



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*Strategy, Development and External Relations Department*

*Press Release*

## **SECP seeks comments on draft Thermal Energy (Cost Accounting Records) Order**

ISLAMABAD, December 2, 2011: The SECP has developed and approved draft Thermal Energy (Cost Accounting Records) Order, 2011, for the company engaged in production, processing and generation of thermal energy/power. The companies engaged in generation of thermal energy are required to maintain such cost accounting records, including all particulars relating to utilization of material, labour or other inputs of items of cost as would be necessary.

The aforesaid draft will be issued in exercise of powers conferred by clause (e) of sub-section (1) of section 230 read with section 246 of the Companies Ordinance, 1984, and section 40 B of the Securities and Exchange Commission of Pakistan Act, 1997.

Cost audit can only be an effective regulatory tool when the cost records are properly prepared and cost audit reports are made on a uniform format for a particular sector. In order to bring uniformity to the cost records and cost audit reports, the SECP requested the ICMAP to develop guidelines for new sectors. The guidelines for thermal energy sector were received from the ICMAP. The SECP also sought comments from Private Power and Infrastructure Board (PPIB) and all the companies engaged in the thermal energy sector.

The SECP invites feedback from all concerned within 30 days and appropriate suggestions or objections will be considered by it. It has been emphasized that regulatory apparatus at the SECP intends to foster efficiency and transparency thereby promoting sustainable growth. The SECP strives to make right regulations in the interest of the industry, as a whole and also in the interest of the other stakeholders. Cost audit can provide relevant and credible cost and revenue data to the stakeholders to support their decisions. Cost audit mechanism acts as a measure of efficiency and performance. It can serve as an important tool for effective enterprise governance, competitiveness and strengthening the regulatory mechanism.

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