



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Securities Market Division
Market Supervision and Capital Issues Department

No. SMD/CIW/Misc/19/2009

June 05, 2012

Circular No.18 of 2012

Subject: **Dividend Mandate under Section 250 of the Companies Ordinance, 1984**

Section 250 of the Companies Ordinance, 1984 allows the shareholders of a company to order the company to pay them cash dividend, if declared, through their respective banks. It has been observed that most of the shareholders are unaware of the said legal provision. In order to facilitate the shareholders and to encourage payment of dividend through direct credit in the shareholder's bank account an amendment has been made in the Form of Transfer Deed, provided in clause 9 of 1st Schedule to the Companies Ordinance, 1984, which is used for transfer of shares of companies. The revised Form of Transfer Deed will enable the transferees to receive cash dividend directly in their bank accounts, if such transferee provides particulars of its bank account which he/she/it desires to be used for credit of his cash dividend.

2. The Commission, therefore, through this circular being issued under section 506B of the Companies Ordinance, 1984 directs all the listed companies to:

- i. use the revised Transfer Deed in future; and
- ii. approach their shareholders to seek their option for dividend mandate as per the standardized letter attached herewith.


(Imran Inayat Butt)
Director/HOD (MS&CI)

Distribution:

- i. The Managing Director, Karachi Stock Exchange, Karachi
 - ii. The Managing Director, Lahore Stock Exchange, Lahore
 - iii. The Managing Director, Islamabad Stock Exchange, Islamabad
 - iv. The Executive Director, IS&TD, OE Division for placement on website of the Commission.
 - v. The Head of Department, Enforcement Department.
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 - vii. The Executive Director, PRDD, Specialized Companies Division.
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 - ix. Office Copy
- } For circulation to all the listed companies.
- } For information.