

Press Release

SEC Relaxes Disclosures Requirement

Islamabad, August 5, 2005: The Securities and Exchange Commission of Pakistan (SEC) has relaxed the mandatory requirement regarding disclosure of the capacity of an industrial unit, its actual production and the reasons for shortfall in the annual accounts of listed companies and their subsidiaries.

It was observed that certain industries like automobile, manufacturing and textile were facing difficulties in providing precise disclosure regarding the industrial capacity and actual production, as required under Clause 3(i) of Part-I of the Fourth Schedule to the Companies Ordinance, 1984. Some companies/professionals suggested that the mandatory disclosure requirements should be subject to “where determinable” to remove the difficulties faced by listed companies.

The SEC examined the proposal and decided that since the difficulty faced by the listed companies is genuine, the words “where determinable” should be inserted in the said clause. A notification in this regard has been placed on the SEC’s website: www.sec.gov.pk.