

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

<u>Filing of Semi Annual Returns by Modarabas Regarding Information on Related Party Exposure</u>

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 30th day of June every year, the information should be submitted by the following 30th day of September while for the period ended on 31st day December every year the information should be submitted to SECP by the following 31st day of March. However, the first reporting of information by the Modarabas shall be made by 31st day of October 2012 for the period ended on 30th 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 and 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:

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

For the purpose of this return,

- in the Companies Ordinance, 1984 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 as the control of the contr
- also include an entity on which reporting Modaraba exercises significant influence as given in IAS-28. Associate, Associated Company & Associated Undertaking will have the same meanings as given in the Section 2 (2) of the Companies Ordinance, 1984. The definition we
- 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) 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
- 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:

Related party's shareholding in the reporting Modaraba	%age share holding by the reporting Modaraba Number of reporting Modaraba's shares %age share holding by related party in the related party in the related party owned by related party				
	Number of reporting Modaraba's shares owned by related party				
terest in related party (as	%age share holding by https://www.neborting.com/html//washarba in the related party				
odaraba's share holding/in on reporting date)	Provision held against equity investment in related party				
Details of reporting Mc	Cost value of equity investment in related party				
Credit Rating of related party (if available)					
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)*				
	Economy)				
Sr. Name of related No. party					
Sr.		-	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)

i- Fund Based Exposures on Related Parties

T	,	7	T	-		Z y					
						Name of Related Party					
						Limit of Fund Outstanding Based amount of Facilities Advances	Total Sanctioned				
					(a)	Outstanding amount of loans & Advances	Loans & Advances				
						Average Return on loans & advances	Advances				
					(b)	Amount of equity investments in share capital of related party (cost	Equity Investment				
					(c)	Amount of Outstanding equity amount of amount of investments in subordinated share capital one of related value) party (cost value)	Subordinated Loans/TFCs				
			1			Average return on subordinated	oans/TFCs	Receivables			
					(d)	Average TFC's, Bonds, etc. shouthnaded (cost value)	Investments Certificate of Investments Comm	s/Due from Rela			
						Average return on TFCs, Bonds, Sukuks etc (%)	Investments in TFC, Bonds Sukuks, Certificate of Musharika, Certificate of Investments, Certificate of Deposits, Commercial Papers, etc.	Receivables/Due from Related Parties as on reporting date			
					(e)	amount of investments in Mutual Funds (cost value)	Investment in Mutual Funds				
						Average Return on Mutual Funds	Mutual Funds				
					(f)	Outstanding amount of Other receivables	Other Receivables				
					(4-0) 160 0 (0 - 1)	Outstanding Amount	3 de la companya de l				
						amount during the reporting period	Maximum total outstanding				
						Amount of classified loans, investments, receivables (if any)					
						investments, receivables (if any)	Amount of against classified loans, loans, loans,				
						(prine	Amoun off du				

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

ii- Non-Fund Based Exposures on Related Parties

	3	2	-	No.	
				Name of Related Party	
				Trade & Transaction Related Commitments	
				Direct Credit Substitutes	Non-Fund Fina
				Commitment to extend credit	ncing Facilities
				Other	Exposures to
				Fair value of Derivative transactions [asset/(liability)]	Non-Fund Financing Facilities/ Exposures to Related Parties as on reporting date
				Amount of classified non-fund based exposure to related party (if any)	n reporting date
				Provision Held Against oll- balance sheet exposures	ra ra

iii- Details of Balances Payable/Due to Related Parties

	٠,٠	,	,	-	Sr.
					Name of Related Party
				(a)	Amount of Outstanding Deposits
					average return on deposits (%)
				(6)	Amount of Outstanding borrowings/ debt etc.
					Payables/Due Payables/Due average return on borrowings debt (%)
				(c)	Payables/Due to Related Parties on reporting date Amount of subordinated loan from related party or investment by related or or party in subordinated or borrowings reporting Modaraba loan or TFC's debt (%)
					eporting date nverage return on subordinated laan or TFCs etc. (%)
				(d)	Other payables
				(a+b+c+d)	Total outstanding amount
					Maximum fold outstanding amount during the reporting period

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

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

ii- Details of Transactions with Related Party during the Period

		Sr. #	
		Name of Related Party	
Book value of asset	The second secon	Sale of li	Details of Tran
Fair Value of asset		Sale of Immovable Assets	nsactions with Related Pa
Sale price			rty During the re
Book value of asset		Sale of	Details of Transactions with Related Party During the reporting period (excluding transactions wit
asset	Fair Value of	Sale of Movable Assets	transactions with o
Sale price			employees as cov
value of asset	Market or Fair	Purchase of h	ered under Humar
Purchase rice		Purchase of Immovable Assets	Resource policy of
value of assets	Market or Fair	Purchase of Movable Ass	th employees as covered under Human Resource policy of the reporting Modaraba
Purchasi		Movable Ass	aba)

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		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

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

i- Details of Scrip Wise Equity Exposure

ПП	Sr. Z
	Sr. No Name of the Related Investee Company
	Number of Shares owned
	Nature of Investment (Held for Trading. Available for Sale. Associate or Subsidiary Investment)
	Shareholding as % of Paid up capital of investee Co.
	Total Book value of investment (cost – Provision)
	Book volue per share ^{कें}
	Market/Fair Value per Breakup Value per investment as percent share share Modaraba's equity
	Breakup Value per share*
	Total Book value of investment as percent of reporting Modaraba's equity
	Maximum balance of equity investment during the half year

Ren

		Sr. No		
		o. Name of Borrower	ii- Details of Exposures (annual the Shares of Associated Companies	
		Limit of fund-based facilities	ares of Associated Comp	
		Limit of non-fund based facilities	anes	
		Limit of fund-based Limit of non-fund based Outstanding amount of fund-based facilities as on reporting date facilities as on	Details of Exposure	
		Outstanding amount of fund-based Outstanding amount of non-fund- facilities as on reporting date based facilities as on reporting date Replate or Classified, (please company whose shares mention if any exposure is are held as collateral classified/non-performing)	ci .	
	į	Status of Exposure i.e. Name of associated Regular or Classified, (please company whose share mention if any exposure is are held as collateral classified/non-performing)		
		Name of associated company whose shares are held as collateral		
		Number of shares held as collateral	Details of collaters	
		d shares held as collateral as percent of total outstanding shares of the associated company	Details of collateral i.e. shares of associated companies	
		d Shares held as Total market value of Total brotheral as percent of shares held as collateral value of total outstanding shares of the associated company	1 companies	
		Total bravalue of held as c		

^{*} Brook value per share = Total book value of reporting Moderaka's investment 'muniver of shares owned by the reporting Moderaka * Brook value per share = Total Equity of the investee company - number of total austianding shares of investoe company.

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

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

4	3	2	1		Zo.	Sr.	
Subsidiary-3	Subsidiary-2	Subsidiary-1	Modaraba		Subsidiary	Name of Modaraba and	
					shareholding in subsidiary	Reporting Modaraba's Percentage	
			Ę	(a)	Required Capital/Equity	Balance sheet capital (e.	
				(b)	Capital/Equity Held	capital requirements for the Modaraba and subsidiaries (e.g. Minimum paid up capital)	
				(b-a)	Surplus/ (shortfall)	a and subsidiaries	