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**The Institute of
Chartered Accountants
of Pakistan**

**CA
PAKISTAN**

Circular No. 06/2024

May 02, 2024

ALL MEMBERS OF THE INSTITUTE

Dear Member,

AMENDMENTS TO THE MODARABA COMPANIES AND MODARABA RULES, 1981 ISSUED BY SECP

The Securities and Exchange Commission of Pakistan (SECP) through the following notifications have made amendments to the Modaraba Companies and Modaraba Rules, 1981 (the Modaraba Rules):

Revised format of Auditor's Report and revision in terms of financial statement

Through S.R.O. No. 203(I)/2024 (dated February 15, 2024) amendments have been made in the Modaraba Rules with respect to the following:

1. The terms 'balance sheet' and 'a profit and loss account' have been replaced with the terms 'statement of financial position' and 'a statement of profit and loss and other comprehensive income' wherever these are used in the Modaraba Rules.
2. The format of auditor's report as set out in Form XI of the Modaraba Rules, has been revised. The revised format is in line with the auditor's report on financial statements of the company as given under Annexure 1 of the SECP's Auditors (Reporting Obligations) Regulations, 2018.
3. The second quarter accounts of the modaraba company shall be subjected to a limited scope review by the statutory auditors of the modaraba. The quarterly financial statements shall be posted on the modaraba's website and also be transmitted electronically to the registrar and SECP.
4. Previous references of the repealed Companies Ordinance 1984 have been replaced with the section references of the Companies Act, 2017.

SECP S.R.O can be accessed at: <https://www.secp.gov.pk/document/s-r-o-203-of-2024-dated-february-15-2024-amendments-in-the-modaraba-companies-and-modaraba-rules-1981/?wpdmdl=51358&refresh=662b2e84aeedd1714105988>

Requirement to mention UDIN in Auditor's Reports of Modaraba companies and Modarabas

Further, SECP, through its Direction No. 2 of 2024 (dated Jan 17, 2024) has made it compulsory for the auditors of all Modaraba companies and Modarabas to mention the Unique Document Identification Numbers (UDINs) generated from the designated portal of the ICAP on the initial and revised audit reports issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules, the Modaraba Regulations 2021 and the Auditors (Reporting Obligations) Regulations, 2018.

SECP Direction can be downloaded using the link: <https://www.secp.gov.pk/document/direction-no-2-of-2024/?wpdmdl=50382&refresh=662b8778034fb1714128760>

Members are advised to take the note of above.

Yours truly


Muhammad Imran Khan
Director Technical Services

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