

FOURTH SCHEDULE

(See Section 225)

(Amended vide S.R.O. 1169 (I)/2017 dated November 7th, 2017 and S.R.O. 888 (I)/ 2019 dated July 29th, 2019)

DISCLOSURE REQUIREMENTS AS TO FINANCIAL STATEMENTS OF LISTED COMPANIES AND THEIR SUBSIDIARIES

PART I

GENERAL REQUIREMENTS

I. All listed companies and their subsidiaries shall follow the International Financial Reporting Standards in regard to financial statements as are notified for the purpose in the official Gazette by the Commission, under section 225 of the Companies Act, 2017 (Act);

II. The disclosure requirements, as provided in this schedule, are applicable to the annual financial statements and are in addition to the disclosure requirements prescribed in International Financial Reporting Standards and shall be made in the notes to the accounts unless specifically required otherwise;

III. In addition to the information expressly required to be disclosed under the Act and this schedule, there shall be added such other information as may be considered necessary to ensure that required disclosure is not misleading.

IV. In this schedule, unless there is anything repugnant in the subject or context-

A. "capital reserve" includes:

- (i) share premium account;
- (ii) reserve created under any other law for the time being in force;
- (iii) reserve arising as a consequences of scheme of arrangement;
- (iv) profit prior to incorporation; and
- (v) any other reserve not regarded free for distribution by way of dividend

B. "executive" means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year;

C. "revenue reserve" means reserve that is normally regarded as available for distribution through the profit and loss account, including general reserves and other specific reserves created out of profit and un-appropriated or accumulated profits of previous years;

V. Any word or expression used herein but not defined in the Act shall have the same meaning as under the International Financial Reporting Standards;

VI. The following shall be disclosed in the financial statements, namely:—

1. General information about the company comprising the following:

- (i) Geographical location and address of all business units including Mills/plant;
- (ii) Particulars of company's immovable fixed assets, including location and area of land;
- (iii) The capacity of an industrial unit, actual production and the reasons for shortfall;
- (iv) Number of persons employed as on the date of financial statements and average number of employees during the year;
- (v) Names of associated companies or related parties or undertakings, with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of relationship describing common directorship and percentage of shareholding;

Explanation: Definition of related party as per International Financial Reporting Standards shall be considered for the disclosure requirements;

2. In respect of associated companies, subsidiaries, joint ventures or holding companies incorporated outside Pakistan, with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, following shall be separately disclosed;

- (i) Name of undertaking and country of incorporation;
- (ii) Basis of association; and
- (iii) Aggregate Percentage of shareholding, including shareholding through other companies or entities;
- (iv) *(deleted)*
- (v) *(deleted)*
- (vi) *(deleted)*

3. General nature of any credit facilities available to the company under any contract, other than trade credit available in the ordinary course of business, and not availed of at the date of the statement of financial position;

4. *(Clause deleted)*

5. *(Clause deleted)*

6. In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised shall be disclosed till full implementation of such plans;

7. *(Clause deleted)*.

8. In cases where company has given loans or advances or has made investments (both short term and long term) in foreign companies or undertakings following disclosures are required to be made:

- (i) Name of the company or undertaking along with jurisdiction where it is located;
- (ii) Name and address of beneficial owner of investee company, if any;
- (iii) Amount of loan/investment (both in local and foreign currency);
- (iv) Terms and conditions and period for which loans or advances or investments has been made;
- (v) Amount of return received;
- (vi) Details of all litigations against the Investee company in the foreign jurisdictions;
- (vii) Any default/breach relating to foreign loan or investment; and
- (viii) Gain or loss in case of disposals of foreign investments.

9. In cases where company has made export sales following disclosures are required to be made in respect of outstanding trade debts:

- (i) *(deleted)*
 - (ii) Name of company or undertaking in case of related party; and
 - (iii) Name of defaulting parties, relationship if any, and the default amount;
 - (iv) *(deleted)*
10. Shariah compliant companies and the companies listed on Islamic index shall disclose:
- (i) Loans/advances obtained as per Islamic mode;
 - (ii) Shariah compliant bank deposits/bank balances;
 - (iii) Profit earned from shariah compliant bank deposits/bank balances;
 - (iv) Revenue earned from a shariah compliant business segment;
 - (v) Gain/loss or dividend earned from shariah compliant investments;
 - (vi) Exchange gain earned;
 - (vii) Mark up paid on Islamic mode of financing;
 - (viii) Relationship with shariah compliant banks; and
 - (ix) Profits earned or interest paid on any conventional loan or advance.

PART II

REQUIREMENTS AS TO STATEMENT OF FINANCIAL POSITION

11. Following items shall be disclosed as separate line items on the face of the statement of financial position;
- (i) Revaluation surplus on property, plant and equipment;
 - (ii) Long term deposits and prepayments;
 - (iii) Unpaid dividend;
 - (iv) Unclaimed dividend; and
 - (v) Cash and bank balances.

Fixed Assets

12. Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed;

13. Land and building shall be distinguished between free-hold and leasehold;

14. Forced sale value shall be disclosed separately in case of revaluation of Property, Plant and Equipment or investment property.

15. In the case of sale of fixed assets, if the aggregate book value of assets exceeds five million rupees, following particulars of each asset, which has book value of five hundred thousand rupees or more shall be disclosed,—

- (i) cost or revalued amount, as the case may be;
- (ii) the book value;
- (iii) the sale price and the mode of disposal (e.g. by tender or negotiation);
- (iv) the particulars of the purchaser;
- (v) gain or loss; and
- (vi) relationship, if any of purchaser with Company or any of its directors.

Long Term Investments

16. *(Clause deleted)*

Long Term Loans And Advances

17. With regards to loans and advances to directors following shall be disclosed:

- (i) *(deleted)*
- (ii) the purposes for which loans or advances were made; and
- (iii) reconciliation of the carrying amount at the beginning and end of the period, showing disbursements and repayments;

18. In case of any loans or advances obtained/provided, at terms other than arm's length basis, reasons thereof shall be disclosed;

19. In respect of loans and advances to associates and related parties there shall be disclosed,—

- (i) the name of each associate and related party;
- (ii) the terms of loans and advances;
- (iii) the particulars of collateral security held, if any;
- (iv) the maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balances;
- (v) provisions for doubtful loans and advances; and
- (vi) loans and advances written off, if any.

Current Assets

20. In respect of debts/receivables from associates and related parties there shall be disclosed,—

- (i) the name of each associate and related party;
- (ii) the maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balances;
- (iii) receivables, that are either past due or impaired, along with age analysis distinguishing between trade debts, loans, advances and other receivables;
- (iv) debts written off as irrecoverable, distinguishing between trade debts and other receivables;
- (v) provisions for doubtful or bad debts distinguishing between trade debts, loans, advances and other receivables; and
- (vi) justification for reversal of provisions of doubtful debts, if any;

21. In respect of loans and advances, other than those to employees as per company's human resource policy or to the suppliers of goods or services, the name of the borrower and terms of repayment if the loan or advance exceeds rupees one million, together with the particulars of collateral security, if any, shall be disclosed separately;

22. Provision, if any, made for bad or doubtful loans and advances or for diminution in the value of or loss in respect of any asset shall be shown as a deduction from the gross amounts;

Share Capital And Reserves

23. Capital and Revenue reserves shall be clearly distinguished. Any reserve required to be maintained under the Act shall be separately disclosed. Any legal or other restrictions, on the ability of the company to distribute or otherwise, shall be disclosed for all kind of reserves maintained by the company;

24. In respect of issued share capital of a company following shall be disclosed separately:

- (i) shares allotted for consideration paid in cash;
- (ii) shares allotted for consideration other than cash, showing separately shares issued against property and others (to be specified);
- (iii) shares allotted as bonus shares; and
- (iv) treasury shares;

24 A. Discount on issue of shares shall be shown separately as a deduction from share capital in the statement of financial position and the statement of changes in equity;

25. Shareholder agreements for voting rights, board selection, rights of first refusal, and block voting shall be disclosed.

Non-Current Liabilities

26. Amount due to associated companies and related parties shall be disclosed separately;

Current Liabilities

27. Following items shall be disclosed as separate line items:

- (i) Payable to provident fund, contributory pension fund or any other contributory retirement fund;
- (ii) Deposits, accrued liabilities and advances;
- (iii) Loans from banking companies and other financial institutions, other than related parties;
- (iv) Loans and advances from related parties including sponsors and directors along with purpose and utilization of amounts; and
- (v) Loans and advances shall be classified as secured and unsecured.

28. In the case of provident fund, contributory pension fund or any other contributory retirement fund, maintained by the company a statement that, investments in collective investment

schemes, listed equity and listed debt securities out of aforementioned funds have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder;

29. In respect of security deposit payable, following shall be disclosed:

- (i) Bifurcation of amount received as security deposits for goods/services to be delivered/provided, into amounts utilizable for company business and others;
- (ii) Amount utilized for the purpose of the business from the security deposit in accordance with requirements of written agreements, in terms of section 217 of the Act; and
- (iii) Amount kept in separate bank account;

Contingencies And Commitments

30. In describing legal proceedings, under any court, agency or government authority, whether local or foreign, include name of the court, agency or authority in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis of the proceeding and the relief sought;

PART III

REQUIREMENTS AS TO STATEMENT OF PROFIT OR LOSS ACCOUNT

31. Following items shall be disclosed as deduction from turnover as separate line items:

- (i) trade discount; and
- (ii) sales and other taxes directly attributed to sales.

32. The aggregate amount of auditors' remuneration, showing separately fees, expenses and other remuneration for services rendered as auditors and for services rendered in any other capacity and stating the nature of such other services. In the case of joint auditors, the aforesaid information shall be shown separately for each of the joint auditors;

33. In case, donation to a single party exceeds 10 per cent of company's total amount of donation or Rs. 1 million, whichever is higher, name of donee(s) shall be disclosed and where any director or his spouse has interest in the donee(s), irrespective of the amount, names of such directors along with their interest shall be disclosed;

34. *(Clause deleted)*

35. Complete particulars of the aggregate amount charged by the company shall be disclosed separately for the directors, chief executive and executives together with the number of such directors and executives such as:

- (i) fees;
- (ii) managerial remuneration;
- (iii) commission or bonus, indicating the nature thereof;
- (iv) reimbursable expenses which are in the nature of a perquisite or benefit;
- (v) pension, gratuities, company's contribution to provident, superannuation and other staff funds, compensation for loss of office and in connection with retirement from office;
- (vi) other perquisites and benefits in cash or in kind stating their nature and, where practicable, their approximate money values; and
- (vii) amount for any other services rendered.

36. In case of royalties paid to companies/entities/individuals, following shall be disclosed:

- (i) Name and registered address; and
- (ii) Relationship with company or directors, if any.

FIFTH SCHEDULE

(See section 225)

(Amended vide S.R.O. 1169 (I)/2017 dated November 7th, 2017 and S.R.O. 888(I)/2019 dated July 29th, 2019)

DISCLOSURE REQUIREMENTS AS TO FINANCIAL STATEMENTS OF NON-LISTED COMPANIES AND THEIR SUBSIDIARIES

PART I

GENERAL REQUIREMENTS

I. The companies other than listed companies and their subsidiaries shall follow the applicable Financial Reporting Framework as defined in Third Schedule, in regards to financial statements as are notified for the purpose in the official Gazette by the Commission, under Section 225 of the Companies Act, 2017;

II. The disclosure requirements, as provided in this schedule, are in addition to the disclosure requirements prescribed in applicable Financial Reporting Framework and shall be made in the notes to the accounts unless specifically required otherwise;

III. In addition to the information expressly required to be disclosed under the Act and this schedule, there shall be added such other information as may be necessary to ensure that required disclosure is not misleading;

IV. Any word or expression used herein but not defined in the Act and/or Fourth Schedule shall have the same meaning as under the applicable Accounting Framework.

V. The following shall be disclosed in the financial statements namely:

1. General information about the company comprising the following:

- (i) geographical location of all business units including mills/plant;
- (ii) the capacity of an industrial unit, actual production and the reasons for shortfall;
- (iii) number of persons employed as on the date of financial statements and average number of employees during the year; and
- (iv) Names of associated companies or related parties or undertakings, with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of relationship describing common directorship and percentage of shareholding;

Explanation: Definition of related party as per Financial Reporting Framework shall be considered for the disclosure requirements;

2. In respect of associated companies, subsidiaries, joint ventures or holding companies incorporated outside Pakistan, with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, name of undertaking, registered address and country of incorporation shall be disclosed;

3. *(Clause deleted)*

4. *(Clause deleted)*

5. In cases, where company has given loans or advances or has made investments (both short term and long term) in foreign companies or undertakings, name of the company or undertaking along with jurisdiction where it is located shall be disclosed.

PART II

REQUIREMENTS AS TO STATEMENT OF FINANCIAL POSITION

6. Following items shall be disclosed as separate line items on the face of the statement of financial position;

- (i) revaluation surplus on property, plant & equipment;
- (ii) long term deposits and prepayment;
- (iii) unpaid dividend;
- (iv) unclaimed dividend; and
- (v) cash and bank balances.

Fixed Assets

7. Where any property or asset acquired with the funds of the company, is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed;

8. Land and building shall be distinguished between freehold and leasehold.

9. Forced sale value shall be disclosed separately in case of revaluation of property, plant and equipment or investment property;

10. In the case of sale of fixed assets, if the aggregate book value of assets exceeds five million rupees, following particulars of each asset, which has book value of five hundred thousand rupees or more shall be disclosed,—

- (i) cost or revalued amount, as the case may be;
- (ii) the book value;
- (iii) the sale price and the mode of disposal (e.g. by tender or negotiation);
- (iv) the particulars of the purchaser;
- (v) gain or loss; and

- (vi) relationship, if any of purchaser with company or any of its directors.

Long Term Investments

- 11. *(Clause deleted)*

Long Term Loans And Advances

- 12. With regards to loans and advances to directors, following shall be disclosed:
 - (i) the purposes for which loans or advances were made; and
 - (ii) reconciliation of the carrying amount at the beginning and end of the period, showing disbursements and repayments;
- 13. In case of any loans or advances obtained/provided, at terms other than arm's length basis, reasons thereof shall be disclosed;
- 14. In respect of loans, advances to associates there shall be disclosed:
 - (i) the name of each associate and related parties;
 - (ii) the terms of loans and advances;
 - (iii) the particulars of collateral security held, if any;
 - (iv) the maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balances;
 - (v) provisions for doubtful loans and advances; and
 - (vi) loans or advances written off, if any.

Current Assets

- 15. In respect of debts/receivables from associates there shall be disclosed:
 - (i) the name of each associate and related party;
 - (ii) the maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balances;
 - (iii) receivables, that are either past due or impaired, along with age analysis distinguishing between trade debts, loans, advances and other receivables;

- (iv) debts written off as irrecoverable distinguishing between trade debts and other receivables;
- (v) provisions for doubtful or bad debts distinguishing between trade debts, loans, advances and other receivables; and
- (vi) justification for reversal of provisions of doubtful debts, if any;

16. Provision, if any, made for bad or doubtful loans and advances or for diminution in the value of or loss in respect of any asset shall be shown as a deduction from the gross amounts;

Share Capital And Reserves

17. Capital and revenue reserves shall be clearly distinguished. Any reserve required to be maintained under the Act shall be separately disclosed. Any legal or other restrictions on the ability of the company to distribute or otherwise apply its reserves shall also be disclosed for all kind of reserves maintained by the company;

18. In respect of issued share capital of a company following shall be disclosed separately;

- (i) shares allotted for consideration paid in cash;
- (ii) shares allotted for consideration other than cash, showing separately shares issued against property and others (to be specified);
- (iii) shares allotted as bonus shares; and
- (iv) treasury shares;

18A. Discount on issue of shares shall be shown separately as a deduction from share capital in the statement of financial position and the statement of changes in equity (if applicable);

19. Shareholder agreements for voting rights, board selection, rights of first refusal, and block voting shall be disclosed.

Non-Current Liabilities

20. Amount due to associated company shall be disclosed separately;

Current Liabilities

21. Following items shall be disclosed as separate line items;

- (i) payable to provident fund, contributory pension fund or any other contributory retirement fund;

- (ii) deposits, accrued liabilities and advances;
- (iii) loans from banking companies and other financial institutions other than associated company;
- (iv) loans and advances from associated company, sponsors and directors along with purpose and utilization of amounts; and
- (v) loans and advances shall be classified as secured and unsecured.

22. In the case of provident fund, contributory pension fund or any other contributory retirement fund, maintained by the company a statement that, investments in collective investment schemes, listed equity and listed debt securities out of aforementioned funds have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder;

23. In respect of security deposit payable, following shall be disclosed:

- (i) bifurcation of amount received as security deposits for goods/services to be delivered/provided, into amounts utilizable for company business and others;
- (ii) amount utilized for the purpose of the business from the security deposit in accordance with requirements of written agreements, in terms of section 217 of the Act; and
- (iii) amount kept in separate bank account;

Contingencies And Commitments

24. In describing legal proceedings, under any court, agency or government authority, whether local or foreign include name of the court, agency or authority in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis of the proceeding and the relief sought.

PART III

REQUIREMENTS AS TO STATEMENT OF PROFIT OR LOSS ACCOUNT

25. Following items shall be disclosed as deduction from turnover as separate line items;
- (i) trade discount; and
 - (ii) sales and other taxes directly attributable to sales.
26. The aggregate amount of auditors' remuneration, showing separately fees, expenses and other remuneration for services rendered as auditors and for services rendered in any other capacity and stating the nature of such other services. In the case of joint auditors, the aforesaid information shall be shown separately for each of the joint auditors;
27. In case, donation to a single party exceeds 10 per cent of company's total amount of donation or Rs. 1 million, whichever is higher name of donee(s) shall be disclosed and where any director or his spouse has interest in the donee(s) irrespective of the amount, names of such directors along with their interest shall be disclosed;
28. *(Clause deleted)*
29. Complete particulars of the aggregate amount charged by the company shall be disclosed separately for the directors, chief executive and executives together with the number of such directors and executives such as:
- (i) fees;
 - (ii) managerial remuneration;
 - (iii) commission or bonus, indicating the nature thereof;
 - (iv) reimbursable expenses which are in the nature of a perquisite or benefit;
 - (v) pension, gratuities, company's contribution to provident, superannuation and other staff funds, compensation for loss of office and in connection with retirement from office;
 - (vi) other perquisites and benefits stating their nature and, where practicable, their approximate money values; and
 - (vii) amount for any other services rendered.
30. In case of royalties paid to companies/entities/individuals following shall be disclosed:

- (i) Name and registered address; and
- (ii) Relationship with company or directors, if any.