

**Nov 29, 2001 Clarification regarding quarterly accounts.**

Consistent with the global practice of providing maximum disclosure on the important financial information of the listed companies, the Securities and Exchange Commission of Pakistan issued a Notification No. SRO. 746(I)/2001 dated November 5, 2001 directing all the listed companies to submit quarterly accounts.

The Commission has received several queries from the companies/associations regarding various aspects of the implementation of this notification. The issues raised are clarified as under:

Quarterly accounts shall be circulated for the 1st, 3rd and 4th quarter within one month of the close of that quarter.

Quarterly accounts shall not be prepared for the 2nd quarter, as companies are already required to submit half yearly accounts. The half yearly and annual accounts shall continue to be submitted in accordance with the prevalent provisions of the Companies Ordinance 1984. Half yearly accounts will be submitted within two months and annual accounts within six months of the close of the accounts.

The quarterly accounts shall be prepared according to IAS-34 and shall contain:

Condensed profit and loss account;

Condensed balance sheet;

Cash flow statement;

Statement of changes in equity; and

Selected notes to the accounts.

Comparative figures shall be provided in quarterly accounts as laid down in the IAS-34, when such figures are available.

Companies are required to transmit quarterly accounts to their shareholders besides filing the same with the Commission, registrar of companies and stock exchanges. Quarterly accounts are to be transmitted in the manner of annual and half yearly accounts.

Approval of the board of directors will be mandatory for circulation of the quarterly accounts.