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**PART II  
Statutory Notifications (S.R.O.)**

GOVERNMENT OF PAKISTAN

**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

**NOTIFICATION**

*Islamabad, the 4th March, 2013*

**S. R. O. 182 (I)/2013.**—In exercise of the powers conferred by section 505 of the Companies Ordinance, 1984 (XLVII of 1984) read with clause (c) of section 43 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) and S. R. O. 698 (I)/86 dated 2nd July, 1986, the Securities and Exchange Commission of Pakistan is pleased to make the following amendments in the Fifth Schedule to the said Ordinance, namely:

**AMENDMENTS**

1. In Part I,—

- (a) for existing Clause 1 (A), the following shall be substituted, namely; "Non-listed companies that are not Medium-Sized companies or Small-Sized companies shall follow the International Financial Reporting Standards notified by the Commission for the listed companies under sub-section (3) of section 234 of the Companies Ordinance, 1984 (XLVII of 1984) or any such standards as notified by the Commission from time to time.

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Office # 05, Ground Floor, Arshad Mansion, Near Chowk A.G Office,  
Nabha Road Lahore. Ph. 042-37350473 Cell # 0300-8848226

Medium-Sized Entities and Small-Sized Entities shall follow Accounting and Financial Reporting Standards for Medium-Sized companies and small sized companies respectively as issued by the Institute of Chartered Accountants of Pakistan. However, Medium-Sized companies and Small-Sized companies are encouraged to follow International Financial Reporting Standards.”

- (b) the existing sub-clause (ii) of clause 2 shall be deleted;
- (c) in clause 2, sub-clause (vii)(b) shall be deleted;
- (d) in sub-clause (ix) of clause 2 the words “or Accounting and Financial Reporting Standards for Medium-Sized Companies and Small-Sized Companies issued by the Institute of Chartered Accountants of Pakistan or International Financial Reporting Standards issued by International Accounting Standard Board”, shall be deleted and in sub-clause (ix) of clause 2 for the words “generally accepted accounting principles” the words “International Financial Reporting Standards”/“Accounting and Financial Reporting Standards” shall be substituted;
- (e) in clause 3,—
  - (i) for the words “The following shall be disclosed in the financial statements, namely” the words “A company having paid-up capital of 500 million and above shall disclose the following” shall be substituted;
  - (ii) in sub-clause (i) for the words “All material information necessary to make the financial statements clear and understandable” the words “the capacity of an industrial unit, actual production and reasons for shortfall.”
  - (iii) the existing sub-clause (ii) shall be deleted;
- (f) in clause 6 after the words “this fact” the words “along with reasons for the property or asset not being held in the name of or possession or control of the company” shall be added;

2. In Part II,—

- (a) in sub-clause (i) of Clause 1, after sub-head (c) a new sub-head (ca) shall be inserted, namely:

- “(ca) Major spare parts and stand-by equipment qualifying as Property, Plant and Equipment;”
- (b) in clause 5,
- (i) in sub-clause (A), in sub-head (viii) comma appearing after the word “above” shall be omitted;
- (ii) in sub-clause (B),—
- (I) in sub-head (i) the word “and” appearing at the end shall be omitted;
- (II) in sub-head (ii) at the end for the full stop a semicolon shall be substituted and thereafter the word “and” shall be inserted; and
- (III) after the paragraph (ii) amended as aforesaid, the following new paragraph shall be inserted
- “(iii) trade debts receivable from related parties that are either past due or impaired along with their age analysis shall be disclosed separately.”
- (iii) in sub-clause C, for the brackets and number (iv), brackets and number (viii) shall be substituted.
- (c) in clause (8), sub-clause (A) after sub-head (iv) a new sub-head (iva) shall be inserted, namely:
- “redeemable capital which qualifies for recognition as a financial liability;”;
3. In part III,—
- (a) for the existing clause “1.” the following shall be substituted, namely:
- “1. The profit and loss account shall present items of income and expense recognized in profit or loss using a classification based on either their nature or their function within the entity, whichever provides information that is reliable and more relevant.”

(b) in clause 2(A),—

(i) for sub-clause (ii) the following shall be substituted, namely:

“(ii) Expenses classified according to their nature or function:

provided that an entity classifying expenses by function shall also disclose additional information on the nature of expenses.”

(ii) in sub-clause (iii) the word “operating” shall be omitted; and

(iii) after sub-clause (C) following new sub-clause shall be inserted, namely:

“(D) All unlisted companies including Economically Significant Companies, Medium-Sized Companies and Small-Sized Companies shall disclose number of persons employed as on the year end and average number of employees during the year by an Economically Significant Company.”

(c) in clause 4, the following new sub-clause shall be inserted:

“(i) In the case of provident fund/provident fund trust:

(a) Disclosure with regards to provident fund/trust:

(i) size of the fund/trust;

(ii) cost of investments made;

(iii) percentage of investments made; and

(iv) fair-value of investments.

(b) Break-up of Investments (in terms of amount and percentage of the size of the fund/trust) in categories as provided in Section 229 of the Ordinance and rules formulated for this purpose.

- (c) A statement that investments out of provident fund/trust have been made in accordance with the provisions of section 227 of the Ordinance and the rules formulated for this purpose."

[File No. EMD/DII/Fifth Schedule/8/2011.]

BUSHRA ASLAM,  
*Secretary.*