

Circular No. 16 Reference No. EMD/D-II/31/2002
Submission of Quarterly Accounts by Listed Companies

December 11, 2002

Consequent upon the promulgation of the Companies (Amendment) Ordinance, 2002, certain clarifications are being sought by certain quarters from the Commission relating to amendment made in Section 245 of the Companies Ordinance, 1984 (the 'Ordinance') in the context of quarterly accounts. The queries have been considered and are clarified as under:

- (i) *The listed companies are now required to ensure that cumulative figures for the half year, presented in the 2nd Quarter accounts are subject to limited scope review by the statutory auditors. This is consistent with sub-regulation (xxi) of Regulation 37 of the KSE Listing Regulations. Such a review is not required for the 1st and 3rd Quarter accounts.*
- (ii) *The listed companies finding it difficult to circulate quarterly accounts to their shareholders may, in lieu thereof, publish quarterly accounts in two leading morning newspapers, one in English and the other in Urdu language, having circulation in the Province in which stock exchange on which the company is listed, is situate. Such publication of quarterly accounts would be considered sufficient compliance with law as regards transmission of quarterly accounts to the shareholders. Notwithstanding this option, the listed companies must file the quarterly accounts with the Commission, the Registrar and transmit the same to the concerned stock exchanges as required under Section 245 of the Ordinance as amended through the Companies (Amendment) Ordinance, 2002. Further, they will also provide a copy of quarterly reports free of cost to shareholders on demand, if any.*
- (iii) *The listed companies are not required to circulate their 4th Quarter accounts. However, the companies whose 4th Quarter closed before the promulgation of Companies (Amendment) Ordinance, 2002 on October 26, 2002 and which had not circulated their 4th quarter accounts within one month of their financial year, shall be required to circulate their annual audited accounts within three months of the close of their financial year to avail the exemption of non-circulation of their 4th Quarter accounts as was allowed through Commission's press release dated January 03, 2002.*
- (iv) *As regards authentication and contents of quarterly accounts, the provisions of sub-section (1) and (2) of Section 241 of the Ordinance and IAS 34 as notified vide SRO 33 (I)/2000 dated January 27, 2000 shall apply to these quarterly accounts.*

**(Ashfaq Ahmed
Khan)**
Director
(Enforcement)

Distribution

1. Chief Executives of all the Listed Companies.
2. Managing Directors of Stock Exchanges, Karachi/Lahore/Islamabad.
3. The Institute of Chartered Accountants of Pakistan, Karachi
4. The Institute of Cost and Management Accountants of Pakistan, Karachi
5. The Press Information Department, Islamabad.
6. Associated Press of Pakistan.
7. All Officers of the Commission.
8. The Media Coordinator, SEC, Islamabad.
9. All CROs.