies, while proposing to sell the entire undertaking or parts thereof, do not make adequate and material disclosures to the shareholders. In addition, some companies have been seeking authorization for sale of entire undertakings without identifying their future course of action.

The SECP is of the view that the disclosure of information in the manner prescribed in the said notification would ensure that shareholders were making informed decisions and that the transactions were undertaken in a transparent manner to ensure compliance of the relevant provision of the Ordinance in its true spirit.

The notification No. S.R.O. 1227(I)/2005 dated December 12, 2005 is available on the SECP's website, [www.secp.gov.pk](http://www.secp.gov.pk)