



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
(MODARABA WING)**

No. SC/M/RW/IFAS-1/2010-

March 31, 2010

Circular No. 07 of 2010

Subject: **Applicability of Islamic Financial Accounting Standard I - Murabaha (IFAS-I)**

Attention is invited to rule 10 of the Modaraba Companies and Modaraba Rules, 1981, amended vide notification SRO 471(1)/2003, dated June 4, 2003. In terms of the said rule, every Modaraba Company is required to prepare financial statements in conformity with such International Accounting Standards (IAS) and other Standards as are notified from time to time in the official gazette by the Securities and Exchange Commission of Pakistan (SECP) under sub-section 3 of section 234 of the Companies Ordinance, 1984.

2. SECP has notified IFAS-I vide SRO 865(I)/2005 dated 24.8.2005 under section 234 of the Companies Ordinance, 1984. In pursuance of rule 10, compliance of IFAS-I is, therefore, mandatory for Modarabas from the date of its notification i.e. 24.8.2005.

3. All Modaraba Companies are directed to comply with IFAS-I and other standards as notified by the SECP under section 234 of the Companies Ordinance, 1984 in true letter and spirit while preparing the financial statements of Modarabas.

(Umar Hayat Khan)
Registrar (Modarabas)

Distribution:

1. Chief Executives of all Modaraba Companies.
2. The Modaraba Association of Pakistan.
3. Central Depository Company of Pakistan Limited.
4. Managing Directors of all Stock Exchanges.
5. Institute of Chartered Accountants of Pakistan.
6. Institute of Cost of Management Accountants of Pakistan.
7. Director (IS & T), SECP.
8. Office Copy.