

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO




Quarterly
Report

March
2025

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“To drive profitable growth by being customer-centric, free from gender biasness relevant with the lives of stake-holders and society in the light of ESG within an ambit of Islamic Shariah Principles and Guidelines.”



Mission Statement

“The basic aim of Sindh Modaraba is to seek Allah's blessing for transformation of our business dealings in accordance with the principles enshrined in the Islamic Shari'ah. And to develop an Islamic Institution by implementing Allah's will in the line with the practices of His Prophet (P.B.U.H.) by meeting its stated objectives built on Trust, Integrity, Innovation and good governance for meeting expectation of its stakeholders.”

Corporate Information

Board of Directors

Mr. Waseem Mehdi Syed	-Chairman	-Independent Director
Mr. Fayaz Ahmed Jatoi	-Secretary Finance (GoS)	-Non-Executive Director
Mr. Sami ul Haq Khilji		-Non-Executive Director
Mr. Ejaz Akhtar Ansari		-Independent Director
Mr. Kamal Ahmed		-Non-Executive Director
Ms. Naila Asad Shaikh		-Non-Executive Director
Mr. Abdul Rauf Chandio	-Chief Executive	-Executive Director

CFO & Company Secretary

Muhammad Adnan Shakeel

Audit Committee

Mr. Ejaz Akhtar Ansari	-Chairman
Mr. Sami ul Haq Khilji	-Member
Mr. Kamal Ahmed	-Member

Human Resource Committee

Mr. Waseem Mehdi Syed	-Chairman
Mr. Sami ul Haq Khilji	-Member
Mr. Abdul Rauf Chandio	-Member

Nomination Committee

Mr. Waseem Mehdi Syed	-Chairman
Mr. Kamal Ahmed	-Member
Mr. Fayaz Ahmed Jatoi	-Member

Procurement Committee

Mr. Fayaz Ahmed Jatoi	-Chairman
Mr. Ejaz Akhtar Ansari	-Member
Ms. Naila Asad Shaikh	-Member

Risk Management Committee

Mr. Waseem Mehdi Syed	-Chairman
Mr. Abdul Rauf Chandio	-Member
Ms. Naila Asad Shaikh	-Member

Bankers

Sindh Bank Limited (Islamic Banking)
Meezan Bank Limited
NRSP Microfinance Bank Limited
Soneri Bank Limited (Islamic Banking)
AL-Baraka Bank Pakistan Limited
Habib Metropolitan Bank (Islamic Banking)
MCB Islamic Bank

Shariah Advisor

Mufti Syed Zahid Siraj

Legal Advisor

Mohsin Tayebaly & Co.

Share Registrar

F.D. Registrar Services Pvt. Ltd.
Office # 1705, 17th Floor, Saima
Trade Tower-A, I.I. Chundrigarh
Road, Karachi

Registered/Head Office

1st Floor, Imperial Court Building,
Dr. Ziauddin Ahmed Road
Karachi
Tel: (92-21) 35640708-9

Lahore Branch

30-30A, Commercial Building
The Mall
Lahore (Tel : 92-42 37227983)

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Directors' Review

The Board of Directors of Sindh Modaraba Management Limited, Management Company of Sindh Modaraba, is pleased to present the un-audited Financial Statements of Sindh Modaraba for the nine months' period ended March 31, 2025.

Operating Results

During the nine months' period under review, the Modaraba earned a profit after tax of Rs. 142.84 million as compared to profit after tax of Rs. 171.60 million during the preceding period. Although, profit before tax decreased due to significant decrease in the SBP policy rate of about 50%. However, Modaraba has successfully disbursed Islamic Financing Facilities of Rs. 987.91 million as compared to Rs. 187.44 million in the same period of last year to minimize the impact of policy rate. Further, the Financing Portfolio has increased from Rs. 738.913 million to Rs. 1.420 billion. During the period, Rs. 22.49 million has also been recovered from NPLs. This reflects a stable financial position, supported by prudent risk management strategies and a focus on Shariah-compliant financing.

Future Prospects

Pakistan's economy is showing signs of gradual recovery, with real GDP growth projected at 2.6% in FY25, supported by robust private consumption, improved investment climate, high remittance inflows, and increased credit to the private sector. Growth is expected to rise to 3.2% in FY26 and 3.5% in FY27, though it will remain constrained by tight macroeconomic policies aimed at rebuilding fiscal and external buffers. Inflation is forecasted to decline to 6.0% in FY25 due to favorable base effects and lower global commodity prices, before stabilizing around 7% in the medium term. Fiscal consolidation efforts are yielding results with a narrowed fiscal deficit and primary surplus, despite continued pressure from large interest payments.

On the external front, Pakistan has maintained a current account surplus, driven by growth in exports, strong remittances and rising foreign investment. These factors, along with a stable exchange rate and declining inflation have contributed to improved investor confidence, reflected in the bullish performance of the Pakistan Stock Exchange. The Large-Scale Manufacturing (LSM) sector, although facing a year-on-year contraction of 1.2%, has shown month-on-month improvement, with notable growth in automobiles, textiles, and tobacco.

The agriculture sector also remains supported by government initiatives and favorable weather, contributing to food security and price stability.

Global economic trends are likely to influence Pakistan's outlook, with global growth projected at 3.3% in both 2025 and 2026. A decline in global inflation is expected to reduce inflation pressures and ease Pakistan's external financing burden. However, trade policy uncertainties and supply chain reconfigurations may pose risks but also present opportunities for developing economies like Pakistan to capture new trade activities and investment inflow.

For Sindh Modaraba perspective, the improved macroeconomic scenario offers a promising outlook. As cost of borrowing is declining, therefore, the demand for credit is increasing, the Modaraba can strategically expand its financing portfolio accordingly, particularly in sectors showing growth such as automobiles, manufacturing, and agriculture. Improved remittance flows and investor confidence will likely enhance the creditworthiness of borrowers, while capital market growth opens avenues for new investments. Continued monitoring of global and domestic risks will be crucial to sustain long-term growth and financial stability. The management emphasizes the importance of diversifying the portfolio within low-risk sectors. Timely recovery from customers against existing facilities remains a key area of focus to maintain maximum yield return on Modaraba's portfolio.

Acknowledgment

On behalf of the Board of Directors, I would like to thank the Sponsors, the Regulators and our Shariah Advisor for their valuable guidance and support. We would also like to acknowledge the continued patronage of our clients and put on record the dedication and hard work of employees of the Modaraba to achieve the desired results.



Abdul.Rauf Chandio
Chief Executive Officer

Karachi
April 29, 2025

سندھ مضاربہ

اسلامی مالیاتی ادارہ

ڈائریکٹرز کا جائزہ:

ہم سندھ مضاربہ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2025 کو مکمل ہونے والے نو ماہ کے سندھ مضاربہ کے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

آپریٹنگ نتائج:

زیر جائزہ نو ماہ کی مدت کے دوران، مضاربہ نے 142.84 ملین روپے بعد از ٹیکس منافع حاصل کیا، جو کہ گزشتہ مدت کے 171.60 ملین روپے کے منافع سے کم ہے۔ اگرچہ پالیسی ریٹ میں اسٹیٹ بینک آف پاکستان کی جانب سے تقریباً 50% کمی کی وجہ سے ٹیکس سے قبل منافع میں کمی واقع ہوئی، لیکن مضاربہ نے اس کمی کے اثرات کو کم کرنے کے لیے 91.987 ملین روپے کی اسلامی مالی سہولیات فراہم کیں، جو کہ گزشتہ سال کی اسی مدت میں 187.44 ملین روپے تھیں۔ مزید برآں، مضاربہ کے فنانسنگ پورٹ فولیو میں نمایاں اضافہ ہوا جو کہ 738.913 ملین روپے سے بڑھ کر 1.420 ملین روپے ہو گیا۔ اس عرصے کے دوران ناندہندہ قرضوں (NPLs) سے 22.49 ملین روپے کی وصولیاں بھی کی گئیں۔ یہ ایک مستحکم مالی حیثیت کی عکاسی کرتا ہے، جو مؤثر رسک مینجمنٹ اور شریعت کے مطابق فنانسنگ پر توجہ کی بدولت ممکن ہوئی ہے۔

مستقبل کے امکانات:

پاکستان کی معیشت میں بتدریج بہتری کے آثار نمایاں ہیں، جہاں مالی سال 2025 میں حقیقی جی ڈی پی کی شرح نمو 2.6% رہنے کی توقع ہے، جسے نجی صارفین کے اخراجات، سرمایہ کاری کے بہتر ماحول، زیادہ ترسیلات زر، اور نجی شعبے کو بڑھتے ہوئے قرضوں کی مدد حاصل ہے۔ توقع ہے کہ مالی سال 2026 میں ترقی کی شرح 3.2% اور مالی سال 2027 میں 3.5% تک پہنچ جائے گی، تاہم سخت مالی اور معاشی پالیسیوں کے سبب یہ ترقی محدود رہ سکتی ہے جن کا مقصد مالیاتی و بیرونی استحکام کو بحال کرنا ہے۔

افراط زر میں کمی کی پیش گوئی کی گئی ہے، جو مالی سال 2025 میں 6.0% تک گرنے کی توقع ہے، جس کی وجہ بہتر بنیاد اثرات اور عالمی سطح پر اشیاء کی قیمتوں میں کمی ہے۔ درمیانی مدت میں افراط زر 7% کے قریب مستحکم رہنے کی امید ہے۔ مالیاتی اصلاحات کے نتیجے میں مالیاتی خسارے میں کمی اور بنیادی سرپلس حاصل ہوا ہے، حالانکہ سود کی بلند ادائیگیوں کا دباؤ برقرار ہے۔

بیرونی شعبے میں پاکستان نے جاری کھاتوں میں فاضل پوزیشن برقرار رکھی ہے، جسے برآمدات میں اضافہ، مستحکم ترسیلات زر، اور بڑھتی ہوئی غیر ملکی سرمایہ کاری نے سہارا دیا ہے۔ یہ عوامل، مستحکم شرح مبادلہ اور کم ہوتی ہوئی افراط زر کے ساتھ، سرمایہ کاروں کے اعتماد میں بہتری کا باعث بنے ہیں، جس کا عکس پاکستان اسٹاک ایکسچینج کی تیزی سے عکاسی ہوتا ہے۔

بڑی صنعتوں (LSM) نے اگرچہ سال بہ سال 1.2% کی کمی دکھائی ہے، تاہم ماہ بہ ماہ بہتری دیکھنے میں آئی ہے، خاص طور پر آٹو موہائل، ٹیکسٹائل اور تبا کو کے شعبوں میں ترقی ہوئی ہے۔ زرعی شعبہ بھی حکومتی اقدامات اور سازگار موسمی حالات سے فائدہ اٹھا رہا ہے، جو غذائی تحفظ اور قیمتوں میں استحکام میں مدد فراہم کر رہا ہے۔

عالمی معاشی رجحانات پاکستان کے منظر نامے کو متاثر کر سکتے ہیں۔ عالمی ترقی کی شرح 2025 اور 2026 دونوں میں 3.3% متوقع ہے۔ عالمی افراط زر میں کمی درآمدی مہنگائی پر دباؤ کو کم کرے گی اور پاکستان کے بیرونی مالیاتی بوجھ کو ہلکا کرے گی۔ تاہم، تجارتی پالیسی میں غیر یقینی صورتحال اور سپلائی چین کی از سر نو ترتیب ترقی پذیر معیشتوں کے لیے خطرات کے ساتھ ساتھ نئے تجارتی مواقع بھی فراہم کر سکتی ہے۔

سندھ مضاربہ کے لیے، بہتر ہوتی ہوئی معاشی صورتحال ایک حوصلہ افزا منظر نامہ پیش کرتی ہے۔ چونکہ قرض لینے کی لاگت کم ہو رہی ہے، اس لیے قرض کی طلب میں اضافہ ہو رہا ہے۔ مضاربہ اس موقع سے فائدہ اٹھاتے ہوئے اپنے فنانسنگ پورٹ فولیو کو اسٹریٹجک طور پر وسعت دے سکتا ہے، خاص طور پر ان شعبوں میں جو ترقی کی راہ پر گامزن ہیں، جیسے کہ آٹو موہائل، مینوفیکچرنگ اور زراعت۔ ترسیلات زر میں بہتری اور سرمایہ کاروں کے اعتماد میں اضافہ قرض دہندگان کی سادھ کو بہتر بنائے گا، جبکہ کلیمپٹل مارکیٹ کی ترقی نئی سرمایہ کاری کے مواقع فراہم کرے گی۔ طویل مدتی ترقی اور مالی استحکام کو برقرار رکھنے کے لیے مقامی و عالمی خطرات کی مسلسل نگرانی ضروری ہوگی۔ انتظامیہ نے پورٹ فولیو کو متنوع بنانے کی اہمیت پر زور دیا ہے، خاص طور پر کم خطرے والے شعبوں سے وابستگی کے ساتھ۔ موجودہ سہولیات کے تحت صارفین سے بروقت وصولی پورٹ فولیو کی منافع بخش شرح کو برقرار رکھنے کے لیے ایک اہم شعبہ بنی ہوئی ہے۔

اعتراف

بورڈ آف ڈائریکٹرز کی جانب سے، میں اسپانسرز، ریگولیٹرز اور ہمارے شریعا اید وائزرز کا قیمتی مشورے اور تعاون پر شکریہ ادا کرنا چاہتا ہوں۔ ہم اپنے گاہکوں کی مسلسل سرپرستی کو بھی تسلیم کرتے ہیں اور بہتر نتائج دینے کے لیے مضاربہ کے ملازمین کی لگن اور محنت کو بھی سراہتے ہیں۔



29 اپریل 2025

کراچی۔

عبدالرؤف چانڈیو

چیف ایگزیکٹو آفیسر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2025

		March 31, 2025	June 30, 2024
		Un-audited	Audited
Note		Rupees	
ASSETS			
Current assets			
	4	552,671,325	202,142,642
Cash and bank balances			
	5	-	950,000,000
Short term investments			
	6	68,394,775	38,665,098
Advances, deposits, prepayments and other receivables			
		428,888,889	-
Morabaha finance			
	7	415,929,505	324,247,982
Current portion of Diminishing Musharaka			
		2,371,116	1,460,208
Current portion of long term loan			
Total current assets		1,468,255,610	1,516,515,930
Non - current assets			
	7	575,578,094	414,665,176
Diminishing Musharaka			
		5,880,155	5,085,621
Long term loans and advances			
	8	1,799,531	1,935,562
Fixed assets - in own use			
Total non - current assets		583,257,780	421,686,359
TOTAL ASSETS		2,051,513,390	1,938,202,289
LIABILITIES AND CERTIFICATE HOLDERS' EQUITY			
Current liabilities			
	9	90,508,812	61,509,524
Creditors, accrued and other liabilities			
	10	5,895,883	8,307,484
Provision for taxation -net			
		1,212,009	1,075,380
Profit distribution payable			
		97,616,704	70,892,388
Non - current liabilities			
		-	-
TOTAL LIABILITIES		97,616,704	70,892,388
CERTIFICATE HOLDERS' EQUITY			
Certificate capital			
Authorised certificate capital			
50,000,000 (June 2024: 50,000,000) certificates of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed, and paid-up certificate capital			
		450,000,000	450,000,000
Reserves			
		503,896,686	417,309,901
Long term loan	11	1,000,000,000	1,000,000,000
TOTAL CERTIFICATE HOLDERS' EQUITY		1,953,896,686	1,867,309,901
TOTAL LIABILITIES AND CERTIFICATE HOLDERS' EQUITY		2,051,513,390	1,938,202,289
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For Sindh Modaraba Management Limited (Management Company -owned by Government of Sindh)

Wasim meera

Chairman

CEO

Director

CFO

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE NINE-MONTHS ENDED MARCH 31, 2025

	Nine months ended		Quarter ended	
	March 2025	March 2024	March 2025	March 2024
Note -----Rupees-----				
Income from:				
Diminishing Musharaka	134,539,851	156,156,418	44,540,091	49,365,461
Morabaha	15,325,531	6,737,687	14,838,826	4,752,942
Bank deposits	49,822,880	29,570,606	17,283,415	9,287,539
Term deposits receipts	60,233,607	114,206,986	-	40,646,176
	259,921,869	306,671,697	76,662,332	104,052,118
Administrative and operating expenses	13 (66,371,460)	(48,835,153)	(23,384,853)	(17,624,677)
Reversal of provision against Diminishing Musharaka	3,696,079	13,711,981	1,336,117	7,304,802
	(62,675,381)	(35,123,172)	(22,048,736)	(10,319,875)
	197,246,488	271,548,525	54,613,596	93,732,243
Other income	4,440,584	265,910	3,803,219	24,010
	201,687,072	271,814,435	58,416,815	93,756,253
Management Company's remuneration	(20,168,707)	(27,181,444)	(5,841,681)	(9,375,626)
Provision for services sales tax on the Management Company's remuneration	(3,025,306)	(3,533,588)	(876,252)	(1,218,832)
Profit before taxation	178,493,059	241,099,403	51,698,882	83,161,795
Taxation	10 (35,656,274)	(69,498,481)	(14,992,676)	(24,116,921)
Profit for the period	142,836,785	171,600,922	36,706,206	59,044,874
Earnings per certificate - basic and diluted	3.17	3.81	0.82	1.31

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For Sindh Modaraba Management Limited (Management Company -owned by Government of Sindh)

Wasim Ahmad

Chairman



CEO



Director



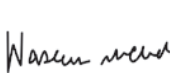
CFO

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE NINE-MONTHS ENDED MARCH 31, 2025**

	Nine months ended		Quarter ended	
	March 2025	March 2024	March 2025	March 2024
	-----Rupees-----			
Profit for the period	142,836,785	171,600,922	36,706,206	59,044,874
Other comprehensive income for the period				
Items that may be reclassified to profit and loss account	-	-	-	-
Items that will not be reclassified to profit and loss account subsequently	-	-	-	-
Total comprehensive income for the period	<u>142,836,785</u>	<u>171,600,922</u>	<u>36,706,206</u>	<u>59,044,874</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For Sindh Modaraba Management Limited (Management Company -owned by Government of Sindh)



Chairman



CEO



Director



CFO

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE NINE-MONTHS ENDED MARCH 31, 2025**

	Note	Nine Months Ended	
		March 2025	March 2024
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		178,493,059	241,099,403
Adjustments for non - cash and other items			
Depreciation - Fixed assets - in own use	9.1	701,052	844,741
Amortization on intangible assets	9.2	2,778	22,718
Gain on disposal of fixed assets -owned		(59,996)	-
Income on bank deposits		(49,822,880)	(29,570,606)
Income on term deposit receipts		(60,233,607)	(114,206,986)
Reversal of provision against Diminishing Musharaka		(3,696,079)	(13,711,981)
		<u>65,384,327</u>	<u>84,477,289</u>
Working capital changes			
Advances, prepayments and other receivables		(42,786,695)	(7,950,407)
Diminishing Musharaka		(248,898,362)	162,582,445
Morabaha		(428,888,889)	(80,000,000)
Long term loan		(1,705,442)	(5,256,419)
Long term advances		-	-
Creditors, accrued and other liabilities		<u>28,999,288</u>	<u>14,018,123</u>
		<u>(693,280,100)</u>	<u>83,393,742</u>
Income received on term deposit receipts		73,311,475	101,947,746
Income received on bank deposits		49,802,026	33,588,042
Income tax paid		(38,067,875)	(83,217,685)
Net cash (used in)/generated from operations		<u>(542,850,147)</u>	<u>220,189,134</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceed from disposal of fixed assets -owned		60,000	-
Purchase of fixed assets - owned	8.1	(567,799)	(734,427)
Net cash used in investing activities		<u>(507,799)</u>	<u>(734,427)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(56,113,371)	(55,986,667)
Net cash used in financing activities		<u>(56,113,371)</u>	<u>(55,986,667)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(599,471,317)</u>	<u>163,468,040</u>
Cash and cash equivalents at the beginning of the period		1,152,142,642	882,076,260
Cash and cash equivalents at the end of the period	17	<u>552,671,325</u>	<u>1,045,544,300</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For Sindh Modaraba Management Limited (Management Company -owned by Government of Sindh)



Chairman



CEO



Director



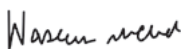
CFO

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE NINE-MONTHS ENDED MARCH 31, 2025

	Issued, subscribed, and paid-up certificate capital	Reserves			Long term loan	Total equity
		Statutory reserve	Unappropriat ed profit	Total		
Rupees						
Balance as at July 01, 2023	450,000,000	160,416,320	111,950,892	272,367,212	1,000,000,000	1,722,367,212
Profit for the period	-	-	171,600,922	171,600,922	-	171,600,922
Transaction with Certificate Holders						
Profit distribution @ Rs. 1.25 (12.50%) per certificate	-	-	(56,250,000)	(56,250,000)	-	(56,250,000)
Balance as at March 31, 2024	450,000,000	160,416,320	227,301,814	387,718,134	1,000,000,000	1,837,718,134
Balance as at July 01, 2024	450,000,000	200,682,424	216,627,477	417,309,901	1,000,000,000	1,867,309,901
Profit for the period	-	-	142,836,785	142,836,785	-	142,836,785
Transaction with Certificate Holders						
Profit distribution @ Rs. 1.25 (12.50%) per certificate	-	-	(56,250,000)	(56,250,000)	-	(56,250,000)
Balance as at March 31, 2025	450,000,000	200,682,424	303,214,262	503,896,686	1,000,000,000	1,953,896,686

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

For Sindh Modaraba Management Limited (Management Company -owned by Government of Sindh)



Chairman



CEO



Director



CFO

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTHS ENDED MARCH 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

Sindh Modaraba (the Modaraba) has been floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Sindh Modaraba Management Limited (the Management Company), which is a wholly owned subsidiary of Government of Sindh. The registered office of the Modaraba is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

The Modaraba is a perpetual, multi-purpose and multi-dimensional Modaraba and is primarily engaged in providing Shariah compliant financing facilities to credit worthy customers. The Modaraba is listed on Pakistan Stock Exchange Limited.

The VIS Credit Rating Company Limited has maintained long term rating of A+ and short term rating of A-1 to the Modaraba. Outlook on the assigned rating is 'Stable'.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Modaraba for the nine-month ended March 31, 2025 have been prepared by the management in accordance with the International Accounting Standard (IAS)-34 "Interim Financial Reporting" and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever provisions of and directives issued under the Companies Act, 2017, the Modaraba companies & Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations and the Islamic Financial Accounting Standards (IFASs) differ from the IFRS standards, the provision of and directives issues under the Companies Act, 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations and the Islamic Financial Accounting Standards (IFASs) has been followed.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34; 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2024.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention.

2.3 Functional and presentation currency

Items included in the condensed interim financial information are measured using the currency of the primary economic environment in which the Modaraba operates. The condensed interim financial information is presented in Pakistani Rupee, which is the Modaraba's functional and presentational currency. Figures have been rounded off to the nearest Rupee, unless stated otherwise.

2.4 Use of significant estimates and judgments

The preparation of condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on on-going basis.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTHS ENDED MARCH 31, 2025

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Modaraba for the year ended June 30, 2024.

		March 2025	June 2024
		Un-audited	Audited
4. CASH AND BANK BALANCES	Note	Rupees	
Cash in hand		50,000	-
Stamp paper in hand		67,700	78,200
Balances with banks in:			
- Deposit accounts	4.1	550,844,182	200,860,973
- Current accounts	4.2	1,709,443	1,203,469
		<u>552,671,325</u>	<u>202,142,642</u>

4.1 These carry profit at the rates ranging from 3.40% to 11.00% per annum. (June 30, 2024: Rs. 6.75% to 18.80% per annum). This includes balance of Rs. 0.87 million (June 30, 2024: Rs. 1.16 million) held with Sindh Bank Limited - Islamic Banking Unit, a related party.

4.2 This includes balance of Rs. 1.71 million (June 30, 2024: Rs. 1.2 million) held with Sindh Bank Limited - Islamic Banking Unit, related party.

		March 2025	June 2024
		Un-audited	Audited
5. SHORT TERM INVESTMENTS	Note	Rupees	
Term deposit receipts	5.1	-	950,000,000

5.1 Nil investments as of the balance sheet date (June 30, 2024: Rs. 550 million @ 19.00% p.a and Rs. 400 million @ 20.50% p.a for 3 months each in Soneri Bank Limited - Islamic Banking)

		March 2025	June 2024
		Un-audited	Audited
6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	Rupees	
Advances and deposits	6.1	15,746,880	26,000
Prepayments		3,760,524	1,289,844
Accrued income from bank deposits	6.2	4,774,458	4,753,604
Accrued income from term deposit receipts		-	13,077,868
Accrued income from Diminishing Musharaka	6.3	12,587,556	19,517,782
Profit receivable on Morabaha Finance		31,087,170	-
Other receivables		438,187	-
		<u>68,394,775</u>	<u>38,665,098</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTHS ENDED MARCH 31, 2025

- 6.1 This includes Rs. 12.98 million advances to vendors in respect of acquisition of assets under Diminishing Musharaka arrangement for onward delivery to customers (June 30, 2024: Rs. Nil).
- 6.2 This includes accrued income of Rs. Nil (June 30, 2024: Rs. 13,123) in deposit account, held with Sindh Bank Limited - Islamic Banking Unit, related party.

		March 2025	June 2024
		Un-audited	Audited
	Note	----- Rupees -----	-----
6.3	Accrued income from Diminishing Musharaka		
	Receivable	25,148,473	34,861,964
	Less: Income suspend	(12,560,917)	(15,344,182)
		12,587,556	19,517,782

7. DIMINISHING MUSHARAKA

Receivables - secured	7.1	1,040,622,697	791,724,335
Less: current portion		(415,929,505)	(324,247,982)
Less: provision	7.2	(49,115,098)	(52,811,177)
Long term portion		<u>575,578,094</u>	<u>414,665,176</u>

- 7.1 This represents the finance provided to Individual and Corporate clients under Diminishing Musharaka arrangements for periods ranging 3 to 20 years (June 2024: 3 to 20 years) which is secured against mortgage of property, lien on title documents and charge on assets.
- 7.2 This includes general provision of Rs. 6.97 million (June 2024: Rs. 3.46 million) made at the rate of 0.5% (June 2024: 0.5%) on diminishing musharaka and morabaha receivables.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTHS ENDED MARCH 31, 2025

		March 2025	June 2024
		Un-audited	Audited
8. FIXED ASSETS - in own use	Note	Rupees	
Tangible assets	8.1	1,799,527	1,932,780
Intangible assets	8.2	4	2,782
		<u>1,799,531</u>	<u>1,935,562</u>

8.1 Tangible assets

Particulars	Cost			Depreciation			WDV as at March 31, 2025	Depreciation Rate
	As at July 01, 2024	Addition/ (Deletion)	As at March 31, 2025	As at July 01, 2024	Charge/(Adj.) for the period	As at March 31, 2025		
	Rupees							
Furniture and fixtures	1,565,217	245,100	1,810,317	1,261,708	134,783	1,396,491	413,826	10%
Office equipment	3,654,877	20,199 (234,668)	3,440,408	2,790,880	181,503 (234,668)	2,737,715	702,693	20%
Vehicles	1,354,275	118,000 (1,310,775)	161,500	1,332,414	23,827 (1,310,775)	45,466	116,034	20%
Computer and accessories	3,466,086	184,500	3,650,586	2,722,673	360,939	3,083,612	566,974	33.33%
As at and for the period ended March 31, 2025	10,040,455	567,799 (1,545,443)	9,062,811	8,107,675	701,052 (1,545,443)	7,263,284	1,799,527	
As at and for the year ended June 30, 2024	8,907,528	1,132,927	10,040,455	6,961,841	1,145,834	8,107,675	1,932,780	

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTHS ENDED MARCH 31, 2025

	Note	March 2025	June 2024
		Un-audited	Audited
8.2 Intangible assets			
Opening net book value		2,782	27,156
Amortization for the period / year		(2,778)	(24,374)
Closing net book value		<u>4</u>	<u>2,782</u>
As at March 31, 2025 / June 30, 2024			
Cost		2,111,982	2,111,982
Accumulated amortization		(2,111,978)	(2,109,200)
Net book value		<u>4</u>	<u>2,782</u>
Annual rates of amortization		33.33%	33.33%

CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		6,441	6,441
Management remuneration payable - related party		20,168,707	34,631,681
Accrued expenses	9.1	17,966,884	11,373,336
Provision for Sindh sales tax on management remuneration		3,025,306	5,194,752
Payable to gratuity fund - related party		1,047,087	1,390,203
Deferred Morabaha Income		19,682,555	-
Other liabilities		28,611,832	8,913,111
		<u>90,508,812</u>	<u>61,509,524</u>

9.1 This includes Rs. 168,584 (June 30, 2024: Rs. 54,000) for branch rent payable to Sindh Bank Limited - Islamic banking, related party .

	Note	March 2025	June 2024
		Un-audited	Audited
10 PROVISION FOR TAXATION -NET			
Opening balance		8,307,484	10,555,612
Paid/deducted/adjusted during the period / year		(38,067,875)	(107,407,982)
Provision for the period / year		51,762,987	105,580,200
Prior period adjustment		(16,106,713)	(420,346)
Total provision for the period		<u>35,656,274</u>	<u>105,159,854</u>
Closing balance		<u>5,895,883</u>	<u>8,307,484</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTHS ENDED MARCH 31, 2025

		March 2025	June 2024
		Un-audited	Audited
Note		Rupees	
11. LONG TERM LOAN - subordinated	11.1	1,000,000,000	1,000,000,000

11.1 This represents interest free loan provided by the Management Company (related party) to the Modaraba. The loan is sub-ordinated to senior debt and is repayable at the discretion of Modaraba. The Modaraba has the option to issue modaraba certificates in future against this loan, subject to necessary regulatory approvals.

12. CONTINGENCIES AND COMMITMENTS

The Modaraba received a letter from the Assistant Commissioner - Sindh Revenue Board (SRB), wherein, it is mentioned that during scrutiny of the financial statements of the Modaraba from July-2014 to March 2018 he came to know that the Modaraba is engaged in providing / rendering taxable services which falls under the Second Schedule of Sindh Sales Tax on Services Act, 2011 (the Act), and the sales tax on such services mainly Ijarah/lease rentals aggregates to Rs. 27.67 million which is outstanding. Such letters were also received by some other Modarabas and collectively, a petition against the same was filed through a common legal counsel in the Honorable High Court of Sindh challenging levy of Services Sales Tax on Ijarah/lease financing transactions. The Honorable High Court has granted a stay stating that no adverse order in respect of the proposed treatment shall be made against the Petitioners.

The management of the Modaraba based on discussions with its legal counsel is of the view that the Sindh Sales Tax is not applicable on Ijarah transactions and expect that the matter will be decided in Modarabas' favour. Accordingly, no liability in respect of the above has been recognized in these financial statements.

		March 2025	March 2024
		Un-audited	Un-audited
Note		Rupees	
13. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and other benefits	13.1	47,982,452	33,323,502
Legal and professional charges		1,491,145	1,535,421
Shariah advisor fee		450,000	352,000
Repair and maintenance		1,324,779	968,569
Utility services		1,479,760	1,282,460
Registration and subscription fee		979,806	889,351
Generator sharing and fuel charges	13.2	894,497	876,004
Entertainment		509,277	347,835
Advertisement and publications		359,426	175,243
Staff orientation and training		10,800	23,700
Rent, rates and taxes	13.3	529,326	616,012
Travelling and conveyance		6,941,736	5,419,969
Security services		450,000	450,000
Printing, stationery and photocopy		578,197	486,113
Postage, courier and telegraphs		140,604	171,184
Auditors' remuneration		230,802	221,230
Depreciation expense - tangible assets	9.1	701,052	844,741
Amortization expense - intangible assets	9.2	2,778	22,718
Takaful - owned assets		160,896	135,860
Takaful - financing assets		870,667	551,769
Donation		43,596	-
Miscellaneous		239,864	141,472
		<u>66,371,460</u>	<u>48,835,153</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTHS ENDED MARCH 31, 2025

13.1 This includes contribution of Rs. 1.14 million (2024: Rs. 1.10 million) to provident fund and Rs. 1.05 million (2024: Rs. 0.94 million) to gratuity fund, related parties.

13.2 This includes Rs. 810,000 (2024: Rs. 810,000) against sharing of expenses with Sindh Insurance Limited - related party.

13.3 This includes Rs. 379,314 (2024: 466,000) branch rent to Sindh Bank Limited, related party.

14. SEGMENT INFORMATION

As per IFRS 8: "Operating Segments", segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the

The Chief Executive Officer is responsible for the Modaraba's entire product portfolio and considers the business to have a single operating segment. The Modaraba's asset allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Modaraba is domiciled in Pakistan. All of the Modaraba's income is from investments in entities incorporated in Pakistan.

15. RELATED PARTY BALANCES AND TRANSACTIONS

The Modaraba has related party relationship with the Management Company, its associated companies and key management personnel.

The details of related party transactions and balances otherwise than disclosed else where in these financial statement are as follows:

	March 2025	June 2024
	Un-audited	Audited
	----- Rupees -----	
Balances as at period end		
Key Management Personnel		
Long term loan	<u>4,158,368</u>	<u>4,002,165</u>
Sindh Modaraba Employees Gratuity Fund -employee fund		
Contribution payable	<u>1,047,087</u>	<u>1,390,203</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTHS ENDED MARCH 31, 2025

	March 2025	March 2024
	Un-audited	Un-audited
Transactions for the period	----- Rupees -----	
Sindh Bank Limited - associated company		
Income on bank deposits	70,213	416,254
Branch rent paid	264,730	150,000
	<u>334,943</u>	<u>566,254</u>
Sindh Modaraba Management Limited - Management company		
Dividend paid	53,057,500	53,057,500
Management Company's remuneration accrued	20,168,707	27,181,444
Management Company's remuneration paid	34,631,681	21,936,310
	<u>107,857,888</u>	<u>102,175,254</u>
Sindh Insurance Limited - associated company		
Takaful contribution paid	3,499,812	1,947,161
Sharing of expenses paid	540,000	810,000
	<u>4,039,812</u>	<u>2,757,161</u>
Key Management Personnel		
Salaries, allowances and benefits paid	23,922,031	14,925,497
Sindh Modaraba Employees Provident Fund - employee fund		
Contribution paid (both employer's and employee's contribution)	2,595,376	2,193,538
Sindh Modaraba Employees Gratuity Fund		
Contribution paid	1,390,203	1,041,276

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' requires the Modaraba to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the assets or liability that are not based on observable market data (i.e., unobservable inputs) (level 3).

As at the balance sheet date, there were no financial instruments which were measured at fair values in the financial statements.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTHS ENDED MARCH 31, 2025**

		March 2025	March 2024
		Un-audited	Un-audited
17. CASH AND CASH EQUIVALENT	Note	----- Rupees -----	
Cash and bank balances	4	552,671,325	245,544,300
Short term investment	5	-	800,000,000
		<u>552,671,325</u>	<u>1,045,544,300</u>

18. SUBSEQUENT EVENT

No subsequent events have occurred till the reporting date that may require adjustment of or disclosure in the condensed interim financial information for the period ended March 31, 2025.

19. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on April 29, 2025 by the Board of Directors of the Management Company.

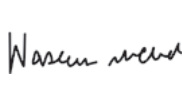



20. CORRESPONDING FIGURES

Corresponding figures have been re-classified, wherever necessary for the purposes of comparison.

21. GENERAL

Figures have been rounded off to the nearest rupee.

For Sindh Modaraba Management Limited (Management Company -owned by Government of Sindh)

			
Chairman	CEO	Director	CFO

SINDH MODARABA **Products**

- Ijarah
- Diminishing Musharaka
- Morabaha
- Musharaka
- Salam
- Istisna

SINDH MODARABA

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