

Folio #
Name
F/H Name
Address:

(Company Name)
Mandatory Conversion of Physical Shares in Book-Entry Form

Dear Sir / Madam,

This is with reference to the compliance of Section 72 of the Companies Act, 2017 regarding conversion of all physical shares of companies in book-entry form, **whereby every company having share capital to have its shares in book-entry form only, from the date notified by the Commission. Further, every existing company is required to replace its physical shares with book-entry form. A period of four years is specified in the Act for implementation of this provision and the deadline will end on May 30, 2021.** A copy of follow-up letter File No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 written by the Securities and Exchange Commission of Pakistan (SECP) to all companies in this regard is enclosed herewith for your ready reference. According to above directives, all physical shares are to be converted in book entry form and kept by shareholders in their CDS Accounts. The key benefits of holding shares in book-entry form in CDS Account are as follows:

- i. Physical share certificates may be lost, stolen or spoilt and their duplicate issuance is very cumbersome activity.
- ii. Physical shares are not saleable in stock exchange and book-entry shares can instantly be traded/sold.
- iii. For transfer/sale of book-entry shares, there is no need of preparation and verification of transfer deeds.
- iv. Only book-entry shares can be pledged for any financing facility.
- v. Instant credit of bonus and right shares entitlements in CDS Accounts of shareholder who is holding shares in book-entry form.
- vi. Online access by you on book-entry shares kept in CDS Account for reviewing portfolio information and/or obtaining any statement/report, as and when required by you.

The CDS Account can be opened and maintained by any CDC Participant (Stock Broker or Financial Institution) or by any CDC Investor Account Services (CDC IAS) Department situated at Karachi, Lahore and Islamabad.

Following is the brief procedure for conversion of physical shares into book-entry form after opening of CDS Account:

- i. Fill the necessary columns of Transfer Deed (TD) form as attached, sign, attach valid CNIC copy of yourself & witnessing person and get it verified by respective Registrar before submission of physical shares for conversion.
- ii. If Transfer Deeds lying already verified with you, lodge physical share certificates and verified transfer deeds to your respective CDC Participant or CDC IAS Department.
- iii. Obtain prescribed Securities Deposit Form (SDF) from your respective CDC Participant or CDC IAS Department and fill, sign and submit with them.
- iv. Provide share transfer stamps of required amount (as transfer duty) to CDC Participant or CDC IAS Department.
- v. CDC Participant or CDC IAS Department will initiate deposit request in Central Depository System (CDS) and send all above mentioned shares and documents in physical form to us (as Company's Share Registrar).
- vi. We will check/process the lodged shares/documents and give approval of deposit request in CDS.
- vii. After approval by us, the deposited/converted shares will instantly be reflected in your CDS Account.

Feel free to contact us for any clarification, our contact details are given below:

[M/s. THK Associates \(Pvt.\) Limited, Plot No. 32-C, Jami Commercial Street # 2, D.H.A., Phase VII, Karachi. Customer Support Services Tel No. \(0092-21\) 111-000-322 Fax: \(0092-21\) 35310191 Email: sfc@thk.com.pk, Website: www.thk.com.pk](#)

We look forward for your contacting any CDC Participant or CDC IAS Department for opening of CDS Account and conversion of your all physical shares in book-entry form at your earliest:

Regards,

For THK Associates (Pvt.) Limited
Share Registrar: _____ (Company Name)

Encl. SECP Letter dated March 26, 2021 & TD Form

Note: The letter is system generated and does not require any signature.