



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**  
**SPECIALIZED COMPANIES DIVISION**  
Policy, Regulations and Development Department  
(Modaraba Companies and Modarabas Wing)

*In the name of Allah the most beneficent, the most compassionate*

No. SCD/M/IHM/2012-361

Islamabad, September 12, 2012

**CIRCULAR # 28 OF 2012**

**Filing of Semi Annual Returns by Modarabas Regarding Information on  
Related Party Exposure**

Please find enclosed herewith the formats for standardized periodic reporting of information by the Modarabas pertaining to their exposure in related party. The term related party would carry the same meaning as defined in International Accounting Standard - 24, adopted in Pakistan.

2. All the Modarabas are required to submit the information as per the attached formats on six monthly basis. The information shall be submitted in a manner that for the period ended on 30<sup>th</sup> day of June every year, the information should be submitted by the following 30<sup>th</sup> day of September while for the period ended on 31<sup>st</sup> day December every year the information should be submitted to SECP by the following 31<sup>st</sup> day of March. However, the first reporting of information by the Modarabas shall be made by 31<sup>st</sup> day of October 2012 for the period ended on 30<sup>th</sup> day of June 2012.

3. The information is required to be submitted in soft form (in MS Excel) through email to [ahmer.fareedi@secp.gov.pk](mailto:ahmer.fareedi@secp.gov.pk) and [aqureshi@secp.gov.pk](mailto:aqureshi@secp.gov.pk). Soft copy of the referred formats will be sent to all the entities through email for their ease.

4. All Modarabas are required to ensure meticulous compliance with this circular in letter and spirit, failing which action will be taken in terms of applicable provisions of the law.

(Jawed Hussain)

Registrar

Modaraba Companies and Modaraba

**Distribution:**

- The Chief Executive Officers of all Modaraba Companies;
- The Chairman, Modaraba Association of Pakistan;
- The IS & T Department SECP, for posting on website;
- Office Copy.

***For the purpose of this return,***

1. ***Related party*** will have the same meanings as given in International Accounting Standard - 24 as adopted in Pakistan. The definition will also include an associate as defined in the Companies Ordinance, 1984
2. ***Associate, Associated Company & Associated Undertaking*** will have the same meanings as given in the Section 2 (2) of the Companies Ordinance, 1984. The definition will also include an entity on which reporting Modaraba exercises significant influence as given in IAS-28.
3. ***Group*** comprises a parent and its subsidiaries as well as the entities which are under common management or control (***Group Entities*** mean entities which are under the common control/management along with the reporting Modaraba and its subsidiaries and parent entity – as defined in Section 2 (2) (ii) of the Companies Ordinance, 1984)
4. ***Amount*** shall be reported in rupees in millions

### A- Details of Related Parties and Shareholding Therein

Name of Reporting Modaraba:

For the Half Year Ended:

Sr. No.	Name of related party	Nature of the business of related party (i.e. Sector of Economy)	Nature of reporting Modaraba's relationship with related party (mention if related party is a Parent, Subsidiary, Other Group Entity, Associate or Other Related Party)*	Credit Rating of related party (if available)	Details of reporting Modaraba's share holding/interest in related party (as on reporting date)			Related party's shareholding in the reporting Modaraba	
					Cost value of equity investment in related party	Provision held against equity investment in related party	%age share holding by the reporting Modaraba in the related party	Number of reporting Modaraba's shares owned by related party	%age share holding by related party in the reporting Modaraba
1									
2									
3									

\* please mention if related party is a:

- Parent of the Modaraba;
- Subsidiary of the Modaraba;
- Other Group Entity (a company or undertaking which is under common management or control along with the reporting Modaraba other than Parent and Subsidiary company);
- Associate (as defined in IAS-28 or the Companies Ordinance - other than Parent, Subsidiary and Other Group Entity); or
- Other Related Party (as defined in IAS-24, other than Parent, Subsidiary and Associate)

**B- Details of Exposure to and From Related Parties**

Name of Reporting Modaraba:

For the Half Year Ended on:

**i- Fund Based Exposures on Related Parties**

Sr. No.	Name of Related Party	Total Sanctioned Limit of Fund Based Facilities	Receivables/Due from Related Parties as on reporting date							Maximum total outstanding amount during the reporting period	Amount of classified loans, investments, receivables (if any)	Provision Held against classified loans, investments, receivables (if any)	Amount of off the reporting (prim man
			Loans & Advances	Equity Investment	Subordinated Loans/TFCs	Investments in TFC, Bonds Sukuk, Certificate of Mushanika, Certificate of Investments, Certificate of Deposits, Commercial Papers, etc	Investment in Mutual Funds	Other Receivables	Total Outstanding Amount				
			Outstanding amount of loans & Advances	Average Return on loans & advances (%)	Amount of equity investments in share capital of related party (cost value)	Outstanding amount of subordinated loan/TFC etc. (cost value)	Average return on subordinated loans TFCs	Outstanding amount of investments in TFCs, Bonds, Sukuk, etc. (cost value)	Outstanding amount of investments in Mutual Funds (cost value)	Average Return on Mutual Funds (%)	Outstanding amount of Other receivables		
1			(a)		(b)	(c)		(d)	(e)		(f)	$(a+b+c+d+e+f)$	
2													
3													

Note: Loans & advances granted to employees of the reporting Modaraba as per HOD's approved HR policy may be not be reported

**ii- Non-Fund Based Exposures on Related Parties**

Sr. No.	Name of Related Party	Non-Fund Financing Facilities/ Exposures to Related Parties as on reporting date				
		Trade & Transaction Related Commitments	Direct Credit Subsidies	Commitment to extend credit	Other commitments	Fair value of derivative transactions [asset/liability]
1						Amount of classified non-stand based exposure to related party (if any)
2						Provision Held Against off-balance sheet exposures
3						

**iii- Details of Balances Payable/Due to Related Parties**

Sr. No.	Name of Related Party	Payables/Due to Related Parties on reporting date					Maximum total outstanding amount during the reporting period
		Amount of Outstanding Deposits	Amount of Outstanding borrowings/ debt etc.	Amount of subordinated loan from related party, or investment by related party in subordinated TFCs issued by the reporting Modaraba	Other payables	Total outstanding amount	
1		average return on deposits (%)	(a)	average return on borrowings debt (%)	(b)	(a)+(b)+(c)+(d)	
2							
3							

**C - Details of Related Party Dealings and Transactions**  
**Name of Reporting Modaraba:**  
**For the Half Year Ended:**

**i- Details of Expense Paid/Accrued to Related Parties During the Period**

Sr. #	Name of Related Party	Details of expense paid/accrued to Related Party (year-to-date)			
		Interest Expense	Fee/ Commission	Fee/charges for services obtained under outsourcing arrangements	Rental Expense Any Other Expenses
1					
2					
3					

**ii- Details of Transactions with Related Party during the Period**

Details of Transactions with Related Party During the reporting period (excluding transactions with employees as covered under Human Resource policy of the reporting Modaraba)											
Sr. #	Name of Related Party	Sale of Immovable Assets			Sale of Movable Assets			Purchase of Immovable Assets		Purchase of Movable Assets	
		Book value of asset	Fair Value of asset	Sale price	Book value of asset	Fair Value of asset	Sale price	Market or Fair value of asset	Purchase price	Market or Fair value of assets	Purchase price
1											
2											
3											

**iii- Details of Contracts, Agreements and Outsourcing Arrangements with Related Parties for Construction or Procurement of Assets and Services**

Sr.No.	Name of Related Party	Relationship with the party	Nature of contract	Length of Contract	Amount of contract OR Estimated Annual Amount to be paid (where agreement/ arrangement is of recurring nature)	Special condition imposed	Penalties in case of non-performance of contract	Country of origin of related party	Currency of Payment to be paid to related party

**iv- Details of Services Rendered on Behalf of Subsidiaries and Associates over the Counter of Reporting Modaraba's Branches**

Sr.No.	Name of Subsidiary Associate	Nature of Business of Subsidiary/Associate	Nature of services offered	Commission charged for the services	Tenor of contract

## Name of Reporting Modaraba:

For the Half Year Ended

#### i-Details of Scrip Wise Equity Exposure

[illegible]

## ii- Details of Exposures and the Shares of Associated Companies

[illegible]<sup>24</sup> Book value per share = Total book value of reporting Modaraba's investment / number of shares owned by the reporting Modaraba.

\*  $\text{Break value per share} = \frac{\text{Total Equity of the investor company}}{\text{number of total outstanding shares of investor company}}$

Please mention any other significant information e.g. number of instances when regulatory limits (if any) were exceeded

**E- Details of Regulatory Capital Requirements for Modaraba & Its Subsidiaries**  
**Name of Reporting Modaraba:**  
**As of Half Year Ended:**

Sr. No.	Name of Modaraba and Subsidiary	Reporting Modaraba's Percentage shareholding in subsidiary	Balance sheet capital requirements for the Modaraba and subsidiaries (e.g. Minimum paid up capital)		
			Required Capital/Equity (a)	Capital/Equity Held (b)	Surplus/ (shortfall) (b-a)
1	Modaraba				
2	Subsidiary-1				
3	Subsidiary-2				
4	Subsidiary-3				