

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



# GAINING MOMENTUM

A JOURNEY OF TRUST AND TRANSFORMATION

ANNUAL REPORT 2025



# About the Cover

As we look ahead, Sindh Modaraba is not just aiming for growth, it is aiming for excellence. With firm roots in integrity and faith-based finance, and eyes set on the horizon, Sindh Modaraba is confidently reaching for the skies ambitious to be a leading force in Pakistan's Islamic financial landscape.



# VISION

**Our vision is to be one of the leading Islamic Financial Institution within Modaraba sector by offering Shari'ah compliant solutions for an optimal satisfaction of customers.**

The Sukkur Barrage, built in 1932 on the Indus River in Sindh, Pakistan, is one of the world's largest irrigation systems, transforming arid lands into fertile agricultural fields.



# MISSION

**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 line with the practices of His Prophet (ﷺ) by meeting its stated objectives built on Trust, Integrity, Innovation and Good Governance for meeting expectation of its stakeholders.**

# CHAIRMAN'S REVIEW REPORT

It gives me great pleasure to present the Chairman's Review Report to the certificate holders of Sindh Modaraba (the Modaraba), highlighting the overall performance of the Board of Directors and its contribution towards achieving the strategic objectives of the Modaraba.

In compliance with the regulatory requirements, including the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors of the Modaraba has established an effective governance framework. The Board functions through a well-defined structure comprising committees, clear procedures, and regular meetings, thereby ensuring effective oversight and accountability. Comprehensive agendas and supporting documents are circulated well in advance, enabling informed and constructive deliberations. The Board met regularly during the year, at least once every quarter, to review the performance of the Modaraba, monitor risks, and provide strategic guidance to management.

Despite a significant reduction of 50% in the policy rate announced by the State Bank of Pakistan (SBP) during the year, the Modaraba has maintained a sound financial standing. This resilience demonstrates the robustness of our business model and the effectiveness of the strategies pursued by the management under the guidance of the Board.

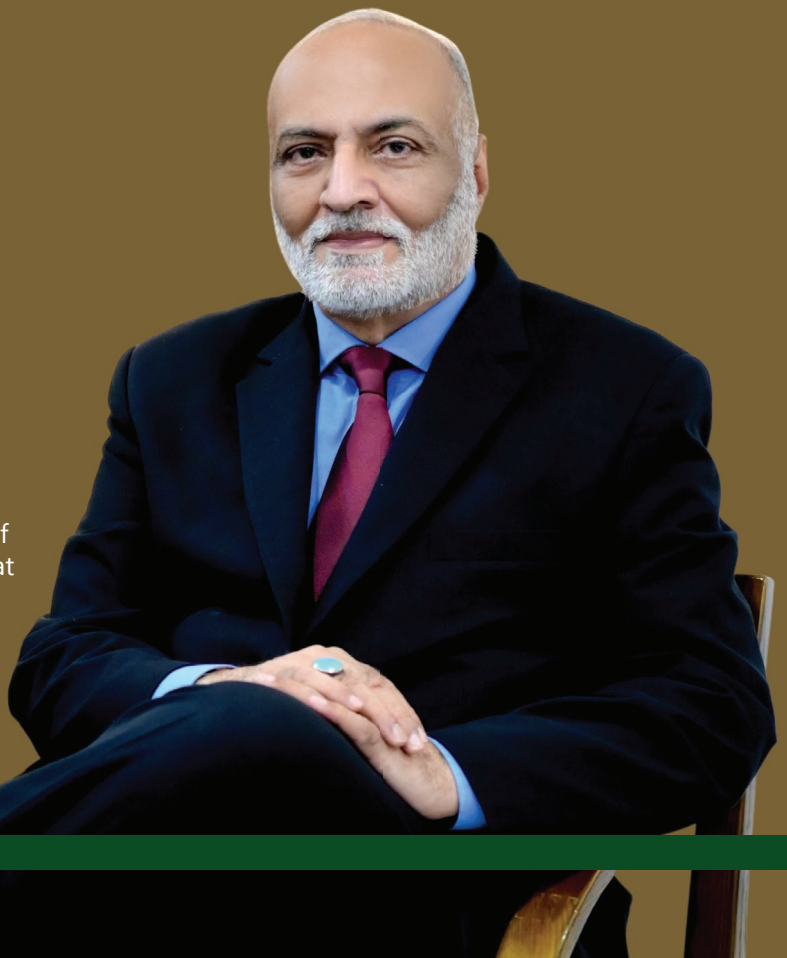
To enhance competitiveness in a challenging operating environment, we have strengthened our core team, particularly the marketing function, to ensure sustainable growth. While this has momentarily increased operating expenses by 35.41%, the benefits are already evident with an impressive growth of 124.18% in the Islamic financing portfolio over the previous year. We are confident that these strategic initiatives will yield greater value for certificate holders in the coming financial year and beyond.

The Board also undertakes an annual evaluation of its own performance in line with the requirements of the Code of Corporate Governance. This ensures that the Board continues to operate effectively, uphold high standards of governance, and remain aligned with the long-term interests of certificate holders.

Looking ahead, we acknowledge that the external environment will remain challenging due to macroeconomic uncertainties. However, the Board and management remain committed to steering the Modaraba with resilience, prudence, and strategic foresight. With the support of our stakeholders, and by adhering to responsible governance and ethical business practices, we are confident that Sindh Modaraba will continue to safeguard the interests of certificate holders, capitalize growth opportunities, and contribute towards the promotion of Islamic finance in Pakistan.

On behalf of the Board, I express my sincere gratitude to our Sponsors, Certificate holders, Regulators, Management, Employees, and all other Stakeholders for their continued confidence and support. Together, we shall strive to strengthen the foundations of the Modaraba and play our role in Pakistan's journey towards sustainable and inclusive economic growth.

**Waseem Mehdi Syed**  
Chairman





# CEO's MESSAGE

It gives me immense pleasure to present the Annual Report of Sindh Modaraba for the financial year 2024-25. I express my sincere gratitude to the Government of Sindh (GoS), Board of Directors and our esteemed shareholders for their continued trust and support. In particular, I would like to extend deepest thanks to the Secretary Finance, Government of Sindh (GoS), for his invaluable guidance and consistent support throughout the year, which has played a pivotal role in our strategic direction and operational progress. I would also like to express heartfelt appreciation to the entire team of Sindh Modaraba for their hard work, professionalism, and dedication for upholding Islamic values in all business practices.

Alhamdulillah, the financial year 2024-25 was a period of sustained growth and improvement for Sindh Modaraba, with a substantial decrease in non-performing loans (NPLs). We successfully enhanced our Murabaha and Diminishing Musharakah portfolios, resulting in a significant increase in total Shariah-compliant disbursements, which increased four times as compared to the previous year. This growth reflects our prudent marketing, risk and compliance strategies and a strong demand for Riba-free financial solutions.

It is pertinent to note that despite 50% reduction in policy rate by the State Bank of Pakistan (SBP) during the period under review, Sindh Modaraba has demonstrated positive financial standing.

This was made possible through a strategic increase in disbursements over the previous year and a significant reduction in NPLs, effectively mitigating the pressure on earnings.

Our business strategy for the coming year will focus on geographical expansion, digital transformation, and customer-centric solutions. We aim to introduce new financing products catering to SMEs, renewable energy, and agri-based enterprises. In addition, we are investing in information technology to streamline operational efficiency, ethical governance, and compliance with Shariah principles will remain the foundation of our approach.

Looking ahead, we remain committed to our mission of providing value-driven Islamic financial services while supporting sustainable economic growth in Sindh province and beyond. I am confident that with the continued support of our stakeholders, the guidance of our Board of Directors, and the dedication of our team, Sindh Modaraba will reach greater heights in the years to come.

Thank you once again for your continued faith in Sindh Modaraba.

**Abdul Rauf Chandio**  
Chief Executive Officer



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## COMPANY 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

### Shariah Advisor

Mufti Syed Zahid Siraj

### Human Resource Committee

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

### Legal Advisor

Mohsin Tayebaly & Co.

### Nomination Committee

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

### Share Registrar

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

### 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

### Registered/Head Office

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

### 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

### Lahore Branch

30-30A, Commercial Building  
The Mall  
Lahore

### Auditors

Grant Thornton Anjum Rahman  
Chartered Accountants



## DIRECTORS' REPORT

On behalf of the Board of Directors of Sindh Modaraba Management Limited, we are presenting the 11<sup>th</sup> annual report of Sindh Modaraba together with Audited Accounts for the year ended June 30, 2025.

### 1. Economy

It is with a sense of both challenges and cautious optimism that we present the Directors' Report for the financial year ended June 30, 2025. This past year has been a period of significant economic adjustments and resilience, both for our nation and for our Company. As we navigate the complexities of the global and domestic landscape, it is imperative to provide you with a comprehensive overview of Pakistan's economic performance over the last twelve months and our outlook for the future.

The fiscal year 2024-25 presented a mixed bag of economic indicators for Pakistan, characterized by persistent efforts towards macroeconomic stabilization amidst lingering domestic and external pressures.

- a) **Economic Growth (GDP):** Pakistan's economy experienced subdued growth during the period, largely due to stringent fiscal and monetary policies aimed at curbing inflation and managing the current account deficit. While initial projections were modest, the actual growth rate remained constrained, reflecting the necessary slowdown to address structural imbalances. Key sectors like large-scale manufacturing faced headwinds from high input costs and reduced consumer demand, though the agricultural sector showed some resilience, providing a crucial buffer. Real growth reached approximately **2.5%** in FY 2023–24, rising modestly to **2.7%** in FY 2024–25, slightly outperforming IMF forecasts (2.6%) but still well below government targets of ~3.5–4%.
- b) **Inflation:** Inflation remained a dominant challenge throughout the year, with the Consumer Price Index (CPI) hovering in double-digits for much of the period. This elevated inflation was primarily driven by global commodity price volatility, particularly energy and food, coupled with the impact of currency depreciation and supply-side disruptions. The **State Bank of Pakistan** cut interest rates sharply—from around 22% in mid-2024 to ~11% by mid-2025—to support economic recovery. From a peak above 30% in 2023, inflation cooled significantly—to **4.6%** annual average in FY 2024–25—and was projected around **4.7%** by the government, though the IMF forecast was slightly higher at **5.1%**.
- c) **Exchange Rate Stability:** The Pakistani Rupee (PKR) experienced periods of volatility, particularly in the first half of the fiscal year, before showing signs of relative stability towards the latter part. This stabilization was largely attributable to improved foreign exchange inflows, including tranches from the International Monetary Fund (IMF) program and support from friendly countries, coupled with administrative measures to curb speculative activities. However, the underlying pressure on the balance of payments continued to necessitate careful management.
- d) **Fiscal Management:** The government continued its arduous journey of fiscal consolidation. Efforts were intensified to broaden the tax base, reduce non-development expenditures, and rationalize subsidies. Despite these measures, the fiscal deficit remained a concern, necessitating continued reliance on borrowing. The focus on revenue mobilization through various tax reforms and improved collection mechanisms was evident, but the gap between revenue and expenditure persisted. The fiscal gap narrowed to approximately **2.6% of GDP**, down from the ~3.7% reported mid-2025. Nearly **half** of government revenue in 2025–26 is earmarked for debt servicing.
- e) **Current Account Deficit & Foreign Exchange Reserves:** Significant progress was made in managing the current account deficit, primarily through import compression measures and a marginal improvement in exports and remittances. This combined with multilateral and bilateral financial support, helped in a gradual rebuilding of foreign exchange reserves. While reserves remained at a level requiring prudent management, the trend was positive compared to the preceding year, alleviating immediate external financing pressures. The external debt repayment burden for FY 2025–26 is over **\$23 billion** (PKR 6.5 trillion). Pakistan posted a **\$1.9 billion surplus** in the current account from July 2024 to April 2025—compared to a deficit of \$200 million the year before. However, reserves remain fragile, and rollover borrowing continues. Moreover, in September 2024, Pakistan secured a **\$7 billion IMF bailout**, supplemented by new bilateral loans and rollover support (e.g. China rolled over \$2 billion in March 2025).
- f) **Energy Sector:** The energy sector continued to pose structural challenges, including circular debt and the need for sustainable energy solutions. While efforts were made to improve energy supply and reduce line losses, the cost of energy remained a significant burden on both industries and consumers, impacting overall economic competitiveness.
- g) **Performance of the Financial Sector and Non-Bank Financial Institutions**

- (i) In line with the improved macroeconomic and financial conditions in CY24, the overall financial sector demonstrated impressive performance and maintained its resilience. According to the State Bank of Pakistan's (SBP) Financial Stability Review for 2024, the financial sector grew at a decent pace of 17.8% during the year. This growth was supported by receding inflationary pressures, significant monetary easing, and a stable exchange rate.
- (ii) Within this environment, the non-bank financial sector presented a mixed performance. Non-Bank Financial Institutions (NBFIs) as a whole manifested a remarkable expansion. The NBFI sector's asset share in the financial system, which is predominated by the banking sector, improved from approximately 5.8% in CY23 to 8.9% in CY24. Overall, the NBFI sector posted an impressive asset growth of 80.0% in CY24, a significant jump from the 34.5% growth recorded in CY23. Major push for this growth came from asset management segment with 89.1 % share in the NBFI sector.
- (iii) The lending segment of the NBFIs, which includes Modarabas, registered a strong growth of 89.4% in CY24. This revival was primarily driven by the declining interest rates in the latter half of the year and the extension of credit lines from banks. However, a closer look at the Modaraba segment reveals a more nuanced position. The sector's asset base grew by a marginal 1.2% in CY24, contrasting with the contraction of 14.1% it faced in CY23. On a positive note, the advances portfolio within the Modaraba sector experienced a strong growth of approximately 46%, reaching Rs 12 billion in CY24. This growth in advances was supported by the favorable interest rate environment and signals a revival in lending activities, which is a key function of modaraba business.

## 2. Operating Results and Business Overview

The Modaraba earned a net profit after tax of Rs. 180.12 million during the year under review as compared to a net profit after tax of Rs. 201.33 million earned during the year ended June 30, 2024. SBP has decreased its policy rate of about 50% during the current year which impacted the profits. Sindh Modaraba has shown remarkable progress in FY 2024-25, achieving significant growth in its core business areas along with substantial decrease in non-performing loans (NPL's). Our total disbursement during the period increased four times over the preceding year i.e. Rs.1.518 billion, reflecting strong demand for our Shariah-compliant financing products and growing confidence among our customers. We have also made commendable improvements in asset quality, with a strong risk mitigation tools and strategies. To compete the market players, we have rigorously strengthen our core team especially marking team to achieve the organization's objectives which impacted the operating expense of about 35.41% against favorable increase in Islamic Financing Portfolio of about 124.18% since last year, which will also be reflected in next financial year.

The operating results for the year ending June 30, 2025, are summarized in the table below:

	June 30, 2025	June 30, 2024
	-----Rupees-----	
<b>Balance Sheet</b>		
Certificate capital	450,000,000	450,000,000
Total equity	1,991,508,632	1,867,309,901
Diminishing Musharaka Finance	1,443,666,943	738,913,158
Murabaha Finance	212,819,445	-
<b>Profit &amp; Loss</b>		
Revenues	341,799,466	407,340,786
Operating expenses	87,438,400	64,572,249
Profit before management fee	267,098,316	346,316,807
Profit before tax	236,382,009	306,490,374
Profit after tax	180,113,788	201,330,520
<b>Appropriations</b>		
Profit distribution @ of 13.50% (2024: 12.50%)	60,750,000	56,250,000
Statutory Reserve	36,022,758	40,266,104
<b>Earning per Certificate</b>	4.00	4.47

### 3. Outlook

Looking ahead, the economic trajectory of Pakistan appears to be at a critical juncture, with several factors poised to shape its performance. Our outlook is one of cautious optimism, contingent upon sustained policy reforms and a more stable geopolitical environment.

- a) **Continuation of the IMF Program & Structural Reforms:** The successful completion of the ongoing IMF program and the potential for a new, extended program will be pivotal. This will not only unlock further external financing but also provide the necessary policy discipline to undertake deeper structural reforms. These reforms are crucial for enhancing productivity, improving the business environment, and attracting long-term foreign direct investment. We anticipate a continued focus on fiscal consolidation, energy sector reforms, and privatization of loss-making state-owned enterprises.
- b) **Inflation Trajectory:** We foresee a gradual moderation in inflation, albeit remaining above the State Bank's long-term target in the near term. As global commodity prices stabilize and domestic supply chains improve, the pressure on consumer prices is expected to ease. This could potentially create room for a gradual easing of monetary policy, leading to a reduction in interest rates, which would be beneficial for industrial growth and private sector borrowing.
- c) **Exchange Rate Stability and External Sector:** The stability of the Pakistani Rupee will largely depend on sustained foreign exchange inflows, a disciplined current account management, and investor confidence. We expect continued efforts to boost exports through diversification and market access initiatives. Remittances from overseas Pakistanis are likely to remain a significant source of foreign exchange. A stable and predictable exchange rate environment is crucial for business planning and attracting foreign investment.
- d) **Growth Revival:** With macroeconomic stability gaining traction, we anticipate a gradual revival in economic growth. This growth will likely be driven by increased private sector investment, particularly if interest rates soften and business confidence improves. The agricultural sector is expected to continue its positive contribution, while the industrial and services sectors will benefit from improved energy supply and a more conducive policy environment. Targeted interventions to support small and medium enterprises (SMEs) will also be vital for job creation and inclusive growth.
- e) **Investment Climate:** Improving the investment climate remains a top priority. Efforts to streamline regulatory processes, ensure policy consistency, and enhance the ease of doing business are essential. The Special Investment Facilitation Council (SIFC) is expected to play a crucial role in attracting investments, particularly from Gulf countries, in key sectors such as agriculture, mining, IT, and energy. Our Company is actively exploring avenues to leverage these opportunities.
- f) **Financial Sector:** Based on the State Bank of Pakistan's Financial Stability Review 2024, the outlook for the financial sector in Pakistan remains positive, with a sustained focus on resilience. The banking sector, in particular, is projected to remain robust and is expected to maintain its resilience during the coming years.
- g) **Social and Human Development:** Beyond economic indicators, there is a growing recognition of the need for inclusive growth that addresses social development challenges. Investments in education, healthcare, and skill development will be critical for building a productive workforce and ensuring long-term sustainable development.

**Challenges Ahead:** Despite the positive outlook, significant challenges persist. These include the ongoing need for fiscal discipline, managing geopolitical risks, adapting to climate change impacts on agriculture, and ensuring political stability. The global economic slowdown and potential shifts in international trade dynamics also present external risks that require vigilant monitoring.

The past year has tested our collective resilience, and our Company, like many others, has adapted to the evolving economic landscape. We remain committed to prudent financial management, operational efficiency, and strategic growth initiatives that align with the national economic direction. We believe that with continued reforms, responsible governance, and the unwavering support of our stakeholders, Pakistan can achieve a path of sustainable and inclusive economic growth.

### 4. Profit distribution

The Board of Directors has approved a cash dividend @ 13.50% (2024:12.50%) i.e. Rs. 1.35 (2024: Rs. 1.25) per certificate for the year ended 30<sup>th</sup> June 2025.

As per Modaraba Regulations issued by Securities & Exchange Commission of Pakistan, every Modaraba may create reserve fund which shall be credited an amount to reserve fund from after-tax profits or any part thereof.



The Board of Directors has appropriated Rs. 36,022,758/- (20%) towards the Statutory Reserve.

## 5. External Annual Audit

The financial statements of Modaraba have been audited without any qualification by the auditors namely M/s. Grant Thornton Anjum Rehman, Chartered Accountants.

## 6. Corporate Governance

The Modaraba is required to comply with the various requirements of the Public Sector Companies (Corporate Governance) Rules, 2013 (Rules) as well as Listed Companies (Code of Corporate Governance) Regulations 2019 (the CCG) issued by the SECP.

The statutory auditors are also required to issue their review report on the compliance statement of the best practices, which is published with the financial statements.

The Board of Directors has reviewed the CCG and Rules and confirms that:

- The Board has consistently complied with the relevant principles of corporate governance.
- Financial statements, prepared by the management, present fairly the state of affairs, the results of its operations, cash flows and change in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The appointment of chairman and other members of the Board and the terms of their appointment are in the best interests of the Modaraba as well as in line with the best practices.
- The board has elected an independent director in compliance with the rules.
- International Financial Reporting Standards, as applicable to Modarabas in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2025, except for those disclosed in financial statements.
- The value of Investment in Employees Provident Fund based on financial statements of the Fund as of June 30, 2025 is Rs. 19.508 million (2024: Rs. 14.558 million).
- Key operating and financial data of last six years is annexed.
- Five Board Meetings of the Modaraba Company were held during the year. Attendance of each director is appended hereunder:

Name of Director	Number of Meetings Attended
Mr. Waseem Mehdi Syed	05
Mr. Fayaz Ahmed Jatoi	02
Mr. Ejaz Akhtar Ansari	05
Mr. Sami ul Haq Khilji	05
Mr. Kamal Ahmed	05
Mr. Abdul Rauf Chandio	05
Ms. Naila Asad Shaikh	05

- Five Audit Committee meetings of the Modaraba Company were held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Waseem Mehdi Syed	5
Mr. Ejaz Akhtar Ansari	5
Mr. Sami ul Haq Khilji	5
Mr. Kamal Ahmed	5

- One Human Resource Committee Meeting of the Modaraba Company was held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Waseem Mehdi Syed	1
Mr. Abdul Rauf Chandio	1
Mr. Sami ul Haq Khilji	1

- Two Risk Management Committee Meetings of the Modaraba Company were held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Waseem Mehdi Syed	2
Mr. Abdul Rauf Chandio	2
Ms. Naila Asad Shaikh	2

- The Board has also established a Procurement Committee and Nomination Committee as required under the Rules. However, no meeting of these committees were held during the year as per applicable rules.
- The pattern of certificate holding is annexed to this report.
- The Directors, CEO, Executives, and their spouses and minor children did not carry out any transaction in the certificates of the Modaraba during the year.

## 7. The Board of Directors

The Board of Directors has been elected in October 2023 and there is no change in the composition of the Board, however, the Board's committee have been re-constituted during the year as per the applicable regulatory requirements.

## 8. Principal Risk & Mitigation

The risk management government starts with the Board and is associated with a robust management structure, advanced information and risk rating system along with well-developed risk governance policies. The Board ensures the assessment of principal risk faced by SM and level of tolerance by providing guidance to the management in the prescribed manner.

## 9. Board's Statement on Strategic Objectives for ESG and Sustainability Reporting

Sindh Modaraba has reinforced its dedication to Environmental, Social, and Governance (ESG) principles and sustainability, with strategic objectives firmly anchored in creating long-term value for stakeholders. Our commitment is reflected in the integration of responsible business practices that are aligned with globally recognized sustainability standards.

Our ESG and sustainability framework is comprehensive, underpinned by ethical governance, social responsibility, and environmental stewardship. ESG considerations are embedded across our core business strategies, ensuring these principles are not only upheld but actively drive our decision-making processes.

This strategic evolution is informed by the latest regulatory developments and best practices in ESG, sustainability, and climate-related risk management. Guided by our foundational Shariah values-which promote fairness, transparency, and accountability-we are embedding ESG across all facets of our operations to ensure alignment with our values and stakeholder expectations.

The Board remains fully committed to advancing these priorities, continuously refining our approach in response to evolving stakeholder needs and contributing positively to the broader community and environment. We believe that our ESG and sustainability initiatives not only reflect our organizational ethos but also position Sindh Modaraba as a forward-looking leader in responsible and sustainable business.

#### 9.1 Minimizing Environmental Impact:

This priority includes responsible resource management, waste reduction, and water conservation. Recognizing the ongoing efforts needed to support the transition to a low-carbon economy, we are committed to continuous digitalization, particularly to reduce paper usage and conserve electricity across our offices.

#### 9.2 Corporate Social Responsibility

The Modaraba ensures its role of a Responsible Corporate Citizen by conducting business in line with its mission incorporating Shariah principles in a socially responsible and ethical manner, protecting the environment, and supporting the communities and cultures with which it works.

The Modaraba is committed to maintain the highest standards of integrity and corporate governance practices in order to maintain excellence in its daily operations, and to build-up confidence in its governance systems.

The Modaraba constantly strives to build trust and demonstrate respect for human dignity and rights in all relationships, including respect for cultures, customs and values of individuals and groups.

### 10. Gender Pay Gap Statement

The board has prepared and included in its annual report, a disclosure statement on Gender Pay Gap following SECP circular No.10 of 2024 dated 17 April 2024.

### 11. Credit Rating

VIS Credit Rating Company has maintained long term and short term credit rating of A+ and A-1 respectively to the Modaraba with a stable outlook.

### 12. External Auditors

The retiring auditors, M/s Baker Tilly, Mehmood, Idrees, Qamar, Chartered Accountants, have satisfactorily completed their five-year tenure as external auditors. As per applicable laws, every Public Sector Company in the financial sector shall change its external auditors every five years.

The Board of Directors and Registrar Modaraba had approved appointment of M/s Grant Thornton Anjum Rahman, Chartered Accountants as external auditors for the year ending June 30, 2025.

The Board's Audit Committee has recommended the appointment of M/s. Grant Thornton Anjum Rahman, Chartered Accountants, as external auditors for the year ending June 30, 2026 subject to the approval of Registrar Modaraba.



### 13. Acknowledgment by the Management/Board

The Board would like to thank the SECP, our Shariah Advisor, and NBFI & Modaraba Association for their continued guidance and support. It would also like to thank the valued customers of the Modaraba for their trust and support. The Board also wishes to record their appreciation, dedication, and hard work of the employees of the Modaraba without which it would not have been possible to turn in such an improved performance.

(On behalf of the Board)



**Abdul Rauf Chandio**  
Chief Executive Officer



**Naila Asad Shaikh**  
Director

Karachi:

18th September 2025

## ڈائریکٹر کی رپورٹ

بورڈ آف ڈائریکٹر آف سندھ مضاربہ منجمنٹ لمیٹڈ کی جانب سے، ہم 30 جون 2025 کو ختم ہونے والے سال کے لیے سندھ مضاربہ کی گیارواں سالانہ رپورٹ آڈٹ شدہ اکاؤنٹس کے ساتھ پیش کر رہے ہیں۔

### 1. معیشت

یہ چیلنجوں اور محتاط امیدوں کے احساس کے ساتھ ہے کہ ہم 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے ڈائریکٹر کی رپورٹ پیش کر رہے ہیں۔ یہ گزرا ہوا سال ہماری قوم اور ہماری کمپنی دونوں کے لیے اہم معاشی ایڈجسٹمنٹس اور چلک کا دور رہا ہے۔

جیسے جیسے ہم عالمی اور ملکی منظر نامے کی پیچیدگیوں سے گزر رہے ہیں، آپ کو گزشتہ بارہ مہینوں کے دوران پاکستان کی معاشی کارکردگی اور مستقبل کے لیے ہمارے نقطہ نظر کا ایک جامع جائزہ فراہم کرنا ضروری ہے۔ مالی سال 2024-25 نے پاکستان کے لیے معاشی اشاریوں کا ایک ملا جلا بیگ پیش کیا، جس کی خصوصیت داخلی اور بیرونی دباؤ کے درمیان میکرو اکنامک استحکام کے لیے مسلسل کوششیں ہیں۔

### ا۔ اقتصادی ترقی (جی ڈی پی):

اس عرصے کے دوران پاکستان کی معیشت میں سست روی کا مشاہدہ کیا گیا، جس کی بڑی وجہ افراط زر پر قابو پانے اور کرنٹ اکاؤنٹ خسارے کو منظم کرنے کے لیے سخت مالی اور مانیٹری پالیسیاں تھیں۔ اگرچہ ابتدائی تخمینے معمولی تھے، لیکن اصل شرح نمو محدود رہی، جو کہ ساختی عدم توازن کو دور کرنے کے لیے ضروری سست روی کو ظاہر کرتی ہے۔ بڑے پیمانے پر مینوفیکچرنگ جیسے اہم شعبوں کو زیادہ ان پیٹ لاگت اور صارفین کی طلب میں کمی کی وجہ سے مشکلات کا سامنا کرنا پڑا، حالانکہ زرعی شعبے نے کچھ چلک دکھائی، جو ایک اہم بفر فراہم کرتا ہے۔ مالی سال 2023-24 میں حقیقی نمو تقریباً 2.5% تک پہنچی، جو مالی سال 2024-25 میں معمولی طور پر بڑھ کر 2.7% ہو گئی، جو کہ آئی ایم ایف کے تخمینوں (2.6%) سے تھوڑا بہتر ہے لیکن پھر بھی حکومت کے تقریباً 4%-3.5 کے اہداف سے بہت کم ہے۔

### ب۔ افراط زر:

افراط زر پورے سال ایک غالب چیلنج رہا، جس میں کنزیومر پرائس انڈیکس (سی پی آئی) زیادہ تر عرصے تک دوہرے ہندسوں میں رہا۔ یہ بلند افراط زر بنیادی طور پر عالمی اجناس کی قیمتوں میں اتار چڑھاؤ، خاص طور پر توانائی اور خوراک، کے ساتھ کرنسی کی قدر میں کمی اور سپلائی کی طرف سے خلل کے اثرات کی وجہ سے ہوا۔ اسٹیٹ بینک آف پاکستان نے معاشی بحالی کی حمایت کے لیے شرح سود میں تیزی سے کمی کی، جو 2024 کے وسط میں تقریباً 22% سے 2025 کے وسط تک تقریباً 11% ہو گئی۔ 2023 میں 30% سے اوپر کی چوٹی سے، افراط زر نمایاں طور پر ٹھنڈا ہوا، مالی سال 2024-25 میں سالانہ اوسط 4.6% ہو گیا، اور حکومت کی طرف سے اس کا تخمینہ تقریباً 4.7% لگایا گیا، حالانکہ آئی ایم ایف کا تخمینہ 5.1% پر تھوڑا زیادہ تھا۔

### پ۔ زر مبادلہ کی شرح کا استحکام:

پاکستانی روپیہ (پی کے آر) نے اتار چڑھاؤ کے ادوار کا تجربہ کیا، خاص طور پر مالی سال کے پہلے نصف میں، اس کے بعد کے حصے میں نسبتاً استحکام کی علامات ظاہر ہوئیں۔ یہ استحکام بڑی حد تک بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) پروگرام اور دوست ممالک کی حمایت سے غیر ملکی زر مبادلہ کی آمد میں بہتری کے ساتھ ساتھ قیاس آرائی پر مبنی سرگرمیوں کو روکنے کے لیے انتظامی اقدامات کی وجہ سے تھا۔ تاہم، بیلنس آف پیمنٹس پر بنیادی دباؤ کو محتاط انتظام کی ضرورت ہے۔

### ت۔ مالی انتظام:

حکومت نے مالی استحکام کا اپنا مشکل سفر جاری رکھا۔ ٹیکس کی بنیاد کو وسیع کرنے، غیر ترقیاتی اخراجات کو کم کرنے اور سبسڈی کو معقول بنانے کے لیے کوششیں تیز کی گئیں۔ ان اقدامات کے باوجود، مالی خسارہ ایک تشویش کا باعث رہا، جس سے قرض پر مسلسل انحصار کی ضرورت ہوئی۔ مختلف ٹیکس اصلاحات اور بہتر وصولی کے طریقہ کار کے ذریعے ریونیو متحرک کرنے پر توجہ واضح تھی، لیکن ریونیو اور اخراجات کے درمیان فرق برقرار رہا۔ مالی خسارہ جی ڈی پی کے تقریباً 2.6% تک کم ہو گیا، جو 2025 کے وسط میں رپورٹ کردہ تقریباً 3.7% سے کم تھا۔ مالی سال 2025-26 میں حکومت کے تقریباً نصف ریونیو کو قرض کی ادائیگی کے لیے مختص کیا گیا ہے۔

## ڈائریکٹر زکی رپورٹ

ث۔ کرنٹ اکاؤنٹ خسارہ اور غیر ملکی زرمبادلہ کے ذخائر: کرنٹ اکاؤنٹ خسارے کو منظم کرنے میں نمایاں پیش رفت ہوئی، بنیادی طور پر درآمدی دباؤ کے اقدامات اور برآمدات اور ترسیلات زر میں معمولی بہتری کے ذریعے۔ کثیرالجہتی اور دو طرفہ مالی امداد کے ساتھ، اس نے غیر ملکی زرمبادلہ کے ذخائر کی بتدریج دوبارہ تعمیر میں مدد کی۔ اگرچہ ذخائر ایک ایسی سطح پر رہے جس میں محتاط انتظام کی ضرورت تھی، لیکن رجحان پچھلے سال کے مقابلے میں مثبت تھا، جس سے نوری بیرونی مالیاتی دباؤ کم ہوا۔ مالی سال 2025-26 کے لیے بیرونی قرض کی ادائیگی کا بوجھ \$23 بلین (پی کے آر 6.5 ٹریلین) سے زیادہ ہے۔ پاکستان نے جولائی 2024 سے اپریل 2025 تک کرنٹ اکاؤنٹ میں \$1.9 بلین کا سرپلس پوسٹ کیا، جبکہ ایک سال پہلے \$200 ملین کا خسارہ تھا۔ تاہم، ذخائر اب بھی نازک ہیں، اور رول اوور قرضہ جاری ہے۔ مزید برآں، ستمبر 2024 میں، پاکستان نے \$7 بلین کا آئی ایم ایف بیل آؤٹ حاصل کیا، جس میں نئے دو طرفہ قرضے اور رول اوور سپورٹ شامل تھے (مثلاً چین نے مارچ 2025 میں \$2 بلین رول اوور کیے)۔

ج۔ اجزی سیکٹر: اجزی سیکٹر نے ساختی چیلنجز پیش کرنا جاری رکھا، بشمول سرکلر ڈیٹ اور پائیدار توانائی کے حل کی ضرورت۔ اگرچہ توانائی کی فراہمی کو بہتر بنانے اور لائن کے نقصانات کو کم کرنے کی کوششیں کی گئیں، لیکن توانائی کی لاگت صنعتوں اور صارفین دونوں پر ایک اہم بوجھ رہی، جس سے مجموعی معاشی مسابقت پر اثر پڑا۔

### ج۔ مالیاتی شعبہ اور غیر بینک مالیاتی اداروں کی کارکردگی

(i) 2024 مالی سال میں بہتر میکرو اکنامک اور مالی حالات کے مطابق، مجموعی مالیاتی شعبے نے شاندار کارکردگی کا مظاہرہ کیا اور اپنی چلک کو برقرار رکھا۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) کے 2024 کے فنانشل سٹیبلٹی ریویو کے مطابق، مالیاتی شعبہ سال کے دوران 17.8% کی مناسب رفتار سے بڑھا۔ اس ترقی کو افراط زر کے دباؤ میں کمی، اہم مالیاتی نرمی، اور ایک مستحکم زرمبادلہ کی شرح نے سپورٹ کیا۔

(ii) اس ماحول میں، غیر بینک مالیاتی شعبے نے ایک ملاحلا کارکردگی پیش کی۔ مجموعی طور پر غیر بینک مالیاتی ادارے (این بی ایف آئی) نے ایک قابل ذکر توسیع کا مظاہرہ کیا۔ مالیاتی نظام میں این بی ایف آئی سیکٹر کا اثاثہ حصہ، جس پر بینکنگ سیکٹر کا غلبہ ہے، مالی سال 23 میں تقریباً 5.8% سے مالی سال 2024 میں 8.9% تک بہتر ہوا۔ مجموعی طور پر این بی ایف آئی سیکٹر نے مالی سال 2024 میں 80.0% کی شاندار اثاثہ جات کی ترقی پوسٹ کی، جو مالی سال 23 میں ریکارڈ کی گئی 34.5% کی ترقی سے ایک اہم چھلانگ ہے۔ اس ترقی کے لیے بڑی وجہ اثاثہ جات کے انتظام کا حصہ تھی جس میں این بی ایف آئی سیکٹر میں 89.1% حصہ تھا۔ این بی ایف آئی کے قرض دینے والے حصے، جس میں مداربہ شامل ہیں، نے مالی سال 2024 میں 89.4% کی مضبوط ترقی ریکارڈ کی۔ یہ بحالی بنیادی طور پر سال کے دوسرے نصف میں شرح سود میں کمی اور بینکوں سے کریڈٹ لائسنز کی توسیع سے ہوئی۔

(iii) تاہم، مداربہ سیکٹر پر ایک گہری نظر ایک زیادہ ٹھوس صورتحال کو ظاہر کرتی ہے۔ سیکٹر کا اثاثہ جات کی بنیاد مالی سال 2024 میں معمولی 1.2% بڑھی، جو مالی سال 2023 میں اسے درپیش 14.1% کے سکڑاؤ کے برعکس ہے۔ ایک مثبت نوٹ پر، مداربہ سیکٹر کے انڈر لائڈ وائس پورٹ فولیو میں تقریباً 46% کی مضبوط ترقی کا تجربہ ہوا، جو مالی سال 2024 میں 12 بلین روپے تک پہنچ گیا۔ ایڈوائس میں یہ ترقی سازگار شرح سود کے ماحول سے سپورٹ ہوئی اور قرض دینے کی سرگرمیوں میں بحالی کا اشارہ دیتی ہے، جو مداربہ کاروبار کا ایک اہم کام ہے۔



## ڈائریکٹرز کی رپورٹ

### 2. آپریٹنگ نتائج اور کاروبار کا جائزہ

مضاربہ نے زیر جائزہ سال کے دوران 180.12 ملین روپے کا خالص منافع بعد از ٹیکس حاصل کیا، جبکہ 30 جون 2024 کو ختم ہونے والے سال کے دوران حاصل کردہ 201.33 ملین روپے کے خالص منافع بعد از ٹیکس کے مقابلے میں۔ ایس بی پی نے موجودہ سال کے دوران اپنی پالیسی کی شرح میں تقریباً 50% کی کمی کی ہے جس نے منافع پر اثر ڈالا ہے۔

سندھ مداربہ نے مالی سال 2024-25 میں شاندار ترقی دکھائی ہے، اپنے بنیادی کاروباری شعبوں میں نمایاں ترقی حاصل کی ہے اور اس کے ساتھ غیر فعال قرضوں (این پی ایل) میں بھی نمایاں کمی آئی ہے۔ اس عرصے کے دوران ہماری کل تقسیم پچھلے سال کے مقابلے میں چار گنا بڑھ گئی ہے، یعنی 1.518 بلین روپے، جو ہماری شریعہ کے مطابق مالیاتی مصنوعات کی مضبوط مانگ اور ہمارے صارفین میں بڑھتے ہوئے اعتماد کی عکاسی کرتی ہے۔ ہم نے مضبوط رسک تخفیف کے ٹولز اور حکمت عملیوں کے ساتھ اثاثہ جات کے معیار میں بھی قابل تعریف بہتری کی ہے۔

مارکیٹ کے کھلاڑیوں کا مقابلہ کرنے کے لیے، ہم نے اپنی بنیادی ٹیم، خاص طور پر مارکنگ ٹیم کو، تنظیم کے مقاصد کو حاصل کرنے کے لیے سختی سے مضبوط کیا ہے جس نے پچھلے سال کے مقابلے میں اسلامی فنانسنگ پورٹ فولیو میں تقریباً 124.18% کے سائز گاراضانے کے خلاف تقریباً 35.41% کے آپریٹنگ اخراجات پر اثر ڈالا ہے، جو اگلے مالی سال میں بھی ظاہر ہوگا۔

30 جون 2025 کو ختم ہونے والے سال کے آپریٹنگ نتائج کا خلاصہ نیچے دی گئی جدول میں کیا گیا ہے۔

\*\* مالیاتی ڈیٹا (روپے میں) \*\*

30 جون، 2024	30 جون، 2025	
		بیلنس شیٹ
450,000,000	450,000,000	سرٹیفکیٹ کیسینٹل
1,867,309,901	1,991,508,632	کل ایکویٹی
738,913,158	1,443,666,943	ڈیمنسٹریٹنگ مشارکہ فنانس
-	212,819,445	مراستہ فنانس
		پرافٹ اور لاس
407,340,786	341,799,466	ریونیو

## ڈائریکٹر کی رپورٹ

30 جون 2024	30 جون 2025	
64,572,249	87,438,400	آپریٹنگ اخراجات
346,316,807	267,098,316	میجمنٹ فیس سے پہلے منافع
306,490,374	236,382,009	ٹیکس سے پہلے منافع
201,330,520	180,113,788	ٹیکس کے بعد منافع
		منافع کی تقسیم
56,250,000	60,750,000	منافع کی تقسیم @ 13.50% (2024: 12.50%)
40,266,104	36,022,758	قانونی ریزرو
4.47	4.00	فی سرٹیفکیٹ آمدنی

## 3. نقطہ نظر

آگے دیکھتے ہوئے، پاکستان کی معاشی راہ ایک نازک موڑ پر نظر آتی ہے، جس میں کئی عوامل اس کی کارکردگی کو تشکیل دینے کے لیے تیار ہیں۔ ہمارا نقطہ نظر محتاط امید کا ہے، جو پائیدار پالیسی اصلاحات اور زیادہ مستحکم جغرافیائی سیاسی ماحول پر منحصر ہے۔

ا۔ آئی ایم ایف پروگرام اور ساختی اصلاحات کا تسلسل: جاری آئی ایم ایف پروگرام کی کامیابی تکمیل اور ایک نئے، توسیع شدہ پروگرام کا امکان اہم ہوگا۔ اس سے نہ صرف مزید بیرونی مالیات کو کھولا جائے گا بلکہ گہری ساختی اصلاحات کو انجام دینے کے لیے ضروری پالیسی ڈسپلن بھی فراہم کیا جائے گا۔ یہ اصلاحات پیداواری صلاحیت کو بڑھانے، کاروباری ماحول کو بہتر بنانے، اور طویل مدتی غیر ملکی براہ راست سرمایہ کاری کو راغب کرنے کے لیے اہم ہیں۔ ہم مالی استحکام، توانائی کے شعبے میں اصلاحات، اور نقصان میں چلنے والے سرکاری اداروں کی نجکاری پر مسلسل توجہ کی توقع رکھتے ہیں۔

ب۔ افراط زر کا سفر: ہم افراط زر میں بتدریج کمی کا اندازہ لگاتے ہیں، اگرچہ یہ مختصر مدت میں اسٹیٹ بینک کے طویل مدتی ہدف سے اوپر رہے گا۔ جیسے جیسے عالمی اجناس کی قیمتیں مستحکم ہوں گی اور گھریلو سلائی چین بہتر ہوں گے، صارفین کی قیمتوں پر دباؤ کم ہونے کی توقع ہے۔ اس سے ممکنہ طور پر مالیاتی پالیسی میں بتدریج نرمی کے لیے گنجائش پیدا ہو سکتی ہے، جس سے شرح سود میں کمی آئے گی، جو صنعتی ترقی اور نجی شعبے کے قرضوں کے لیے فائدہ مند ہوگی۔

پ۔ زر مبادلہ کی شرح کا استحکام اور بیرونی شعبہ: پاکستانی روپے کا استحکام بڑی حد تک پائیدار غیر ملکی زر مبادلہ کی آمد، ایک نظم و ضبط والے کرنٹ اکاؤنٹ کے انتظام، اور سرمایہ کاروں کے اعتماد پر منحصر ہوگا<sup>62</sup>۔ ہم تنوع اور مارکیٹ تک رسائی کے اقدامات کے ذریعے برآمدات کو فروغ دینے کے لیے مسلسل کوششوں کی توقع کرتے ہیں<sup>63</sup>۔ بیرون ملک مقیم

## ڈائریکٹر کی رپورٹ

پاکستانیوں کی ترسیلات زر غیر ملکی زرمبادلہ کا ایک اہم ذریعہ رہنے کا امکان ہے۔ ایک مستحکم اور قابل پیش گوئی زرمبادلہ کی شرح کا ماحول کاروباری منصوبہ بندی اور غیر ملکی سرمایہ کاری کو راغب کرنے کے لیے اہم ہے۔

ت۔ ترقی کی بحالی: میکرو اکنامک استحکام کے ساتھ، ہم معاشی ترقی میں بتدریج بحالی کا اندازہ لگاتے ہیں۔ یہ ترقی نجی شعبے کی سرمایہ کاری میں اضافے سے ہوگی، خاص طور پر اگر شرح سود نرم ہو اور کاروباری اعتماد بہتر ہو۔ زرعی شعبے سے اپنی مثبت شراکت جاری رکھنے کی توقع ہے، جبکہ صنعتی اور خدمات کے شعبے بہتر توانائی کی فراہمی اور زیادہ سازگار پالیسی ماحول سے فائدہ اٹھائیں گے۔ چھوٹے اور درمیانے درجے کے کاروباری اداروں (ایس ایم ایز) کی حمایت کے لیے ہدف بنائے گئے مداخلتیں بھی ملازمتوں کی تخلیق اور جامع ترقی کے لیے اہم ہوں گی۔

ث۔ سرمایہ کاری کا ماحول: سرمایہ کاری کے ماحول کو بہتر بنانا ایک اولین ترجیح ہے۔ ریگولیٹری عمل کو ہموار کرنے، پالیسی کی مستقل مزاجی کو یقینی بنانے، اور کاروبار کرنے میں آسانی کو بڑھانے کی کوششیں ضروری ہیں۔ اسپیشل انویسٹمنٹ فیسیلیٹیشن کونسل (ایس آئی ایف سی) سے کلیدی شعبوں جیسے کہ زراعت، کان کنی، آئی ٹی، اور توانائی میں سرمایہ کاری، خاص طور پر خلیجی ممالک سے، کو راغب کرنے میں ایک اہم کردار ادا کرنے کی توقع ہے۔ ہماری کمپنی ان مواقع سے فائدہ اٹھانے کے لیے فعال طور پر راستے تلاش کر رہی ہے

ج۔ مالیاتی شعبہ: اسٹیٹ بینک آف پاکستان کے فنانشل سٹیبلٹی ریویو 2024 کی بنیاد پر، پاکستان میں مالیاتی شعبے کا نقطہ نظر مثبت ہے، جس میں پلگ پر ایک پائیدار توجہ ہے۔ بینکنگ سیکٹر، خاص طور پر، مضبوط رہنے کا منصوبہ ہے اور آنے والے سالوں کے دوران اپنی پلگ کو برقرار رکھنے کی توقع ہے۔

چ۔ سماجی اور انسانی ترقی: معاشی اشاریوں سے ہٹ کر، سماجی ترقی کے چیلنجوں کو حل کرنے والی جامع ترقی کی ضرورت کو بڑھتی ہوئی شناخت ہے۔ تعلیم، صحت کی دیکھ بھال، اور ہنر کی ترقی میں سرمایہ کاری ایک پیدوار اور افرادی قوت کی تعمیر اور طویل مدتی پائیدار ترقی کو یقینی بنانے کے لیے اہم ہوگی۔

آگے چیلنجز: مثبت نقطہ نظر کے باوجود، اہم چیلنجز برقرار ہیں۔ ان میں مالی نظم و ضبط کی جاری ضرورت، جغرافیائی سیاسی خطرات کو منظم کرنا، زراعت پر آب و ہوا کی تبدیلی کے اثرات کے مطابق ڈھالنا، اور سیاسی استحکام کو یقینی بنانا شامل ہیں۔ عالمی معاشی سست روی اور بین الاقوامی تجارت کی حرکیات میں ممکنہ تبدیلی بھی بیرونی خطرات پیش کرتی ہے جن کی محتاط نگرانی کی ضرورت ہے۔

گزشتہ سال نے ہماری اجتماعی پلگ کو آزمایا ہے، اور ہماری کمپنی نے، بہت سی دیگر کمپنیوں کی طرح، ترقی پذیر معاشی منظر نامے کے مطابق ڈھال لیا ہے۔ ہم محتاط مالی انتظام، آپریشنل کارکردگی، اور اسٹریٹجک ترقی کے اقدامات کے لیے پرعزم ہیں جو قومی معاشی سست کے مطابق ہیں۔ ہمیں یقین ہے کہ مسلسل اصلاحات، ذمہ دار گورننس، اور ہمارے اسٹیک ہولڈرز کی غیر متزلزل حمایت کے ساتھ، پاکستان پائیدار اور جامع معاشی ترقی کی راہ حاصل کر سکتا ہے۔

### 4. منافع کی تقسیم

بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لیے 13.50% (2024: 12.50%) کے کیش ڈیویڈنڈ کی منظوری دی ہے، یعنی 1.35 روپے (2024: 1.25 روپے) فی سٹریٹیکٹ۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ مداربہ ریگولیشنز کے مطابق، ہر مداربہ ریزرو فنڈ بنا سکتا ہے جس میں ٹیکس کے بعد کے منافع یا اس کے کسی حصے سے ریزرو فنڈ میں ایک رقم جمع کی جائے گی۔ بورڈ آف ڈائریکٹرز نے قانونی ریزرو کی طرف 36,022,758 روپے (20%) مختص کیے ہیں۔



## ڈائریکٹر کی رپورٹ

### 5. بیرونی سالانہ آڈٹ

مضاربہ کے مالیاتی بیانات کا آڈٹ آڈیٹر ذیعنی میسرز گرانٹ تھورنٹن انجمن رحمان، چارٹرڈ اکاؤنٹنٹس نے بغیر کسی اہلیت کے کیا ہے۔

### 6. کارپوریٹ گورننس

مضاربہ کو پبلک سیکٹر کمپنیوں (کارپوریٹ گورننس) رولز، 2013 (رولز) کے مختلف تقاضوں کے ساتھ ساتھ ایس ای سی پی کی طرف سے جاری کردہ لسٹڈ کمپنیاں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (سی سی جی) کی تعمیل کرنا ضروری ہے۔ قانونی آڈیٹرز کو بہترین طریقوں کے تعمیل بیان پر اپنی جائزہ رپورٹ بھی جاری کرنا ضروری ہے، جو مالیاتی بیانات کے ساتھ شائع ہوتی ہے۔

بورڈ آف ڈائریکٹرز نے سی سی جی اور رولز کا جائزہ لیا ہے اور اس کی تصدیق کرتا ہے کہ:

- بورڈ نے کارپوریٹ گورننس کے متعلقہ اصولوں کی مسلسل تعمیل کی ہے۔
- انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات، معاملات کی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کو منصفانہ طور پر پیش کرتے ہیں۔
- مناسب اکاؤنٹ کی کتابیں برقرار رکھی گئی ہیں۔
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں لاگو کی گئی ہیں اور اکاؤنٹنگ کے تخمینے مناسب اور محتاط فیصلے پر مبنی ہیں۔
- اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو اور نگرانی کی گئی ہے۔
- چیئرمین اور بورڈ کے دیگر اراکین کی تقرری اور ان کی شرائط مدار بہ کے بہترین مفاد میں اور بہترین طریقوں کے مطابق ہیں۔
- بورڈ نے قواعد کی تعمیل میں ایک آزاد ڈائریکٹر کا انتخاب کیا ہے۔
- انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز، جیسا کہ پاکستان میں مضاربہ پر لاگو ہوتے ہیں، مالیاتی بیانات کی تیاری میں عمل کیا گیا ہے اور اس سے کسی بھی انحراف کو مناسب طور پر ظاہر اور بیان کیا گیا ہے۔
- 30 جون 2025 تک ٹیکس، ڈیوٹی، لیوی اور چارجز کی وجہ سے کوئی قانونی ادائیگیاں باقی نہیں ہیں، سوائے ان کے جو مالیاتی بیانات میں ظاہر کیے گئے ہیں
- 30 جون 2025 تک فنڈ کے مالیاتی بیانات کی بنیاد پر ملازمین کے پراویڈنٹ فنڈ میں سرمایہ کاری کی قیمت 19.508 ملین روپے (2024: 14.558 ملین روپے) ہے۔
- گزشتہ چھ سالوں کا کلیدی آپریشننگ اور مالیاتی ڈیٹا منسلک ہے۔
- سال کے دوران مضاربہ کمپنی کے پانچ بورڈ مینٹلز منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری ذیل میں منسلک ہے:

**\*\* بورڈ مینٹلز میں ڈائریکٹر کی حاضری \*\***

ڈائریکٹر کا نام	مینٹلز کی تعداد میں حاضری
مسٹر وسیم مہدی سید	5
مسٹر فیاض احمد جتوئی	2

## ڈائریکٹرز کی رپورٹ

ڈائریکٹر کا نام	میٹنگز کی تعداد میں حاضری
مسٹر اعجاز اختر انصاری	5
مسٹر سمیع الحق خلیجی	5
مسٹر کمال احمد	5
مسٹر عبدالرؤف چانڈیو	5
مسز نائلہ اسد شیخ	5

- زیر جائزہ سال کے دوران مدار بہ کمپنی کی پانچ آؤٹ کمیٹی میٹنگز منعقد ہوئیں۔ ہر رکن کی حاضری ذیل میں منسلک ہے:

\*\*آؤٹ کمیٹی میٹنگز میں ڈائریکٹرز کی حاضری\*\*

ڈائریکٹر کا نام	میٹنگز کی تعداد میں حاضری
مسٹر وسیم مہدی سید	5
مسٹر اعجاز اختر انصاری	5
مسٹر سمیع الحق خلیجی	5
مسٹر کمال احمد	5

- زیر جائزہ سال کے دوران مدار بہ کمپنی کی ایک ہیومن ریسورس کمیٹی میٹنگ منعقد ہوئی۔ ہر رکن کی حاضری ذیل میں منسلک ہے:

\*\*ہیومن ریسورس کمیٹی میٹنگ میں ڈائریکٹرز کی حاضری\*\*

ڈائریکٹر کا نام	میٹنگز کی تعداد میں حاضری
مسٹر وسیم مہدی سید	1
مسٹر عبدالرؤف چانڈیو	1
مسٹر سمیع الحق خلیجی	1

## ڈائریکٹرز کی رپورٹ

- زیر جائزہ سال کے دوران مضاربہ کمپنی کی دور رسک مینجمنٹ کمیٹی مینٹنگز منعقد ہوئیں۔ ہر رکن کی حاضری ذیل میں منسلک ہے :

**\*\*رسک مینجمنٹ کمیٹی مینٹنگز میں ڈائریکٹرز کی حاضری\*\***

ڈائریکٹرز کا نام	مینٹنگز کی تعداد میں حاضری
مسٹر وسیم مہدی سید	2
مسٹر عبدالرؤف چانڈیو	2
مسز ناملہ اسد شیخ	2

بورڈ نے قواعد کے مطابق ایک پروکیورمنٹ کمیٹی اور نامزدگی کمیٹی بھی قائم کی ہے۔ تاہم، قابل اطلاق قواعد کے مطابق سال کے دوران ان کمیٹیوں کی کوئی مینٹنگ منعقد نہیں ہوئی۔

سرٹیفکیٹ ہولڈنگ کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔ ڈائریکٹرز، سی ای او، ایگزیکٹوز، اور ان کے شریک حیات اور نابالغ بچوں نے سال کے دوران مداربہ کے سرٹیفکیٹ میں کوئی لین دین نہیں کیا۔

### 7. بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کا انتخاب اکتوبر 2023 میں کیا گیا تھا اور بورڈ کی ساخت میں کوئی تبدیلی نہیں ہوئی ہے، تاہم، بورڈ کی کمیٹیوں کو قابل اطلاق ریگولیٹری تقاضوں کے مطابق سال کے دوران دوبارہ تشکیل دیا گیا ہے۔

### 8. پرنسپل رسک اور تخفیف

رسک مینجمنٹ گورننس کا آغاز بورڈ سے ہوتا ہے اور اس کا تعلق ایک مضبوط مینجمنٹ ڈھانچے، جدید معلومات اور رسک ریٹنگ سسٹم کے ساتھ ساتھ اچھی طرح سے تیار کردہ رسک گورننس پالیسیوں سے ہے۔ بورڈ ایس ایم کو درپیش پرنسپل رسک اور برداشت کی سطح کا اندازہ یقینی بناتا ہے جو تجویز کردہ طریقے سے انتظامیہ کو رہنمائی فراہم کرتا ہے۔

## ڈائریکٹر کی رپورٹ

### 9. ای ایس جی اور پائیداری کی رپورٹنگ کے لیے بورڈ کا اسٹریٹجک مقاصد پر بیان

سندھ مضاربہ نے ماحولیاتی، سماجی، اور گورننس (ای ایس جی) اصولوں اور پائیداری کے لیے اپنی لگن کو تقویت دی ہے، جس کے اسٹریٹجک مقاصد اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے پر مضبوطی سے قائم ہیں۔ ہماری وابستگی ذمہ دار کاروباری طریقوں کے انضمام میں جھلکتی ہے جو عالمی سطح پر تسلیم شدہ پائیداری کے معیار کے مطابق ہیں ہمارا ای ایس جی اور پائیداری کا فریم ورک جامع ہے، جس کی بنیاد اخلاقی گورننس، سماجی ذمہ داری، اور ماحولیاتی ذمہ داری پر ہے۔ ای ایس جی کے تحفظات ہماری بنیادی کاروباری حکمت عملیوں میں شامل ہیں، اس بات کو یقینی بناتے ہوئے کہ ان اصولوں کو نہ صرف برقرار رکھا جائے بلکہ فعال طور پر ہمارے فیصلہ سازی کے عمل کو چلایا جائے۔ یہ اسٹریٹجک ارتقاء ای ایس جی، پائیداری، اور آب و ہوا سے متعلق رسک مینجمنٹ میں تازہ ترین ریگولیٹری ترقیات اور بہترین طریقوں سے آگاہ کیا گیا ہے۔ اپنی بنیادی شریعہ اقدار کی رہنمائی میں، جو انصاف، شفافیت، اور احتساب کو فروغ دیتے ہیں، ہم اپنے آپریشنز کے تمام پہلوؤں میں ای ایس جی کو شامل کر رہے ہیں تاکہ اپنی اقدار اور اسٹیک ہولڈر کی توقعات کے ساتھ ہم آہنگی کو یقینی بنایا جاسکے۔ بورڈ ان ترجیحات کو آگے بڑھانے کے لیے مکمل طور پر پرعزم ہے، جو اسٹیک ہولڈر کی ترقی پذیر ضروریات کے جواب میں ہمارے نقطہ نظر کو مسلسل بہتر بناتا ہے اور وسیع کمیونٹی اور ماحول میں مثبت طور پر حصہ ڈالتا ہے۔ ہمارا ماننا ہے کہ ہمارے ای ایس جی اور پائیداری کے اقدامات نہ صرف ہمارے تنظیمی اخلاقیات کی عکاسی کرتے ہیں بلکہ سندھ مضاربہ کو ذمہ دار اور پائیدار کاروبار میں ایک آگے کی سوچ رکھنے والے رہنما کے طور پر بھی جگہ دیتے ہیں۔

9.1 ماحولیاتی اثرات کو کم کرنا: اس ترجیح میں ذمہ دار وسائل کا انتظام، فضلہ میں کمی، اور پانی کا تحفظ شامل ہے۔ کم کاربن معیشت میں منتقلی کی حمایت کے لیے جاری کوششوں کو تسلیم کرتے ہوئے، ہم مسلسل ڈیجیٹلائزیشن کے لیے پرعزم ہیں، خاص طور پر اپنے دفاتر میں کاغذ کے استعمال کو کم کرنے اور بجلی بچانے کے لیے۔

9.2 کارپوریٹ سماجی ذمہ داری: مداربہ ایک ذمہ دار کارپوریٹ شہری کے اپنے کردار کو یقینی بناتا ہے جو اپنے مشن کے مطابق شریعہ اصولوں کو ایک سماجی طور پر ذمہ دار اور اخلاقی انداز میں شامل کرتا ہے، ماحول کی حفاظت کرتا ہے، اور ان کمیونٹیوں اور ثقافتوں کی حمایت کرتا ہے جن کے ساتھ یہ کام کرتا ہے۔ مداربہ اپنی روزمرہ کی کارروائیوں میں بہترین کارکردگی کو برقرار رکھنے، اور اپنے گورننس نظام میں اعتماد پیدا کرنے کے لیے سالمیت اور کارپوریٹ گورننس کے طریقوں کے اعلیٰ ترین معیار کو برقرار رکھنے کے لیے پرعزم ہے مضاربہ مسلسل تعلقات میں انسانی وقار اور حقوق کے لیے اعتماد پیدا کرنے اور احترام کا مظاہرہ کرنے کی کوشش کرتا ہے، جس میں افراد اور گروہوں کی ثقافتوں، رسوم و رواج اور اقدار کا احترام شامل ہے۔

### 10. جینڈر پے گیپ کا بیان

بورڈ نے ای ایس جی کے سرکلر نمبر 10، مورخہ 17 اپریل 2024 کے بعد اپنی سالانہ رپورٹ میں جینڈر پے گیپ پر ایک افشانی بیان تیار کیا ہے اور شامل کیا ہے۔

### 11. کریڈٹ ریٹنگ

وی آئی ایس کریڈٹ ریٹنگ کمپنی نے مضاربہ کو ایک مستحکم نقطہ نظر کے ساتھ بالترتیب A+ اور A-1 کی طویل مدتی اور مختصر مدتی کریڈٹ ریٹنگ برقرار رکھی ہے۔



## ڈائریکٹرز کی رپورٹ

### 12. بیرونی آڈیٹرز

ریٹائر ہونے والے آڈیٹرز، میسرز بیکر ٹلی، محمود، ادریس، قمر، چارٹرڈ اکاؤنٹنٹس، نے بیرونی آڈیٹرز کے طور پر اپنی پانچ سالہ مدت کو تسلی بخش طور پر مکمل کر لیا ہے۔ قابل اطلاق قوانین کے مطابق، مالیاتی شعبے میں ہر پبلک سیکٹر کمپنی کو ہر پانچ سال بعد اپنے بیرونی آڈیٹرز کو تبدیل کرنا ضروری ہے۔ بورڈ آف ڈائریکٹرز اور رجسٹرار مضاربہ نے میسرز گرینٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2025 کو ختم ہونے والے سال کے لیے بیرونی آڈیٹرز کے طور پر تقرری کی منظوری دی تھی۔ بورڈ کی آڈٹ کمیٹی نے میسرز گرینٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2026 کو ختم ہونے والے سال کے لیے بیرونی آڈیٹرز کے طور پر تقرری کی سفارش کی ہے، جو رجسٹرار مداربہ کی منظوری سے مشروط ہے۔

### 13. انتظامیہ/بورڈ کا اعتراف

بورڈ ایس ای سی پی، ہمارے شریعہ مشیر، اور این بی ایف آئی اور مداربہ ایسوسی ایشن کا ان کی مسلسل رہنمائی اور حمایت کے لیے شکریہ ادا کرنا چاہتا ہے۔ یہ مضاربہ کے قابل قدر صارفین کا بھی ان کے اعتماد اور حمایت کے لیے شکریہ ادا کرنا چاہتا ہے۔ بورڈ مضاربہ کے ملازمین کی لگن اور محنت کو بھی سراہنا چاہتا ہے جس کے بغیر اس طرح کی بہتر کارکردگی حاصل کرنا ممکن نہیں تھا۔

(بورڈ کی جانب سے)



مسز نائلہ اسد شیخ  
ڈائریکٹر



عبدالرؤف چانڈیو  
چیف ایگزیکٹو آفیسر

کراچی:

18 ستمبر 2025

## KEY OPERATING & FINANCIAL DATA

	2025	2024	2023	2022	2021	2020
<b>Balance Sheet</b>						
Certificate capital	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000
Reserves	541,508,632	417,309,901	272,367,212	195,948,970	175,056,964	159,974,420
Total equity	1,991,508,632	1,867,309,901	1,722,367,212	1,645,948,970	1,625,056,964	1,609,974,420
Total Assets	2,064,807,384	1,938,202,289	1,778,233,492	1,684,584,728	1,657,153,740	1,706,170,652
Financing Portfolio	1,704,531,304	791,724,335	919,465,142	901,928,698	859,574,172	816,236,706
Non-performing loans	62,045,990	98,838,656	133,486,060	110,748,423	120,753,848	55,286,568
Provision (excluding general)	39,831,367	49,346,749	51,740,324	54,264,776	41,267,560	27,643,292
Current Assets	1,341,458,400	1,516,515,930	1,280,808,047	1,173,981,336	1,200,357,149	1,177,337,968
Current Liabilities	73,298,752	70,892,388	55,866,280	38,635,758	32,096,776	96,195,232
Total Liabilities	73,298,752	70,892,388	55,866,280	38,635,758	32,096,776	96,196,232
<b>Profit &amp; Loss</b>						
Revenue (net of IJR dep & DM susp.)	341,799,466	407,340,786	279,664,809	167,021,948	138,244,547	188,071,755
Operating expenses	87,438,400	64,572,249	64,092,024	40,887,729	46,442,770	39,222,816
(Reversal) / Provision	(4,766,261)	(2,862,098)	(2,547,401)	13,259,015	13,513,618	28,150,551
Profit before management fee	267,098,316	346,316,807	219,363,097	113,522,169	78,624,804	124,111,038
Profit before tax	236,382,009	306,490,374	194,575,067	100,694,164	75,822,337	107,884,760
Profit after tax	180,113,788	201,330,520	130,410,860	66,313,222	75,822,337	107,884,760
<b>Appropriations</b>						
Profit distribution (%)	13.50%	12.50%	12.50%	12.00%	10.00%	13.50%
Profit distribution	60,750,000	56,250,000	56,250,000	54,000,000	45,000,000	60,750,000
Statutory Reserve	36,022,758	40,266,104	26,082,172	13,262,644	26,537,818	43,153,904
<b>Financial Ratios</b>						
Earning per Certificate	4.00	4.47	2.90	1.47	1.68	2.40
Net profit ratio before tax (%)	69.16%	75.24%	69.57%	60.29%	54.85%	57.36%
Net profit ratio after tax (%)	52.70%	49.43%	46.63%	39.70%	54.85%	57.36%
NPL ratio	3.64%	12.48%	14.52%	12.28%	14.05%	6.77%
NPL cover ratio	64.20%	49.93%	38.76%	49.00%	34.17%	50.00%
P/E Ratio	3.14	2.30	2.77	4.76	5.22	3.42
Breakup Value	22.03	19.27	16.05	14.35	13.89	13.55
Debt ratio (%)	3.55%	3.66%	3.14%	2.29%	1.94%	5.64%
Current ratio	18.30	21.39	22.93	30.39	37.40	12.24
Earning asset to total asset (%)	97.28%	95.19%	93.52%	94.48%	92.08%	95.61%
Return on asset (%)	9.00%	10.83%	7.53%	3.97%	4.51%	6.45%
Return on equity (%)	9.34%	11.22%	7.74%	4.05%	4.69%	8.07%
Debt Equity (%)	3.68%	3.80%	3.24%	2.35%	1.98%	5.98%

## SHARIAH REVIEW REPORT FOR THE FINANCIAL YEAR ENDED JUNE 2025

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

*All praise is due to Almighty Allah, the Lord of the Worlds. May peace and blessings be upon His last and final Prophet, Muhammad (ﷺ), his family, companions, and those who follow them with righteousness until the Day of Judgment.*

Sindh Modaraba is a perpetual, multi-dimensional, non-trading Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. It is managed by Sindh Modaraba Management Limited, wholly owned by the Government of Sindh. The Modaraba primarily operates in Ijarah, Musharakah, Diminishing Musharakah, Murabaha financing, investments in marketable securities, and related activities.

### Basis of Review

During the year ended June 30, 2025, I have reviewed the overall operations, policies, and transactions of Sindh Modaraba. This review was conducted in light of: Shariah Governance Regulations, 2023 and S.R.O.2310(I)/2022 issued by the Securities and Exchange Commission of Pakistan (SECP); relevant Shariah standards and rulings; and guidance and approvals issued by the Shariah Advisor.

The scope of review included financing products, contracts and documentation, investment activities, financial arrangements, policies and manuals, and related processes.

An external Shariah audit was also conducted during the year in line with SECP's regulations, which further strengthened independent assurance on Sindh Modaraba's Shariah compliance environment.

### Observations and Certification

Based on the review, information provided, and explanations obtained from management, I am of the opinion that:

- a) The transactions, documentation, and procedures adopted by Sindh Modaraba during the year were, in my opinion, in accordance with Shariah principles, the guidance of the Shariah Advisor, SCSAM 2012, and the Shariah Governance Regulations, 2023;
- b) The affairs of the Modaraba were carried out in conformity with Shariah principles and rules, applicable regulatory requirements, and in line with the Shariah opinions and approvals issued from time to time;
- c) No earnings from sources or means prohibited by Shariah were identified during the year; hence, no transfer to a charity account was required.

Additionally, I further certify that;

- All bank accounts were maintained with Islamic Banking Institutions (IBIs) or Islamic Banking Branches of conventional banks under Shariah approval;
- No Shariah non-compliance events of material nature were observed. Minor observations, if any, were rectified in line with Shariah guidelines.

Therefore, I certify that the overall operations and activities of Sindh Modaraba for the financial year ended June 30, 2025, were conducted in accordance with Shariah principles and applicable regulatory requirements.

## Recommendations

While certifying the above, I recommend the following for further strengthening Shariah compliance and development of Islamic finance within the institution:

- Introduction of new Shariah-compliant financing products to diversify offerings, supported by staff training (internal and external).
- Extension of Diminishing Musharakah-based staff facilities (housing and vehicle finance) with incorporation in relevant policies and manuals.
- Provision of staff benefits such as Shariah-compliant financing, comprehensive Takaful coverage, and Islamic provident fund facilities.
- Increased frequency of Shariah awareness and training sessions for staff and customers to enhance understanding and adoption of Islamic finance.

## Conclusion

I have found nothing contrary to Shariah principles and applicable laws in all material respects. I pray to Allah Almighty for the continued success, growth, and prosperity of Sindh Modaraba, and for steadfastness in adherence to His commands.



**Mufti Syed Zahid Siraj**  
Shariah Advisor  
Sindh Modaraba

وَاللّٰهُ سُبْحَانَهُ وَتَعَالٰى اَعْلَمُ  
وَضَلَّى اللّٰهُ تَعَالٰى عَلٰى سَيِّدِنَا مُحَمَّدٍ وَ عَلٰى اٰلِهِ وَصَحْبِهِ اَجْمَعِيْنَ

**Mufti Syed Zahid Siraj**  
Shariah Advisor

SEC/IFD/SA/001

Signed at Karachi | August 22, 2025

*The Shariah Review Report has been issued in compliance with the Shariah Governance Regulations, 2023 vide its Clause 23 and Sub Clause (2) for the FY ended June 30, 2025.*



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE CERTIFICATE HOLDERS OF  
SINDH MODARABA**

**Review Report on the Statement of Compliance with the  
Public Sector Companies (Corporate Governance) Rules, 2013  
and Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 and Listed Companies (Code of Corporate Governance) Regulations, 2019 (both herein referred to as 'Codes') prepared by the Board of Directors of Sindh Modaraba ("the Modaraba") for the year ended June 30, 2025 to comply with the requirements of codes.

The responsibility for compliance with the Code and the Rules is that of the Board of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Code or the Rules. A review is limited primarily to inquiries of the Modaraba's and Management Company's personnel and review of various documents prepared by the Management Company to comply with the Codes.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

Further, the Code and the Rules requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, for and on behalf of Modaraba, in all material respects, with the requirements contained in the Code and the Rules as applicable to the Modaraba for the year ended **June 30, 2025**.

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Karachi

Date: 26 September, 2025  
UDIN: CR20251012605DeqhN8L

## STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013 & LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATION 2019

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations 2019 and Public Sector Companies (Corporate Governance) Rules 2013 (the Rules) for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of corporate governance for the year ended June 30, 2025.

The Board of Directors of Sindh Modaraba Management Limited - the Modaraba Management Company (the Management Company) is responsible for management of affairs of Sindh Modaraba (the Modaraba). The Management Company has complied with the provisions of the Rules in the following manner:

S. No.	Provision of the Rules	Rule No.	Y	N												
			Tick the relevant box													
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓													
2.	<div>The Board has at least one-third of its total members as independent directors. At present, the Board includes:</div> <table><tr><th>Category</th><th>Names</th><th>Date of Appointment</th></tr><tr><td>Independent Directors</td><td>Waseem Mehdi Syed Ejaz Akhtar Ansari</td><td>26 November 2020 23 October 2023</td></tr><tr><td>Chief Executive Officer/Executive Director</td><td>Abdul Rauf Chandio</td><td>09 July 2024</td></tr><tr><td>Non-Executive Directors</td><td>Kamal Ahmed Naila Asad Shaikh Fayaz Ahmed Jatoi Sami ul Haq Khilji</td><td>15 August 2017 18 August 2023 07 May 2024 30 May 2022</td></tr></table>	Category	Names	Date of Appointment	Independent Directors	Waseem Mehdi Syed Ejaz Akhtar Ansari	26 November 2020 23 October 2023	Chief Executive Officer/Executive Director	Abdul Rauf Chandio	09 July 2024	Non-Executive Directors	Kamal Ahmed Naila Asad Shaikh Fayaz Ahmed Jatoi Sami ul Haq Khilji	15 August 2017 18 August 2023 07 May 2024 30 May 2022	3(2)	✓	
Category	Names	Date of Appointment														
Independent Directors	Waseem Mehdi Syed Ejaz Akhtar Ansari	26 November 2020 23 October 2023														
Chief Executive Officer/Executive Director	Abdul Rauf Chandio	09 July 2024														
Non-Executive Directors	Kamal Ahmed Naila Asad Shaikh Fayaz Ahmed Jatoi Sami ul Haq Khilji	15 August 2017 18 August 2023 07 May 2024 30 May 2022														
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓													
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓													
5.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	✓													
6.	The chairman has been elected by the Board of directors.	4(4)	✓													
7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	✓													
8.	<div>(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.</div> <div>(b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. (www.sindhmodarabalttd.com)</div> <div>(c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.</div>	5(4)	✓ ✓													
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓													

S. No.	Provision of the Rules	Rule No.	Y	N
			Tick the relevant box	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	✓	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b)(vi)	✓	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)	✓	
13.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c)(iii)	✓	
14.	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✓	
15.	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A	
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	N/A	
18.	a) The Board has met at least four times during the year.	6(1)	✓	
	b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓	
	c) The minutes of the meetings were appropriately recorded and circulated.	6(3)		
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8 (2)	✓	
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	
21.	a) The Board has approved the statement of profit and loss and other comprehensive income for, and statement of financial position as at the end of, the first, second and third quarter of the year as well as the financial year end.	10	✓	
	b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.		✓	
	c) The Board has placed the annual financial statements on the company's website.		✓	
22.	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11	✓	
23.	a) The Board has formed the requisite committees, as specified in the Rules.	12	✓	
	b) The committees were provided with written term of reference defining their duties, authority and composition.		✓	
	c) The minutes of the meetings of the committees were circulated to all the Board members.		✓	
	d) The committees were chaired by the following non-executive directors:		✓	

S. No.	Provision of the Rules			Rule No.	Y	N																
					Tick the relevant box																	
	<table><tr><th>Committee</th><th>Number of members</th><th>Name of Chair</th></tr><tr><td>Audit Committee</td><td>3</td><td>Ejaz Akhtar Ansari</td></tr><tr><td>Risk Management Committee</td><td>3</td><td>Waseem Mehdi Syed</td></tr><tr><td>Human Resources Committee</td><td>3</td><td>Waseem Mehdi Syed</td></tr><tr><td>Procurement Committee</td><td>3</td><td>Fayaz Ahmed Jatoi</td></tr><tr><td>Nomination Committee</td><td>3</td><td>Waseem Mehdi Syed</td></tr></table>	Committee	Number of members	Name of Chair	Audit Committee	3	Ejaz Akhtar Ansari	Risk Management Committee	3	Waseem Mehdi Syed	Human Resources Committee	3	Waseem Mehdi Syed	Procurement Committee	3	Fayaz Ahmed Jatoi	Nomination Committee	3	Waseem Mehdi Syed			
Committee	Number of members	Name of Chair																				
Audit Committee	3	Ejaz Akhtar Ansari																				
Risk Management Committee	3	Waseem Mehdi Syed																				
Human Resources Committee	3	Waseem Mehdi Syed																				
Procurement Committee	3	Fayaz Ahmed Jatoi																				
Nomination Committee	3	Waseem Mehdi Syed																				
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.			13	✓																	
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.			14	✓																	
26.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.			16	✓																	
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.			17	✓																	
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.			18	✓																	
29.	a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.  b) The annual report of the company contains criteria and details of remuneration of each director.			19	N/A																	
30.	The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.			20	✓																	
31.	<div>The Board has formed an audit committee, with defined and written terms of reference, and having the following members:</div> <table><tr><th>Name of Member</th><th>Category</th><th>Professional Background</th></tr><tr><td>Ejaz Akhtar Ansari</td><td>Independent</td><td>Professional Banker</td></tr><tr><td>Kamal Ahmed</td><td>Non-executive</td><td>Financial Controller</td></tr><tr><td>Sami ul Haq Khilji</td><td>Non-executive</td><td>Federal Govt. representative</td></tr></table> <div>The chief executive and chairman of the Board are not members of the audit committee.</div>			Name of Member	Category	Professional Background	Ejaz Akhtar Ansari	Independent	Professional Banker	Kamal Ahmed	Non-executive	Financial Controller	Sami ul Haq Khilji	Non-executive	Federal Govt. representative	21 (1) and 21(2)	✓					
Name of Member	Category	Professional Background																				
Ejaz Akhtar Ansari	Independent	Professional Banker																				
Kamal Ahmed	Non-executive	Financial Controller																				
Sami ul Haq Khilji	Non-executive	Federal Govt. representative																				
32.	a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.  b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.  c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.			21(3)	✓  ✓  ✓																	



S. No.	Provision of the Rules	Rule No.	Y	N
			Tick the relevant box	
33.	a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.	22	✓	
	b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.		✓	
	c) The internal audit reports have been provided to the external auditors for their review.		✓	
34.	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓	
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit Services.	23(5)	✓	

#### Certain Additional Disclosures as Required under Listed Companies (Code of Corporate Governance) Regulations, 2019

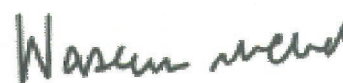
- The total number of Directors as on 30 June 2025 are seven as per the following:  
Male: 6  
Female: 1
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose.
- The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, Company Secretary or Director of the Company.
- The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except where the requirements are inconsistent with the provisions of Public Sector Companies (Corporate Governance) Rules, 2013.
- According to the Regulation 19 of CCG,

*"it is encouraged that all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission".*

However, out of Seven (7) Board of directors, five (5) Directors have already obtained the above stated certification, the Remaining Directors have been requested to complete the process of certification in due course of time.



**Abdul Rauf Chandio**  
CEO/Executive Director



**Waseem Mehdi Syed**  
Chairman/Independent Director

**INDEPENDENT AUDITOR'S ASSURANCE REPORT  
ON COMPLIANCE WITH THE SHARIAH GOVERNANCE  
REGULATIONS, 2023  
TO THE BOARD OF DIRECTORS OF SINDH MODARABA**

**1. Introduction**

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of the **Sindh Modaraba** ("the Modaraba") for assessing compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June **30, 2025**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

**2. Applicable Criteria**

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended **June 30, 2025**) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- (i) Legal and regulatory framework administered by the Commission;
- (ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the Commission;
- (iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- (iv) Guidance and recommendations of the Shariah advisory committee, as notified by the Commission; and
- (v) Approvals, rulings or pronouncements of the Shariah Supervisory Board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

**3. Management's Responsibility for Shariah Compliance**

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Modaraba with its customers, unit holders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

**4. Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1 "*Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## 5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Modarba's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended **June 30, 2025**, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, '*Assurance Engagements other than audits or reviews of historical financial statements*', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Modaraba's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

## 6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Modaraba's financial arrangements, contracts and transactions for the year ended **June 30, 2025**, are in compliance with the Shariah principles, in all material respects.

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Karachi

Date: 26 September, 2025

Name of the Engagement Partner: Muhammad **Shaukat Naseeb**

**INDEPENDENT AUDITOR'S REPORT  
TO THE CERTIFICATE HOLDERS OF SINDH MODARABA  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the annexed financial statements of Sindh Modaraba (the "Modaraba"), which comprise the statement of financial position as at June 30, 2025, and the statement of profit and loss and of comprehensive income, the statement of changes in equity, the statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2025, and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Modaraba and Modaraba Company (Sindh Modaraba Management Limited) in accordance with the International Ethics Standards Board for Accountants 'Code of Ethics for Professional Accountants' as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the key audit matters:

S. No.	Key Audit Matters	How the matters were addressed in our audit
1.	<b>Islamic financings assets</b> (Refer Note 7 and 8 to the financial statements)	
	<p>Islamic financings assets are valued at Rs. 1.656 billion which constitutes 80% of the total assets of the Modaraba.</p> <p>As the Islamic financings assets represent a significant element of the financial statements, a discrepancy in the existence or valuation could cause the financial statements to be materially misstated which would also impact the Modaraba's reported performance.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ol style="list-style-type: none"> <li>1. We assessed and tested the design and operations of key controls over the recognition, valuation and existence of financing assets.</li> <li>2. We performed detailed assessment of the credit approval procedures of the financings sanctioned in accordance with Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980 (XXXI of 1980), Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021 and performed credit review on sample basis.</li> </ol>

	<p>In view of significance of financings and related assets in relation to total assets and the financial statements as a whole, we have considered the existence and valuation of financings as a key audit matter.</p>	<ol style="list-style-type: none"> <li>3. We tested controls over addition, termination and periodic valuation of the portfolios and performed other substantive audit procedures on the year end balances. Moreover, we have reviewed documentation required in the facilities files of the parties and verified income from financing during the year by performing recalculation through amortization schedules on a sample basis.</li> <li>4. In addition, we have checked repayment received from the clients on sample basis.</li> <li>5. We have assessed the ECL model used by the management to calculate the provision against financings of the Modaraba for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model.</li> <li>6. We have evaluated management's assessment for classification of customer's financing facilities as required by Schedule-III of Modaraba Regulations 2021.</li> <li>7. We also evaluated the adequacy of the overall disclosures in the financial statements in respect of financings issued and related assets in accordance with the requirements of the applicable financial reporting framework NBFC Regulations and with the applicable accounting standards, provisions of and directives issued under the Companies Act, 2017 and requirement of Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021.</li> </ol>
<b>2.</b>	<b>Revenue Recognition</b> (Refer Note 3.12 to the financial statements)	
	<p>Modaraba earns substantial income from the diminishing musharaka. During the year, the Modaraba has recognized income of Rs. 188.6 million on diminishing musharaka which represents 55% of total revenue.</p> <p>We identified income from diminishing musharaka finances as a key audit matter as it is one of the key performance indicators of the Modaraba and because of the potential risk that income from diminishing musharaka transactions may not be accurately recorded, recognized in the appropriate period, and not properly disclosed in the financial statements.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ol style="list-style-type: none"> <li>1. We obtained an understanding, including the design and implementation of internal controls over recording and processing of diminishing musharaka income.</li> <li>2. We assessed the appropriateness of the Modaraba's accounting policy for recording of income and in line with the requirements of applicable law, accounting and reporting standards.</li> <li>3. We matched customer contracts with the income schedule and performed recalculation on sample basis to ensure that income is appropriately recorded and also evaluated that these contracts were appropriately classified and recorded in the appropriate accounting period.</li> <li>4. On sample basis, traced the rentals received from the underlying records issued to contract holders and applied substantive analytical procedures to determine any variations.</li> <li>5. We also evaluated the adequacy of the overall disclosures in the financial statements in respect of income from diminishing musharaka finances in accordance with the requirements of applicable financial reporting frameworks.</li> </ol>



### **Information other than the Financial Statements and Auditor's Report thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors of the Modaraba for the financial statements**

Management of the Modaraba Company is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management of the Modaraba Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Modaraba is responsible for assessing the Modaraba's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Modaraba Company either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Modaraba Company are responsible for overseeing the Modaraba's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: -

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Company;
- Conclude on the appropriateness of the management of the Modaraba Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Modaraba Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors of the Modaraba Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Modaraba Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI OF 1980);
- b) the statement of financial position and the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, (XXXI of 1980) and are in agreement with the books of account;
- c) business conducted, investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance

### **Other matter**

1. The financial statements of the previous year were audited by another firm of auditors who expressed an unmodified opinion on those financial statements on September 23, 2024.
2. The engagement partner on the audit resulting in this independent auditor's report is Muhammad Shaukat Naseeb.

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Karachi

Date: 26 September, 2025

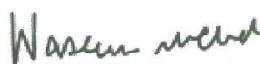
UDIN: AR202510126KrvZVT8e3

# STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2025	2024
		Rupees	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	4	371,724,227	202,142,642
Short term investments	5	-	950,000,000
Advances, prepayments and other receivables	6	27,118,670	38,665,098
Morabaha finance	7	212,819,445	-
Current portion of Diminishing Musharaka	8	726,974,570	324,247,982
Current portion of long term advances		522,372	-
Current portion of long term loan	9	2,299,116	1,460,208
<b>Total current assets</b>		<b>1,341,458,400</b>	<b>1,516,515,930</b>
<b>Non - current assets</b>			
Diminishing Musharaka	8	716,692,373	414,665,176
Long term loan	9	4,240,649	5,085,621
Long term advances		726,823	-
Fixed assets - in own use	10	1,689,139	1,935,562
<b>Total non - current assets</b>		<b>723,348,984</b>	<b>421,686,359</b>
<b>TOTAL ASSETS</b>		<b>2,064,807,384</b>	<b>1,938,202,289</b>
<b>LIABILITIES AND CERTIFICATE HOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Creditors, accrued and other liabilities	11	69,036,102	60,119,321
Payable to gratuity fund	12	1,036,752	1,390,203
Taxation - net	13	2,035,782	8,307,484
Profit distribution payable		1,190,116	1,075,380
<b>TOTAL LIABILITIES</b>		<b>73,298,752</b>	<b>70,892,388</b>
<b>CERTIFICATE HOLDERS' EQUITY</b>			
Authorized certificate capital	14	500,000,000	500,000,000
Issued, subscribed and paid-up certificate capital	14	450,000,000	450,000,000
Reserves	15	541,508,632	417,309,901
Long term loan	16	1,000,000,000	1,000,000,000
		1,991,508,632	1,867,309,901
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,064,807,384</b>	<b>1,938,202,289</b>
Contingencies and commitments	17		

The annexed notes 1 to 35 form an integral part of these financial statements.

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



Chairman



Chief Executive Officer



Director



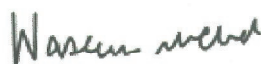
Chief Financial Officer

# STATEMENT OF PROFIT AND LOSS, AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		----- Rupees -----	
Income from:			
- Diminishing Musharaka		188,683,085	198,029,767
- Murabaha		28,649,809	9,401,425
- Bank deposits		64,232,965	46,006,909
- Term deposit receipts		60,233,607	153,902,685
		341,799,466	407,340,786
Administrative and operating expenses	18	(87,438,400)	(64,572,249)
Reversal of provision for doubtful receivables - net	19	4,766,261	2,862,098
		(82,672,139)	(61,710,151)
		259,127,327	345,630,635
Other income - net	20	7,970,989	686,172
		267,098,316	346,316,807
Modaraba Management Company's remuneration	21	(26,709,832)	(34,631,681)
Provision for Sindh Sales Tax on Management Company's remuneration		(4,006,475)	(5,194,752)
		(30,716,307)	(39,826,433)
<b>Profit before taxation</b>		<b>236,382,009</b>	<b>306,490,374</b>
Taxation	13	(56,268,221)	(105,159,854)
<b>Profit for the year after taxation</b>		<b>180,113,788</b>	<b>201,330,520</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income/(loss) for the year</b>			
Actuarial gain / (loss) on defined benefit plan		334,943	(137,831)
<b>Total comprehensive income</b>		<b>180,448,731</b>	<b>201,192,689</b>
Earnings per certificate - basic and diluted	22	4.00	4.47

The annexed notes 1 to 35 form an integral part of these financial statements.

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



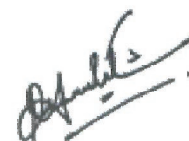
Chairman



Chief Executive Officer



Director



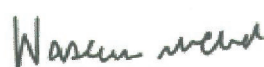
Chief Financial Officer

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		236,382,009	306,490,374
<b>Adjustments for non - cash and other items</b>			
Depreciation on fixed assets - in own use	10.1	904,042	1,145,834
Amortization of intangible assets	10.2	9,026	24,374
Reversal of provision for doubtful receivables - net	19	(4,766,261)	(2,862,098)
Income (reversal) in respect of diminishing musharaka		(5,342,128)	(4,542,088)
Income on bank deposits		(64,232,965)	(46,006,909)
Gain on disposal of fixed assets	20	(59,996)	-
Income on term deposit receipts		(60,233,607)	(153,902,685)
Provision for gratuity		1,371,695	1,252,372
<b>Operating losses before working capital changes</b>		<b>(132,350,194)</b>	<b>(204,891,200)</b>
<b>Working capital changes</b>			
<b>Decrease / (increase) in current assets</b>			
Advances, deposits, prepayments and other receivables	6	3,633,814	8,387,331
Diminishing Musharaka	8	(698,918,080)	121,054,286
Morabaha	7	(213,888,889)	-
Long term advances - net		(1,249,195)	-
Long term loan - net	9	6,064	(4,891,367)
		<b>(910,416,286)</b>	<b>124,550,250</b>
<b>Increase in current liabilities</b>			
Creditors, accrued and other liabilities	11	8,916,781	16,779,410
<b>Working capital changes</b>		<b>(901,499,505)</b>	<b>141,329,660</b>
Income received on term deposit receipts		73,311,479	143,816,598
Income received on bank deposits		64,409,835	49,007,236
Gratuity contribution paid		(1,390,203)	(1,041,276)
Taxes paid	13	(62,539,923)	(107,407,982)
<b>Net cash (used in) / generated from operating activities</b>		<b>(723,676,502)</b>	<b>327,303,410</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale proceeds from disposal of fixed assets	10.3	60,000	-
Purchase of fixed assets - owned	10	(666,649)	(1,132,927)
<b>Net cash used in investing activities</b>		<b>(606,649)</b>	<b>(1,132,927)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Profit distributed		(56,135,264)	(56,104,101)
<b>Net cash used in financing activities</b>		<b>(56,135,264)</b>	<b>(56,104,101)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(780,418,415)</b>	<b>270,066,382</b>
Cash and cash equivalents at the beginning of the year		1,152,142,642	882,076,260
<b>Cash and cash equivalents at the end of the year</b>	32	<b>371,724,227</b>	<b>1,152,142,642</b>

The annexed notes 1 to 35 form an integral part of these financial statements.

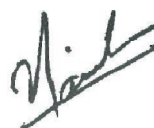
For Sindh Modaraba Management Limited (Management Company - Owned by Government of Sindh)



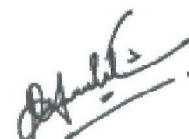
Chairman



Chief Executive Officer



Director



Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

Note	Issued, subscribed and paid-up share capital	Reserve			Long term loan	Total equity and reserves
		Capital reserve	Revenue reserve	Total reserves		
		Statutory reserve	Unappropriated profit			
..... (Rupees) .....						

<b>Balance as at July 01, 2023</b>		450,000,000	160,416,320	111,950,892	272,367,212	1,000,000,000	1,722,367,212
Profit for the year ended June 30, 2024		-	-	201,330,520	201,330,520	-	201,330,520
Total other comprehensive income for the year		-	-	(137,831)	(137,831)	-	(137,831)
Transfer to statutory reserve	15.1	-	40,266,104	(40,266,104)	-	-	-

### Transaction with owners

Profit distribution for the year ended June 30, 2023 at Rs. 1.25 (12.50%) per certificate		-	-	(56,250,000)	(56,250,000)	-	(56,250,000)
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<b>Balance as at June 30, 2024</b>		450,000,000	200,682,424	216,627,477	417,309,901	1,000,000,000	1,867,309,901
Profit for the year ended June 30, 2025		-	-	180,113,788	180,113,788	-	180,113,788
Total other comprehensive income for the year		-	-	334,943	334,943	-	334,943
Transfer to statutory reserve	15.1	-	36,022,758	(36,022,758)	-	-	-

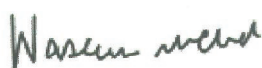
### Transaction with owners

Profit distribution for the year ended June 30, 2024 at Rs. 1.25 (12.50%) per certificate		-	-	(56,250,000)	(56,250,000)	-	(56,250,000)
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<b>Balance as at June 30, 2025</b>		450,000,000	236,705,182	304,803,450	541,508,632	1,000,000,000	1,991,508,632
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The annexed notes 1 to 35 form an integral part of these financial statements.

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 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.

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

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and Islamic Financial Accounting Standards (IFASs), as are notified under the provisions of the Companies Act, 2017; and

Provisions of and directives issued by securities and exchange commission of Pakistan (SECP), requirement of Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 and Companies Act, 2017.

- Wherever the requirements of the approved accounting standards differ from the relevant laws, the relevant laws have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except otherwise stated.

#### 2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Modaraba operates. The financial statements are presented in Pakistani Rupees, 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 financial statements 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 an on-going basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. The areas where various assumptions and estimates are significant to the Modaraba's financial statements or where judgment was exercised in the application of accounting policies are as follows:

- a) estimates of residual values, useful lives and depreciation methods of fixed assets in own use (note 3.3) and Ijarah assets (note 3.4);

- b) estimates of useful lives and amortization charge for its intangibles (note 3.3.2)
- c) certain actuarial assumptions have been adopted as disclosed in these financial statement for actuarial valuation of present value of defined benefit obligation (note 3.13);
- d) investments & loans, advances, prepayments and other receivables (note 3.1 and 3.6); and
- e) provision for taxation (note 3.7).

## 2.5 New and amended standards and interpretations

### 2.5.1 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

New standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on or after July 01, 2024 are considered not to be relevant or to have any significant effect on the Modaraba's financial reporting and operations.

		Effective date
IAS 21	The effects of changes in foreign exchange rates (Amendments)	July 1, 2025
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 1, 2025
IFRS S2	Climate-related Disclosures	July 1, 2025

### 2.5.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The new standard, certain amendments and interpretations that are mandatory for accounting periods beginning after January 01, 2024 are considered not to be relevant for the Modaraba's financial statements.

		Effective date
IFRS 7	Financial instruments : Disclosure	January 01, 2026
IFRS 9	Financial instruments	January 01, 2026
IAS 21	Lack of exchangeability	January 01, 2026

Other than the aforementioned standards, interpretation and amendments, IASB has also issued the following standards, which have been utilized locally in relation to the Modaraba, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025

		Effective date
IFRS1	First time adoption	January 01, 2026
IFRS 18	Presentation and disclosure in financial statements	January 01, 2027
IFRS 19	Subsidiaries without public accountability : Disclosures	January 01, 2027

The management anticipates the adoption of above standards in future being will have material impact on financial statements items and presentation/ disclosures.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies adopted and applied in the preparation of these financial statements as set out below. These policies have been consistently applied to all years presented unless other wise stated.

### 3.1 Financial instruments

#### 3.1.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Modaraba becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or has expired.

### 3.1.2 Subsequent measurement of financial assets

**Financial assets at amortized cost**

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and profit on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective profit rate method. Discounting is omitted where the effect of discounting is immaterial. The Modaraba's cash and cash equivalents and short term investments fall into this category of financial instruments.

#### **Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and profit are accounted for at FVTPL. All financial assets are classified and measured at fair value through profit or loss unless the Modaraba makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income.

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

The Modaraba accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect and sell"; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and profit on the principal amount outstanding.

### 3.1.3 Equity instruments

At initial recognition, the Modaraba may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of this standard that is not held for trading.

Where the Modaraba's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement profit or loss as applicable.

Dividends from such investments continue to be recognized in the statement of profit and loss as other income when the Modaraba's right to receive payments is established.

Any gains or losses on derecognition of financial instruments that is measured at fair value shall be recognized in the statement of profit and loss unless it is an investment in an equity instrument and the Modaraba has elected to present gains and losses on that investment in the statement of comprehensive income.

### 3.1.4 Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVTOCI that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Modaraba first identifying a credit loss event. Instead the Modaraba considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second and third category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

### **3.1.5 Classification and subsequent measurement of financial liabilities**

Financial liabilities comprise trade and other payables, amount due to a related party and borrowings.

Financial liabilities are measured subsequently at amortized cost using the effective profit rate method. Discounting is omitted if the impact is immaterial.

### **3.1.6 Off-setting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liabilities simultaneously.

## **3.2 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at amortized cost. These include balances with banks in deposit and current accounts, short term investment and stamps in hand.

## **3.3 Fixed assets - In own use**

### **3.3.1 Tangible assets**

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amounts or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Modaraba and the cost of the items can be measured reliably.

All other repairs and maintenance expenses are charged to the statement of profit and loss as and when incurred. Depreciation on all fixed assets is charged to income on a straight - line basis in accordance with the specified rates.

The useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged on additions from the month the asset is available for use and on disposals up to the month preceding the month of disposal.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amounts. These are recorded in the statement of profit and loss in the period in which these arise.

### **3.3.2 Intangible assets**

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent costs are included in the assets' carrying amounts or recognized as separate assets, as appropriate, only where it is probable that the future economic benefits associated with the assets will flow to the Modaraba and the cost of the items can be measured reliably.

Amortization is charged to income using the straight line method in accordance with the specified rates. The useful lives and amortization method are reviewed and adjusted, as appropriate, at each reporting date. Amortization is charged from the month the asset is available for use while in the case of assets disposed of, it is charged till the month preceding the month of disposal.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any.

Gain or loss on disposal of intangible assets, if any, is taken to the statement of profit and loss in the period in which these arise.

### 3.3.3 Capital work-in-progress

Capital work-in-progress, if any, is stated at cost less accumulated impairment losses, if any, and represents expenditure on fixed assets in the course of installation and advances for capital expenditure. Transfers are made to the relevant category of tangible / intangible assets as and when the assets are available for intended use.

### 3.4 Ijarah assets given to customers under agreement

Assets leased out under Ijarah are recorded as Ijarah assets and are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Depreciation is charged to income by applying the straight line method whereby the cost of an asset less salvage value is written off over the lease term, which is considered to be the estimated useful life of the asset.

- Muj'ir (lessors) presents the assets subject to Ijarah in their statement of financial position according to the nature of the asset, distinguished from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognized as expenses.
- Initial direct costs incurred specifically to earn revenues from Ijarah are recognized as an expense in the statement of profit and loss in the period in which they are incurred.

### 3.5 Murabaha finance

Funds disbursed for purchase of goods are recorded as 'Advance for Murabaha'. On culmination of murabaha i.e. sale of goods to customers, murabaha financings are recorded at the deferred sale price. Goods purchased but remaining unsold at the statement of financial position date are recorded as inventories. Profit on murabaha financings is recognized on accrual basis. Profit on murabaha transactions for the period from the date of disbursement to the date of culmination of murabaha is recognized immediately upon the later date. Profit unearned at statement of financial position date is deferred and recorded as deferred murabaha income. Financing are stated net of specific and general provisions against non- performing financings, if any, which are charged to the statement of profit and loss.

### 3.6 Loans, advances, prepayments and other receivables

These are stated at cost less estimates made for doubtful receivables based on a review of all outstanding amounts at the reporting date. Balances considered bad and irrecoverable are written off when identified.

### 3.7 Taxation

#### Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any.

#### Deferred

Deferred tax is recognized using the statement of financial position liability method, on all temporary differences arising between the tax bases and carrying amounts of assets and liabilities appearing in the financial statements. Deferred tax liability is recognized for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

### 3.8 Impairment of non-financial assets

The carrying amounts of the Modaraba's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. Impairment loss determined as the difference between carrying value and recoverable amount being higher of asset's fair value less cost to sell and value in use. If such an indication exists, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss. The resulting impairment loss is recognized in the statement of profit and loss.

#### 3.81 Fair value measurement

The Modaraba measures certain financial instruments, and non-financial assets such as assets classified as held for sale and investment property, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Modaraba has access at that date. The fair value of a liability reflects the effect of non-performance risk. When applicable, the Modaraba measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When measuring fair value, the Modaraba takes into account the characteristics of asset or liability which include the condition and location of the asset and restrictions, if any, on the sale or use of the asset.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Modaraba uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Valuation techniques used to measure fair value are applied consistently unless a change in a valuation technique or its application results in a measurement that is equally or more representative of fair value in the circumstances. Revisions resulting from a change in the valuation technique or its application are accounted for as a change in accounting estimate.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within different levels of the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

Fair value hierarchy categorizes into following three levels the inputs to valuation techniques used to measure fair value:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Modaraba can access at the measurement date.
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Unobservable inputs for the asset or liability.

For the purpose of fair value disclosures, the Modaraba has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

#### 3.82 Creditors, accrued and other liabilities

These are carried at amortized cost, which is the fair value of the consideration to be paid in the future for goods and services.



### 3.83 Provisions as contingent assets and liabilities

Provisions are recognized when the Modaraba has a present, legal or constructive obligation as a result of past obligating events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent asset, are not recognized and are disclosed unless a inflow of economic benefits are virtually certain. Contingent liabilities are not recognized and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

### 3.84 Staff retirement benefits

Defined contribution plan - employees provident fund

The Modaraba operates a recognized provident fund for all eligible employees and equal contributions by the employer and employee to the provident fund are made at the rate of 10% of the basic salaries of employees.

Defined benefit plan - employees gratuity fund

The Modaraba operates a gratuity fund for all eligible employees who have completed the minimum three years of service. The fund is administered by the trustee nominated under the Trust Deed. The contributions to the Fund are made in accordance with the actuarial valuation using Projected Unit Credit Method. Actuarial gains and losses arising at each valuation date are recognized immediately.

### 3.85 Revenue and other income recognition

The revenue recognition of the Modaraba is based on the following policies:

- For ijarah arrangements, ijarah rentals are recognized as income on accrual basis, as and when rentals become due. In case of ijarah arrangements with staggered rentals, the income is recognized on a straight line basis over the ijarah term.
- Income in respect of non-performing ijarah finance is held in suspense account, where necessary, in accordance with the requirements of the prudential regulations for modarabas issued by the SECP.
- Documentation charges, front end fees and other ijarah related income are taken to the statement of profit and loss on an accrual basis.
- Profit on diminishing musharaka arrangements is recognized under the effective mark-up rate method based on the amount outstanding.
- Mark-up / return on deposits / investments is recognized on accrual basis using the effective profit rate method.
- Other income is recognized on an accrual basis.
- Dividend income

### 3.86 Proposed profit distribution to certificate holders

Dividends declared made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared.

### 3.87 Earnings per certificate

Basic earnings per certificate is calculated by dividing the profit after taxation for the period by the weighted average number of certificates outstanding during the period. Diluted earnings per certificate is determined by adjusting the profit or loss attributable to ordinary certificate holders by taking into account the conversion of any dilutive potential ordinary certificates.

### 3.88 Ordinary certificate

Ordinary certificate, are classified as equity and are recorded at their face value incremental cost directly attributable to the issue of new certificate as allotments are shown in equity as a deduction net of tax.

**3.89 Foreign currency transactions**

Transactions in foreign currencies are converted into Pakistani Rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rate of exchange prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the statement of profit and loss.

**3.90 Segment reporting**

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 operating segments. 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.

**3.91 Related party transactions**

All transactions with related party are priced on arm's length basis. Prices of these transactions are determined on the basis of admissible valuation methods.

**3.92 Dividend income**

Dividend income is recognized when the Modaraba's right to receive dividend is established.

**3.93 Ijarah rental receivable**

These are stated at amount recoverable net of provision (if any).

**3.94 Compensated absences**

The Modaraba makes provision in the financial statements for its liability towards compensated absences based on the leaves accumulated up to the statement of financial position date.

**3.95 Commitments**

Commitments are disclosed in the financial statements at committed amount.

	Note	2025	2024
		----- Rupees -----	
<b>4. CASH AND BANK BALANCES</b>			
Stamp papers in hand		61,900	78,200
Balances with banks:			
- on deposit accounts	4.1	369,372,170	200,860,973
- on current accounts	4.2 & 4.3	2,290,157	1,203,469
		<u>371,724,227</u>	<u>202,142,642</u>
<b>4.1</b>	These carry profit at rates ranging from 4.00% to 10.50% per annum (2024: 6.75% to 18.80% per annum). This includes a balance of Rs. 1.73 million (2024: Rs. 1.16 million) held with Sindh Bank Limited - Islamic Banking Unit, a related party.		
<b>4.2</b>	This includes a balance of Rs. 1.07 million (2024: Rs. 1.20 million) held with Sindh Bank Limited - Islamic Banking Unit, a related party.		
<b>4.3</b>	This include bank account maintained by Modaraba with State Bank of Pakistan as per the requirements of BSD Circular No. 04 of 2003 for recovering CIB service charges having balance of Rs 26,384 (2024: Rs 3,375).		
<b>4.4</b>	All bank accounts used by the modaraba are shariah compliant.		

	Note	2025	2024
		----- Rupees -----	
<b>5. SHORT TERM INVESTMENTS</b>			
Term deposit receipts	5.1	-	950,000,000

- 5.1** Nil investment as at balance sheet date, (June 2024: Rs. 550 million for a period of 3 months maturity at a mark-up rate of 19.00% per annum and Rs. 400 million for a period of 3 months maturity at a mark-up rate of 20.50% per annum) in Soneri Bank Limited - Islamic Banking.

	Note	2025	2024
		----- Rupees -----	
<b>6. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Advances		27,800	26,000
Prepayments		3,024,693	1,289,844
Accrued income from Diminishing Musharaka	6.2	10,792,011	19,517,782
Profit receivable from Morabaha		8,697,432	-
Accrued income from bank deposits	6.1	4,576,734	4,753,604
Accrued income from term deposit receipts		-	13,077,868
		<u>27,118,670</u>	<u>38,665,098</u>

- 6.1** This includes accrued income of Rs. 11,112 (2024: Rs. 13,123) on bank deposits held with Sindh Bank Limited - Islamic Banking Unit, related party.

	Note	2025	2024
		----- Rupees -----	
<b>6.2 Accrued income from Diminishing Musharaka</b>			
Receivable		20,794,065	34,861,964
Less: Income suspend		(10,002,054)	(15,344,182)
		<u>10,792,011</u>	<u>19,517,782</u>

## 7. MURABAHA FINANCE

Receivables	7.1	213,888,889	-
Less: general provision	7.2	(1,069,444)	-
		<u>212,819,445</u>	<u>-</u>

- 7.1** This represents the finance provided to corporate clients under murabaha finance for periods of 9 months (2024: Nil) which was secured against pledge and personal guarantee of a director.

- 7.2** This represent general provion made at the rate of 0.5% (2024: Nill)

	Note	2025	2024
		----- Rupees -----	
<b>8. DIMINISHING MUSHARAKA</b>			
Receivables - secured	8.1	1,490,642,415	791,724,335
Less: Current portion		(726,974,570)	(324,247,982)
Less: Provision in respect of diminishing musharaka	8.2	(46,975,472)	(52,811,177)
Non-current portion		<u>716,692,373</u>	<u>414,665,176</u>

- 8.1** This represents finance provided to individual and corporate clients under diminishing musharaka arrangements for periods ranging 3 to 20 years (2024: 3 to 20 years) which is secured against mortgage of property, lien on title documents and charge on assets etc.

- 8.2** This includes a general provision of Rs. 7.14 million (2024: Rs. 3.46 million) made at the rate of 0.5% (2024: 0.5%) on diminishing musharaka receivables respectively.

**8.2.1 Movement of provision in respect of Diminishing Musharakah**

	2025			2024		
	General	Specific	Total	General	Specific	Total
	----- Rupees -----					
Opening	3,465,550	49,345,627	52,811,177	3,932,951	51,740,324	55,673,275
Charge for the year	3,678,555	6,860,388	10,538,943	-	20,284,201	20,284,201
Reversal during the year	-	(16,374,648)	(16,374,648)	(467,401)	(22,678,898)	(23,146,299)
<b>Closing</b>	<b><u>7,144,105</u></b>	<b><u>39,831,367</u></b>	<b><u>46,975,472</u></b>	<b><u>3,465,550</u></b>	<b><u>49,345,627</u></b>	<b><u>52,811,177</u></b>

**8.2.2** The following table sets out information about the provision in Expected Credit Losses (ECL)/ provision as per modaraba regulation of diminishing musharaka financing:

	Note	2025	2024
		----- Rupees -----	
<b>Provision higher of ECL (IFRS) or as per modaraba regulation</b>			
Stage 1		-	-
Stage 2		-	-
Stage 3		<b><u>39,832,489</u></b>	<b><u>49,346,750</u></b>
		<b><u>39,832,489</u></b>	<b><u>49,346,750</u></b>

**9. LONG TERM LOAN**

Long term loan - considered good	9.1	<b><u>6,539,765</u></b>	6,545,829
Less: Current portion of long term loan		<b><u>(2,299,116)</u></b>	(1,460,208)
Non-current portion		<b><u>4,240,649</u></b>	<b><u>5,085,621</u></b>

**9.1** This includes Rs. 3.13 million (2024: 4 million) vehicle monetization loan for 5 years and Rs. 180,560 (2024: Nil) house furnishing loan of 3 basic salaries for 3 years, provided to Mr. Adnan Shakeel - CFO & Company Secretary, related party under the monetization policy and house furnishing loan approved by the Board.

	Note	2025	2024
		----- Rupees -----	
<b>10. FIXED ASSETS - In own use</b>			
Tangible assets	10.1	<b><u>1,620,383</u></b>	1,932,780
Intangible assets	10.2	<b><u>68,756</u></b>	2,782
		<b><u>1,689,139</u></b>	<b><u>1,935,562</u></b>

## 10.1 TANGIBLE ASSETS

	Furniture and fittings	Office equipment	Vehicles	Computer and accessories	Total
	-----Rupees-----				
<b>As at June 30, 2023</b>					
Cost	1,565,217	2,973,240	1,354,275	3,014,796	8,907,528
Accumulated depreciation	(1,105,192)	(2,578,385)	(1,070,262)	(2,208,002)	(6,961,841)
<b>Net book value</b>	<b>460,025</b>	<b>394,855</b>	<b>284,013</b>	<b>806,794</b>	<b>1,945,687</b>
<b>Net carrying value basis</b>					
<b>Year ended June 30, 2024</b>					
Opening net book value	460,025	394,855	284,013	806,794	1,945,687
Additions - at cost	-	681,637	-	451,290	1,132,927
<b>Disposal</b>					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Depreciation charge	(156,516)	(212,495)	(262,152)	(514,671)	(1,145,834)
<b>Closing net book value</b>	<b>303,509</b>	<b>863,997</b>	<b>21,861</b>	<b>743,413</b>	<b>1,932,780</b>
<b>Gross carrying value basis</b>					
<b>As at June 30, 2024</b>					
Cost	1,565,217	3,654,877	1,354,275	3,466,086	10,040,455
Accumulated depreciation	(1,261,708)	(2,790,880)	(1,332,414)	(2,722,673)	(8,107,675)
<b>Net book value</b>	<b>303,509</b>	<b>863,997</b>	<b>21,861</b>	<b>743,413</b>	<b>1,932,780</b>
<b>Net carrying value basis</b>					
<b>Year ended June 30, 2025</b>					
Opening net book value	303,509	863,997	21,861	743,413	1,932,780
Additions - at cost	245,100	44,049	118,000	184,500	591,649
<b>Disposal</b>					
Cost	-	(234,668)	(1,310,775)	-	(1,545,443)
Accumulated depreciation	-	234,664	1,310,775	-	1,545,439
Depreciation charge	(177,660)	(232,023)	(29,729)	(464,630)	(904,042)
<b>Closing net book value</b>	<b>370,949</b>	<b>676,019</b>	<b>110,132</b>	<b>463,283</b>	<b>1,620,383</b>
<b>Gross carrying value basis</b>					
<b>As at June 30, 2025</b>					
Cost	1,810,317	3,464,258	161,500	3,650,586	9,086,661
Accumulated depreciation	(1,439,368)	(2,788,239)	(51,368)	(3,187,303)	(7,466,278)
<b>Net book value</b>	<b>370,949</b>	<b>676,019</b>	<b>110,132</b>	<b>463,283</b>	<b>1,620,383</b>
<b>Depreciation (% per annum)</b>	<b>10%</b>	<b>20%</b>	<b>20%</b>	<b>33.33%</b>	

## 10.2 INTANGIBLE ASSETS

	Website	Almanac software	Software licenses	Total
	-----Rupees-----			
<b>As at June 30, 2023</b>				
Cost	37,647	800,000	1,274,335	2,111,982
Accumulated amortization	(37,646)	(799,999)	(1,247,181)	(2,084,826)
<b>Net book value</b>	<b>1</b>	<b>1</b>	<b>27,154</b>	<b>27,156</b>
<b>Net carrying value basis</b>				
<b>Year ended June 30, 2024</b>				
Opening net book value	1	1	27,154	27,156
Additions - at cost	-	-	-	-
Amortization charge	-	-	(24,374)	(24,374)
<b>Closing net book value</b>	<b>1</b>	<b>1</b>	<b>2,780</b>	<b>2,782</b>
<b>Gross carrying value basis</b>				
<b>As at June 30, 2024</b>				
Cost	37,647	800,000	1,274,335	2,111,982
Accumulated amortization	(37,646)	(799,999)	(1,271,555)	(2,109,200)
<b>Net book value</b>	<b>1</b>	<b>1</b>	<b>2,780</b>	<b>2,782</b>
<b>Net carrying value basis</b>				
<b>Year ended June 30, 2025</b>				
Opening net book value	1	1	2,780	2,782
Additions - at cost	75,000	-	-	75,000
Amortization charge	(6,248)	-	(2,778)	(9,026)
<b>Closing net book value</b>	<b>68,753</b>	<b>1</b>	<b>2</b>	<b>68,756</b>
<b>Gross carrying value basis</b>				
<b>As at June 30, 2025</b>				
Cost	112,647	800,000	1,274,335	2,186,982
Accumulated amortization	(43,894)	(799,999)	(1,274,333)	(2,118,226)
<b>Net book value</b>	<b>68,753</b>	<b>1</b>	<b>2</b>	<b>68,756</b>
<b>Amortization (% per annum)</b>	<b>33.33%</b>	<b>33.33%</b>	<b>33.33%</b>	

## 10.3 Disposal of tangible asset

Particular	Cost	Accumulated Depreciation	Carrying Value	Sale Proceed	Gain	Mode of disposal	Particular of buyer	Relationship of purchaser with the modaraba
<b>Vehicle</b>								
Vehicle	1,310,775	1,310,775	-	-	-	As Per HR Policy	Mr Faraz uz Zafar Head of compliance	
<b>Office Equipments</b>								
Old inverter AC	234,668	234,664	4	60,000	59,996	Negotiation	Afzal Cool Center	None
<b>2025</b>	<b>1,545,443</b>	<b>1,545,439</b>	<b>4</b>	<b>60,000</b>	<b>59,996</b>			
<b>2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			



	Note	2025	2024
		----- Rupees -----	
<b>11. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Creditors		6,441	6,441
Modaraba management company's remuneration payable - related party		26,709,832	34,631,681
Accrued expenses	11.1	13,996,240	11,373,336
Provision for Sindh Sales Tax on management company's remuneration		4,006,475	5,194,752
Deferred morabaha income		6,358,277	-
Other liabilities	12.7	17,958,837	8,913,111
		<u>69,036,102</u>	<u>60,119,321</u>

11.1 These includes Rs. 45,518 (2024: Rs. 54,000) for branch rent payable to Sindh Bank Limited, related party.

	Note	2025	2024
		----- Rupees -----	
<b>12. PAYABLE TO GRATUITY FUND</b>	12.1	<u>1,036,752</u>	<u>1,390,203</u>

**12.1 Reconciliation of balance due to defined benefit plan**

Present value of defined benefit obligation	12.2	7,700,717	6,020,800
Less: Fair value of plan assets	12.3	(6,663,965)	(4,630,597)
Liability as per statement of financial position		<u>1,036,752</u>	<u>1,390,203</u>

**12.2 Movement in the present value of defined benefit obligation**

Opening balance		6,020,800	4,561,051
Current service cost		1,274,381	1,170,371
Cost on defined benefit obligation		842,912	666,666
Benefit paid		-	(656,508)
Remeasurements charged to other comprehensive income			
- Actuarial gains from changes in financial assumptions		(14,376)	(14,129)
- Experience adjustments		(423,000)	293,349
		<u>(437,376)</u>	<u>279,220</u>
Present value of defined benefit obligation		<u>7,700,717</u>	<u>6,020,800</u>

**12.3 Changes in fair value of plan assets**

Fair value of plan assets		4,630,597	3,519,775
Contributions		1,390,203	1,041,276
Expected income on plan assets		745,598	584,665
Benefit paid		-	(656,508)
Return on plan assets excluding expected income		(102,433)	141,389
Fair value of plan assets		<u>6,663,965</u>	<u>4,630,597</u>

**12.4 Expense recognized in the statement of profit and loss**

Current service cost		1,274,381	1,170,371
Cost on defined benefit obligation		842,912	666,666
Expected income on plan assets		(745,598)	(584,665)
Expense recognized in the statement of profit and loss		<u>1,371,695</u>	<u>1,252,372</u>

**12.5 Total remeasurement chargeable in the statement of comprehensive income**

Remeasurement of plan obligation:			
Actuarial (gain) / loss from changes in financial assumptions		(14,376)	(14,129)
Experience adjustments		(423,000)	293,349
		<u>(437,376)</u>	<u>279,220</u>
Less: Return on plan assets, excluding expected income		102,433	(141,389)
Remeasurement of actuarial (gain) / loss on defined benefit liability		<u>(334,943)</u>	<u>137,831</u>

**12.6 Changes in net liability**

	2025	2024
	----- Rupees -----	
Liability as per statement of financial position	1,390,203	1,041,276
Expenses to be charged to the statement of profit and loss	1,371,695	1,252,372
Remeasurement chargeable in the statement of comprehensive income	(334,943)	137,831
Contributions	(1,390,203)	(1,041,276)
	<u>1,036,752</u>	<u>1,390,203</u>

**Significant actuarial assumptions**

	2025	2024
	----- Percentage -----	
Discount rate used for cost and expected income in the statement of profit and loss	14.00%	15.75%
Discount rate used for year end obligation	12.50%	14.00%

Salary increase used for year end obligation

Salary increase FY 2025	N/A	N/A
Salary increase FY 2026	12.50%	14.00%
Salary increase FY 2027	12.50%	14.00%
Salary increase FY 2028	12.50%	14.00%
Salary increase FY 2029	12.50%	14.00%
Salary increase FY 2030	12.50%	14.00%
Salary increase FY 2031 onwards	14.00%	14.00%
Net salary is increased at	1-Jul-25	1-Jul-24

**Mortality rates**

SLIC	SLIC
(2001-05)-1	(2001-05)-1

The mortality rates are provided by the State Life Insurance Corporation of Pakistan (SLIC).

	2025	2024
Withdrawal rates	Age-based (per appendix)	Age-based (per appendix)
Retirement assumption	Age 60	Age 60

	2025	2024
	----- Rupees -----	
<b>Estimated expenses to be charged to the statement of profit and loss</b>		
Current services cost	1,274,381	1,274,381
Cost on defined benefit obligation	842,912	827,668
Expected income on plan assets	(745,598)	(705,929)
	<u>1,371,695</u>	<u>1,396,120</u>

**Plan assets comprise of**

Cash and / or deposits	100%	100%
------------------------	------	------

**Year end sensitivity (+/- 100bps) on defined benefit obligation**

Discount rate +100 bps	6,804,055	5,308,568
Discount rate - 100 bps	8,756,959	6,863,172
Salary increase +100 bps	8,757,162	6,863,888
Salary increase - 100 bps	6,787,650	5,295,189

Expected benefit payments for the next 10 years and beyond

FY 2026	261,043	275,116
FY 2027	285,825	309,723
FY 2028	321,835	353,746
FY 2029	353,301	397,715
FY 2030	393,952	450,525
FY 2031	1,843,963	2,122,869
FY 2032	460,849	551,715
FY 2033	517,427	631,588
FY 2034	592,861	736,550
FY 2035	5,283,391	254,560,718
FY 2036 onwards	172,863,529	-

The average duration of the defined benefit obligation is

13 years	13 years
----------	----------

**12.7** This also includes charity payable amounting to Rs. 763,061 (2024: Rs. 124,130). The reconciliation is as follows:

	Note	2025	2024
		----- Rupees -----	
Opening balance		124,130	2,816,769
Additions during the year		638,931	307,361
Less: paid to recognized charitable institutions	12.7.1	-	(3,000,000)
Closing balance		763,061	124,130
12.7.1 This represents charity paid to recognized charitable institution.			
<b>13. TAXATION - NET</b>			
Opening balance - provision		8,307,484	10,555,612
<b>Provision for taxation:</b>			
- Current year		72,374,934	105,580,200
- Prior year		(16,106,713)	(420,346)
		56,268,221	105,159,854
Advance tax deducted / paid		(62,539,923)	(107,407,982)
Closing balance - provision		2,035,782	8,307,484
<b>13.1 Relationship between accounting profit and taxation</b>			
Accounting profit before taxation		236,382,009	306,490,374
Tax at the applicable tax rate of 29% (2024: 29%)		68,550,783	88,882,208
Tax effect of:			
- Permanent differences		-	-
- Adjustments relating to prior years		(16,106,713)	(420,346)
- Others		3,824,151	16,697,992
		56,268,221	105,159,854
13.2 The provision for current tax is based on normal income tax charges as per the relevant sections of the Income Tax Ordinance, 2001.			
13.3 Deferred tax asset amounting to Rs. 16.33 million ( 2024: 7.82 million) has not been accounted for in these financial statements and Company believe that they may not be able to utilize the deferred tax asset in full.			
<b>14. CERTIFICATE CAPITAL</b>			
<b>14.1 Authorized certificate capital</b>			
		2025	2024
		-----Number of shares-----	
		50,000,000	50,000,000
	Modaraba certificate of Rs. 10 each	500,000,000	500,000,000
<b>14.2 Issued, subscribed and paid - up certificate capital</b>			
		2025	2024
		-----Number of shares-----	
		45,000,000	45,000,000
	Modaraba certificates of Rs. 10 each fully paid in cash.	450,000,000	450,000,000
14.3 As at June 30, 2025, Sindh Modaraba Management Limited (Management Company) holds 42,446,000 i.e. 94.33% (2024: 42,446,000 i.e. 94.33%) certificates of the Modaraba.			
<b>15. RESERVES</b>			
	Note	2025	2024
		----- Rupees -----	
<b>Revenue</b>			
Unappropriated profit		304,803,450	216,627,477
<b>Capital</b>			
Statutory reserve	15.1	236,705,182	200,682,424
		541,508,632	417,309,901

- 15.1** The statutory reserve represents profit set aside by the Modaraba to comply with the Modaraba Regulations issued by the SECP.

During the year, the Modaraba has transferred an amount of Rs. 36,022,758 (2024: Rs. 40,266,104) which represents 20% (2024: 20%) of the net profit after tax for the year.

	Note	2025	2024
		----- Rupees -----	
<b>16. LONG TERM LOAN</b>	16.1	<u><b>1,000,000,000</b></u>	<u><b>1,000,000,000</b></u>

- 16.1** 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.

## **17. CONTINGENCIES AND COMMITMENTS**

### **17.1 CONTINGENCIES**

- 17.1.1** 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' favor. Accordingly, no liability in respect of the above has been recognized in these financial statements.

- 17.1.2** Government of Sindh through the Sindh WWF Act, 2014, has introduced levy of SWWF. As per Sindh WWF Act, 2014, Banks / Financial Institutions are included in definition of "Industrial Establishment" Sindh WWF is imposed at the rate of 2% to the total income. Since the Banks and other Financial Institutions including Modarabas are trans-provincial entity with the operations in other Provinces as well, the Modarabas & other financial institutions along with other banks have filed a suit before Honorable Sindh High Court and challenged the vires of SWWF.

In this respect, the Court in its order dated January 21, 2025, has referred the matter to the Decision of the Council of Common Interest on agenda item 14 dated December 23, 2019 wherein it was decided that the trans-provincial Entities are under the domain of Federal Legislation. In the light of the above judgement, the levy of SWWF is no more payable to SRB unless the Honorable Supreme Court/Parliament reverses the decision or provides interim relief to SRB. Further, Sindh Modaraba being a Sindh Government owned entity through Sindh Modaraba Management limited, does not fall within the definition of "industrial establishment".

Keeping in view the above and as the matter has been taken-up with Government of Sindh to intervene in the matter being Sindh Government Entity as such no provision has been recognized in these financial statements for SWWF. The Modaraba is confident of a favorable outcome and, accordingly, considers the exposure to be contingent in nature.

### **17.2 COMMITMENTS**

There are no commitments outstanding at at June 30, 2025 (2024: Nil)

	Note	2025	2024
		----- Rupees -----	
<b>18. ADMINISTRATIVE AND OPERATING EXPENSES</b>			
Salaries, allowances and other benefits	18.1 & 18.6	61,695,716	43,517,318
Travelling and conveyance		9,481,231	7,124,322
Legal and professional charges	18.2	2,778,163	2,770,123
Utility services		1,870,584	1,689,915
Repairs and maintenance		1,832,660	1,491,955
Takaful - financing assets		1,560,266	704,437
Registration and subscription fee		1,364,755	1,230,570
Generator sharing and fuel charges	18.3	1,199,819	1,181,179
Depreciation - tangible assets	10.1	904,042	1,145,834
Entertainment		854,236	435,991
Rent, rates and taxes	18.4	729,372	828,016
Printing, stationery and photocopy		711,788	564,579
Security services		600,000	600,000
Advertisement and publications		567,632	215,769
Auditors' remuneration	18.5	442,104	340,394
Miscellaneous		350,864	199,899
Takaful - owned assets		235,358	189,395
Postage, courier and telegraphs		191,588	288,279
Donation		43,596	-
Staff orientation and training		15,600	29,900
Amortization - intangible assets	10.2	9,026	24,374
		<u>87,438,400</u>	<u>64,572,249</u>

- 18.1** This includes an amount of Rs. 1,488,935 (2024: Rs. 1,443,812) charged to the provident fund and a provision for gratuity of Rs. 1,371,695 (2024: Rs. 1,252,372).

	Unaudited 2025	Audited 2024
	----- Rupees -----	
<b>18.1.1 Defined contribution plan</b>		
Size of the fund (total assets)	19,643,352	14,777,484
Cost of investment made	19,508,704	14,558,037
Fair value of investment made	19,508,704	14,558,037
	----- Percentage -----	
Percentage of investment made	99%	99%

**Break up of Investment at cost**

	2025		2024	
	Rupees	Percentage	Rupees	Percentage
	19,508,704	99%	14,558,037	99%

- 18.2** This includes an amount of Rs. 600,000 (2024: Rs. 502,000) charged to Shariah Advisor as compensation for his service.
- 18.3** This includes an amount of Rs. 1,080,000 (2024: Rs. 1,080,000) against sharing of expenses with Sindh Insurance Limited - related party.
- 18.4** This includes an amount of Rs. 529,356 (2024: Rs. 574,000) branch rent to Sindh Bank Limited - related party.

	2025	2024
	----- Rupees -----	
<b>18.5 Auditors' remuneration</b>		
Annual audit fee	178,632	178,632
Half yearly review fee	53,724	53,724
Shariah audit fee	100,000	-
Special certification fee	42,000	47,009
Other services	20,000	20,000
Sindh sales tax	32,748	25,214
Out of pocket expenses	15,000	15,815
	<u>442,104</u>	<u>340,394</u>

**18.6 The remuneration paid to key management personnel**

Basic salary	11,892,923	7,672,888
House rent allowance	5,351,815	3,452,800
Medical & utility allowance	2,378,585	1,534,578
Bonuses	3,542,210	2,136,036
Provident fund	647,819	517,611
Other benefits	8,810,177	5,140,107
	<u>32,623,529</u>	<u>20,454,020</u>

-----Number-----

Number of executives at the end of the year	<u>7</u>	<u>4</u>
---	----------	----------

	Note	2025	2024
		----- Rupees -----	
<b>19. REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES - NET</b>			
Reversal against Diminishing Musharaka - net		<u>4,766,261</u>	<u>2,862,098</u>
		<u>4,766,261</u>	<u>2,862,098</u>
<b>20. OTHER INCOME - NET</b>			
Documentation and processing fee		7,874,632	363,000
Gain on disposal of fixed assets		59,996	-
Others		<u>36,361</u>	<u>323,172</u>
		<u>7,970,989</u>	<u>686,172</u>
<b>21. MODARABA MANAGEMENT COMPANY'S REMUNERATION</b>	21.1	<u>26,709,832</u>	<u>34,631,681</u>

**21.1** The Modaraba Management Company is entitled to remuneration under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of annual profits of the Modaraba computed in the prescribed manner. The remuneration for the year ended June 30, 2025, has been recognized at 10% (2024: 10%) of the profit for the year before charging such remuneration and taxation.

**22. EARNINGS PER CERTIFICATE - BASIC AND DILUTED**

**22.1 Basic**

Basic earnings per certificate is calculated by dividing the net profit after taxation for the year by the weighted average number of certificates outstanding during the year as follows:

	2025	2024
Profit for the year after taxation (Rupees)	<u>180,113,788</u>	<u>201,330,520</u>
Weighted average number of certificates (Numbers)	<u>45,000,000</u>	<u>45,000,000</u>
Earnings per certificate (Rupees)	<u>4.00</u>	<u>4.47</u>

**22.2 Diluted**

Diluted earnings per certificate has not been presented as the Modaraba does not have any convertible instruments in issue as at June 30, 2025 which would have any effect on the earnings per certificate.



	2025	2024
	Numbers	
<b>23. NUMBER OF EMPLOYEES</b>		
Total numbers of employees at year end	18	15
Average number of employees	17	15

#### 24. RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	Note	2025	2024
		Rupees	
<b>24.1 TRANSACTIONS FOR THE YEAR</b>			
<b>Sindh Bank Limited - associated company</b>			
Income from deposits		131,633	434,934
Income from term deposit receipt		-	-
Branch rent paid		537,838	624,000
		<u>669,471</u>	<u>1,058,934</u>
<b>Sindh Modaraba Management Limited - management company</b>			
Modaraba management company's remuneration paid		34,631,681	21,936,310
Dividend paid / distributed		53,057,500	53,057,500
		<u>87,689,181</u>	<u>74,993,810</u>
<b>Sindh Insurance Limited - associated company</b>			
Takaful paid		5,001,887	2,312,972
Sharing of expenses paid		1,080,000	1,080,000
		<u>6,081,887</u>	<u>3,392,972</u>
<b>Key Management Personnel</b>			
Salaries, allowances and benefits paid	18.6	32,623,529	20,454,020
<b>Sindh Modaraba Employees Provident Fund - employee fund</b>			
Contribution paid (both employer's and employee's contribution)		2,977,870	2,887,624
<b>Sindh Modaraba Employees Gratuity Fund - employee fund</b>			
Contribution paid		1,390,203	1,041,276

#### 25. FINANCIAL INSTRUMENTS BY CATEGORY

##### Financial assets as per the statement of financial position

##### At amortized cost

##### Current assets

- Cash and bank balances	371,724,227	202,142,642
- Short term investments	-	950,000,000
- Deposits and other receivables	24,093,977	37,375,254
- Current portion of diminishing musharaka	726,974,570	324,247,982
- Morabaha	212,819,445	-
- Current portion of long term advances	522,372	-
- Current portion of long term loan	2,299,116	1,460,208
	<u>1,338,433,707</u>	<u>1,515,226,086</u>

##### Non-current assets

- Long term portion of diminishing musharaka	716,692,373	414,665,176
- Long term advances	726,823	-
- Long term loan	4,240,649	5,085,621
	<u>721,659,845</u>	<u>419,750,797</u>
	<u>2,060,093,552</u>	<u>1,934,976,883</u>

##### Financial liabilities as per the statement of financial position

##### At amortized cost

##### Current liabilities

- Creditors, accrued and other liabilities	69,036,102	60,119,321
- Payable to gratuity fund	1,036,752	1,390,203
- Profit distribution payable	1,190,116	1,075,380
	<u>71,262,970</u>	<u>62,584,904</u>

## 26. FINANCIAL RISK MANAGEMENT FRAMEWORK

The activities of the Modaraba is exposed to a variety of financial risks: market risk, credit risk and liquidity risk. Risk is inherent in the Modaraba's activities, but it is managed through monitoring and controlling activity which are viably setup based on the limit established by the Management company. The Board of Directors of the Management Company has the overall responsibility for the establishment and oversight of the Modaraba's risk management framework.

### 26.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risks: currency risk, profit rate risk and other price risk.

### 26.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist in foreign currencies. As at June 30, 2025, Modaraba has no financial assets and liabilities in foreign currencies.

### 26.3 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market profit rates. The Modaraba has adopted appropriate policies to minimise its exposure to this risk.

### 26.4 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As on June 30, 2025, the Modaraba did not hold any instruments which exposes it to price risk.

### 26.5 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk generally emanates from balances with banks, Ijarah rentals receivable, Investments and Diminishing Musharaka arrangements, deposits and other receivables.

The maximum exposure to credit risk at the end of the reporting period without taking into account any collateral held or other credit enhancement amounts are as follows:

	2025	2024
	----- Rupees -----	
Cash and bank balances	371,724,227	202,142,642
Short term investments	-	950,000,000
Diminishing Musharaka	1,443,666,943	738,913,158
Morabaha	212,819,445	-
Deposits and other receivables	24,093,977	37,375,254
Long term advances	1,249,195	-
Long term loan	6,539,765	6,545,829
	<u>2,060,093,552</u>	<u>1,934,976,883</u>

As at June 30, 2025, there were no financial assets which were pledged as collateral for liabilities or contingent liabilities of the Modaraba.

### 26.6 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect groups of counterparties whose aggregate credit exposure is significant in relation to the Modaraba's total credit exposure. Concentrations of credit risk indicate the relative sensitivity of the Modaraba's performance to developments affecting a particular industry.

The Modaraba manages credit risks and its concentration through diversification of activities to avoid undue concentration of risk with individuals, groups or specific industry segments. For this purpose, the Modaraba has established exposure limits for individuals and industrial sectors.

### 26.6.1 Details of the sector analysis of gross investment portfolio is as follows:

Sectors	2025		2024	
	Rupees	%	Rupees	%
Sugar	631,307,316	37.04	96,458,321	12.18
Oil & Gas - Oil Marketing	45,991,209	2.70	9,870,000	1.25
Electric and power	1,800,000	0.11	15,125,720	1.91
Services	33,890,677	1.99	5,015,890	0.63
Individual	58,781,968	3.45	46,960,986	5.93
Printing and packaging	33,931,116	1.99	-	-
Transport	48,756,750	2.86	43,813,807	5.53
Metal & Steel	100,000,000	5.87	2,085,416	0.26
Construction	56,786,113	3.33	98,736,444	12.47
Pharmaceutical	75,000,000	4.40	-	-
Poultry, Poultry feed & hatchery	37,835,271	2.22	47,795,187	6.04
Chemical & Allied (Other)	163,279,524	9.58	97,485,342	12.31
Textile	108,370,769	6.36	39,961,633	5.05
Food & Beverages	15,305,000	0.90	43,750,000	5.53
Energy	38,762,198	2.27	35,000,000	4.42
Health	245,779,691	14.42	148,385,417	18.74
Others	8,953,700	0.53	61,280,172	7.74
	<b>1,704,531,302</b>	<b>100</b>	<b>791,724,335</b>	<b>100</b>

### 26.6.2 Management of credit risk

The Modaraba's policy is to enter into financial contracts in accordance with the internal risk management policies and the requirements of the Prudential Regulations (PRs) for Modarabas issued by the SECP. The Modaraba seeks to manage its credit risk exposure through diversification of its diminishing musharka and morabaha arrangements to avoid undue concentration of risks with individuals or groups of customers in specific locations or businesses.

The credit quality of Modaraba's financial assets with banks is assessed with reference to external credit ratings.

Credit risk ratings	Rating	2025	2024
		Rupees	
Bank balances - Sindh Bank Limited	AA- / A-1+	3,993,595	2,359,273
Bank balances - Meezan Bank Limited	AAA / A-1+	19,992	18,925
Bank balances - MCB Islamic Bank Limited	A+ / A-1	1,394	838
Bank balances - NRSP Micro Finance Bank Limited	A- / A-2	20,783	19,435
Bank balances - Soneri Bank Limited	AA- / A1+	204,682,317	199,654,780
Bank balances - Al-Baraka Bank Pakistan Limited	A+ / A-1	162,916,726	6,763
TDRs - Soneri Bank Limited	AA- / A1+	-	950,000,000
Bank balances - Habib Metropolitan Bank Limited	AA+ / A-1+	1,136	1,053
		<b>371,635,943</b>	<b>1,152,061,067</b>

### 26.6.3 Liquidity risk

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Modaraba will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. The maturity profile of Modaraba's financial assets and liabilities based on the contractual maturities is as follows:

[illegible][illegible]

**27. CAPITAL RISK MANAGEMENT**

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Modaraba defines as net profit for the year divided by total Certificate holders' equity. The Board of Directors also monitors the level of dividend to ordinary certificate holders.

The Modaraba is not subject to externally imposed capital requirements.

The Modaraba finances its operations through equity and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. There is no borrowing made by the Modaraba as at the statement of financial position date, therefore, no gearing ratio is calculated.

**28. 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) 13, 'Fair value measurements' 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 June 30, 2025, there were no financial instruments which were measured at fair values in the financial statements.

**29. 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 operating segments.

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 investment in entities incorporated in Pakistan.

The financial statements have been prepared on the basis of a single reportable segment.

Revenue from operations from ten major customers of the Modaraba constitutes 63.81% (2024: 65.54% from ten major customers) of the total revenue from operations during the year ended June 30, 2025.

**30. Specific Disclosures for Sharia Compliant Companies**

The disclosures required under clause 10 of item no. VI and item no. VII of the Fourth Schedule of the Companies Act, 2017 for sharia complaint companies and the companies listed on Islamic index are as follows:

S. No.	Disclosure required	Reference to the disclosure
i)	Loans/advances obtained as per Islamic mode	None.
ii)	Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	None.
iii)	Long-term and short-term Shariah compliant Investments	None.
iv)	Shariah compliant bank deposits/bank balances	Placed under Shariah permissible arrangement as disclosed in Note 4.
v)	Profit earned from shariah compliant bank deposits/bank balances	Placed under Shariah permissible arrangement as disclosed in statement of financial position.
vi)	Revenue earned from a shariah compliant business segment	All revenue earned is from shariah compliant business segment. Refer note 30.
vii)	Break-up of late payments or liquidated damages	None.
viii)	Gain/loss or dividend earned from shariah compliant investments	Refer statement of profit and loss.
ix)	Share of profit from Shariah-compliant associates	None.
x)	Exchange gain earned from actual currency	None.
xi)	Exchange gains earned using conventional derivative financial instruments	None.
xii)	Mark-up / profit paid on Islamic mode of financing	None.
xiii)	Profits earned or interest accrued on any conventional loan or advance	None.
xiv)	Source and detailed breakup of other income	All of the other income is shariah compliant
xv)	Relationships with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.	<p><b>Banker:</b> Al Baraka Bank Limited, Soneri Bank Limited, Sindh Bank Limited, Meezan Bank Limited, MCB Islamic Bank, NRSP Microfinance bank"</p> <p><b>Lessor:</b> None.</p> <p><b>Takaful operators:</b> Sindh Insurance Limited -Window Takaful</p>

### 31. NON - ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Management Company in their meeting held on September 18, 2025, approved a cash distribution of Rs.1.35 per certificate. The financial statements of the Modaraba for the year ended June 30, 2025 do not include the effect of this distribution which will be accounted for in the financial statements of the Modaraba for the year ending June 30, 2026.



	Note	2025 ----- Rupees -----	2024 -----
<b>32. CASH AND CASH EQUIVALENT</b>			
Cash and bank balances	4	<b>371,724,227</b>	202,142,642
Short term investments	5	-	950,000,000
		<u><b>371,724,227</b></u>	<u>1,152,142,642</u>

### 33. CORRESPONDING FIGURES

Prior year's figures have been reclassified for the purpose of better presentation and comparison where considered necessary.

### 34. DATE OF AUTHORISATION

These financial statements were authorized for issue on **September 18, 2025** by the Board of Directors of the Management Company.

### 35. GENERAL

The figures have been rounded off to the nearest rupees.

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



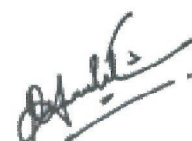
Chairman



Chief Executive Officer



Director



Chief Financial Officer

## STATEMENT OF GENDER PAY GAP

In accordance with the Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024, the disclosure related to the gender pay gap for the year ended 30 June 2025 is provided below. The gender pay gap is calculated based on the mean and median hourly rates of pay for full-pay relevant employees.

**Mean Gender Pay Gap:** 12.69%

**Median Gender Pay Gap:** -0.33%

**Additional Data/Details:**

Number of Male Employees	17
Number of Female Employees	2



**Chief Executive Officer**

On behalf of Board of Directors

Dated: 18 September 2025

**PATTERN OF CERTIFICATE HOLDINGS  
AS AT JUNE 30, 2025**

Number of Shareholders	Certificate holding		Total Certificate Held
	From	To	
313	1	100	3,686
421	101	500	204,755
58	501	1000	52,961
68	1001	5000	184,415
14	5001	10000	94,672
11	10001	15000	136,406
9	15001	20000	172,009
4	20001	25000	87,200
1	25001	30000	28,000
1	30001	35000	35,000
3	35001	40000	111,636
1	40001	45000	42,000
2	45001	50000	100,000
2	50001	55000	102,838
1	65001	70000	68,000
1	70001	75000	70,624
1	75001	80000	76,500
1	85001	90000	90,000
1	145001	150000	150,000
1	170001	175000	170,298
1	245001	250000	249,000
1	320001	325000	324,000
1	42445001	42450000	42,446,000
<b>917</b>			<b>45,000,000</b>

<u>Categories Of Certificate holders</u>	<u>Certificate Held</u>	<u>Percentage</u>
(i) <b>Government;</b>	NIL	
(ii) <b>Associated Companies, Undertakings and Related Parties (name wise details);</b>		
Sindh Modaraba Management Ltd.	42,446,000	94.33
(iii) <b>Mutual Funds;</b>	NIL	
(iv) <b>Directors, Chief Executive, and their spouse and minor children (name wise details);</b>		
Abdul Rauf Chandio - CEO/Director	500	0.00
(v) <b>Executives;</b>		
- Faraz Uz Zafar - Head of Compliance	2,000	0.00
- Ishfaq Ahmed - Head of Legal, Corporate Affairs & SAM	1,000	0.00
- Tahoorah Ishfaq - Spouse	500	0.00
	3,500	0.01
(vi) <b>Public Sector Companies and corporations;</b>	NIL	
(vii) <b>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful Companies and Modarabas;</b>		
Hafiz Limited	20,000	0.04
<b>Individual</b>		
Individuals	2,530,500	5.62
<b>Grand Total:</b>	<b>45,000,000</b>	<b>100.00</b>

Certificate holders holding five percent or more voting rights in the Public Sector Company

	<u>Certificates Held</u>	<u>Percentage</u>
Sindh Modaraba Management Ltd.	42,446,000	94.33

## NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given that the 11th Annual Review Meeting of certificate holders of Sindh Modaraba will be held on 24th October 2025 at 10:30 A.M. at 602, Progressive Centre, 30-A, Block-6, P.E.C.H.S., Shahr-e-Faisal, Karachi to review the performance of the Modaraba for the year ended June 30, 2025 in terms of clause 20 of the Prudential Regulations for Modaraba issued vide Circular number 4/2004 by Registrar Modaraba Companies and Modarabas.


The Board of Directors of Sindh Modaraba has approved a final cash dividend of 13.50% (Rs. 1.35 per certificate) for the year ended June 30, 2025.

Weblink & QR Code:

<https://sindhmodarabaltd.com/page-financial-reports>



Karachi  
October 03, 2025



**M. Adnan Shakeel**  
Company Secretary

### Note:

1. The Modaraba Certificate transfer book shall remain closed from October 17, 2025 to October 24, 2025 (both days inclusive) to determine the names of Certificate Holders entitled to receive dividends and to attend the Annual Review Meeting. Transfers received in order at the registrar's office of the Modaraba up to the close of the business on October 16, 2025 will be treated in time for the entitlement of profit distribution and to attend Annual Review Meeting.
2. The certificate holders are advised to notify to the registrar of Sindh Modaraba, any change in their addresses.
3. CDC certificate holders desiring to attend the meeting are requested to bring their original CNIC, Account, and Participant's ID number, for identification purpose.
4. Since the members'/certificate holders of the Modaraba have approved the transmission/circulation of the annual audited financial statements via QR-enabled code and Weblink in its last Annual Review Meeting, the Modaraba has provided above the QR code and Weblink to facilitate its members'/certificate holders.
5. Dividend income is liable to deduction of withholding tax under Section 151 of the Income Tax Ordinance, 2001. Withholding of tax on dividend are based on 'Active' and 'Non-Active' status of certificate holders where 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (<http://www.fbr.gov.pk/>) and 'Non-Active' means a person whose name is not being appeared on the Active Taxpayers list

6. In case a Folio/CDS Account is jointly held, each joint-holder is to be treated separately as Active or Non-Active, In terms of the said clarification, tax of each joint-holder has been deducted on the gross dividend amount determined by bifurcating the certificate holding of each joint-holder on equal proportions, except where certificate holding proportion of joint-holder(s) is pre-defined as per the records of our Share Registrar and thus tax rates are applied in line with respective proportions, Those certificate holders who are holding Folio/CDS jointly: are requested to notify (in writing) any change in their certificate holding proportions to our Share Registrar (in case of physical certificate holding) or their Participants/CDC Investor Account Services so that their revised certificate holding proportions are considered by the Modaraba in all prospective dividend payouts, if any. Certificate holders seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be to the Share Registrar of Modaraba.
7. Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Therefore, all the certificate holders of Sindh Modaraba are hereby advised to provide dividend mandate of their respective banks in the "Dividend Mandate Form" available on the website of the Share Registrar. Certificate holders maintaining holding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service. In the absence of bank account details or in case of incomplete details, Modaraba will be constrained to withhold the payment of cash dividend of those certificate holders who have not provided the same.
8. Certificate holders, who by any reason, could not claim their dividends or did not collect their physical Modaraba certificates, are advised to contact our Share Registrar to enquire about their unclaimed dividend or pending Modaraba certificates.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government /SECP and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

9. As per requirement of Companies Act, 2017, all listed companies are required to replace the Certificates held in physical form with the Certificates to be issued in Book-Entry, all Certificate holders holding Certificates in physical form are requested to convert their shares in Book-Entry Form in order to comply with the provisions of the Companies Act, 2017. Certificate holders may contact the Modaraba's Share Registrar to understand the process of conversion of Certificates held in physical form, into the Book-Entry Form.
10. In view of prohibition under Section 185 of the Companies Act, 2017, the Company does not distribute gifts in any form to its members in the general meetings.



## اطلاع برائے سالانہ جائزہ اجلاس اور کیش ڈیویڈنڈ کا اعلان

بزرگوار اطلاع دی جاتی ہے کہ رجسٹرڈ مضاربہ کمپنیز اور مضاربہ کی جانب سے سرکلر ۴/۲۰۰۴ اور پروڈیٹل ریگولیشن کے شق ۲۰ کی شرائط کے تحت، ۳۰ جون ۲۰۲۵ء کو ختم ہونے والے سال کیلئے مضاربہ کی کارگزاری کی جائزہ کیلئے سندھ مضاربہ کے سرٹیفکیٹ ہولڈرز کا گیارہواں سالانہ جائزہ اجلاس ۲۴ اکتوبر ۲۰۲۵ء کو صبح 10:30 بجے کمرہ نمبر ۶۰۲، چھٹی منزل، پروگریسیو سینٹر، ۳۰-اے، بلاک نمبر ۶، PECHS شارع فیصل، کراچی میں منعقد ہوگا۔

مضاربہ کے بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۵ء کو ختم ہونے والے سال کیلئے 13.50% (فی سرٹیفکیٹ روپیہ ۳۵ پیسے) کی شرح سے سٹی حتمی کیش ڈیویڈنڈ منظور کیا ہے۔

ویب لنک اور کیو آر کوڈ:

<https://sindhmodarabalt.com/page-financial-reports>



کراچی

تاریخ: 03 اکتوبر 2025

ایم. عدنان شکیل  
کمپنی سیکریٹری

نوٹ:

۱۔ سرٹیفکیٹس ٹرانسفر ٹیکس ۱۷ اکتوبر ۲۰۲۵ء سے ۲۴ اکتوبر ۲۰۲۵ء تک (بشمول دونوں ایام) پندرہ ہیں گی تاکہ اجلاس میں شرکت اور ڈیویڈنڈ کے حقدار کا تعین ہو سکے۔  
سرٹیفکیٹ منتقلی کے لئے ۱۷ اکتوبر ۲۰۲۵ء کو کاروباری اوقات ختم ہونے سے پہلے تک سندھ مضاربہ کے رجسٹر آف فز میں موصول ہونے والی تمام درخواست سالانہ جائزہ اجلاس میں شرکت اور ڈیویڈنڈ کی تقسیم کیلئے بروقت تصوری کی جائیں گی۔

۲۔ سرٹیفکیٹ ہولڈرز سے درخواست ہے کہ اگر ان کے ایڈریس میں کوئی تبدیلی ہو تو رجسٹر آف گاہ کریں۔

۳۔ سی ڈی سی سرٹیفکیٹ ہولڈرز جو اجلاس میں شرکت کرنا چاہتے ہیں، اپنے ساتھ اصل شناختی کارڈ، اکاؤنٹ نمبر (آئی بی اے این) اور پارٹیشپٹ آئی دی نمبر لازمی لائیں۔

۴۔ چونکہ مضاربہ کے ارکان / سرٹیفکیٹ ہولڈرز نے پچھلے سالانہ جائزہ اجلاس میں منظوری دی تھی کہ سالانہ آڈٹ شدہ مالیاتی بیانات کی ترسیل / گردش کیو آر کوڈ اور ویب لنک کے ذریعے کی جائے، اس لئے مضاربہ نے اپنے ارکان / سرٹیفکیٹ ہولڈرز کی سہولت کے لئے اوپر کیو آر کوڈ اور ویب لنک فراہم کیا ہے۔

۵۔ ڈیویڈنڈ اکم پر اکم ٹیکس آرڈیننس، 2001 کے سیکشن 151 کے تحت ود ہولڈنگ ٹیکس کی کٹوتی لاگو ہوتی ہے۔ ڈیویڈنڈ پر ٹیکس کی کٹوتی سرٹیفکیٹ ہولڈر کی "Active" اور "Non-Active" حیثیت پر مبنی ہے۔ جہاں "Active" کا مطلب ایک ایسا شخص ہے جس کا نام ایف بی آر (FBR) کے ای۔ پورٹل (<http://www.fbr.gov.pk>) پر دستیاب Active Taxpayers List میں موجود ہے اور "Non-Active" کا مطلب ایک ایسا شخص ہے جس کا نام Active Taxpayers List میں موجود نہیں ہے۔

۶۔ اگر کوئی فوئیو/سی ڈی ایس اکاؤنٹ مشترکہ طور پر کھولا گیا ہے، تو ہر مشترکہ ہولڈر کو علیحدہ سے "Active" یا "Non-Active" سمجھا جائے گا۔ اس وضاحت کے مطابق، ہر مشترکہ ہولڈر کے ڈیویڈنڈ کی کل رقم پر ٹیکس کی کٹوتی برابر تناسب سے حصص کو تقسیم کرتے ہوئے کی گئی ہے، سوائے اس کے جہاں مشترکہ ہولڈر کے حصص کا تناسب ہمارے شیئر رجسٹر کے ریکارڈ کے مطابق پہلے سے طے شدہ ہو۔ ایسی صورت میں، ٹیکس کی شرحیں انہی تناسب کے مطابق لاگو کی جاتی ہیں۔

وہ سرٹیفکیٹ ہولڈر جو مشترکہ طور پر فلیو/سی ڈی ایس رکھتے ہیں، ان سے گزارش ہے کہ وہ اپنے حصص کے تناسب میں کسی بھی تبدیلی کے بارے میں ہمارے شیئر رجسٹرار (اگر فزیکل سٹوکیٹ ہولڈنگ ہو) یا اپنے باریٹیس/سی ڈی سی انویسٹر اکاؤنٹ سروسز کو تحریری طور پر مطلع کریں تاکہ موڈر اہ آئندہ ڈیویڈنڈ کی ادائیگیوں میں ان کے لئے تناسب کو منتظر رکھ سکے۔

جو سرٹیفکیٹ ہولڈر انکم ٹیکس کی کوٹنی سے چھوٹ جاتے ہیں یا کم شرح پر کوٹنی کے اہل ہیں۔ ان سے درخواست ہے کہ وہ مضاربہ کے شیئر رجسٹرار کو ایک درست ٹیکس چھوٹ سٹوکیٹ یا ضروری دستاویزی ثبوت، جیسا کہ معاملہ ہو، جمع کرائیں۔

۷۔ کمپنیز ایکٹ، 2017 کے سیکشن 242 کی دفعات کے تحت، کسی بھی لسڈ کمپنی کے لیے یہ لازم ہے کہ وہ اپنے شیئر ہولڈرز کو نقد ڈیویڈنڈ کی ادائیگی صرف الیکٹرانک طریقے سے اور براہ راست ان کے نامزد کردہ بینک اکاؤنٹ میں کرے۔

لہذا سندھ مضاربہ کے تمام سٹوکیٹ ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنے متعلقہ بینک کی تفصیلات ”ڈیویڈنڈ مینڈیٹ فارم“ میں فراہم کریں جو شیئر رجسٹرار کی ویب سائٹ پر دستیاب ہے۔ جو سٹوکیٹ ہولڈرز سینٹرل ڈیپازٹری سٹم (CDS) کے تحت اپنے حصص رکھتے ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ اپنی بینک تفصیلات براہ راست اپنے متعلقہ باریٹیس/سی ڈی سی انویسٹر اکاؤنٹ سروس کو جمع کرائیں۔

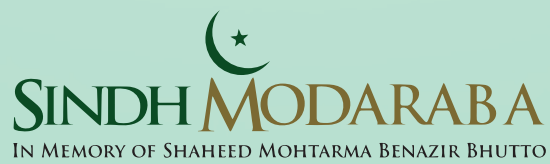
بینک اکاؤنٹ کی تفصیلات فراہم نہ کرنے یا ادھوری معلومات کی صورت میں مضاربہ ایسے سٹوکیٹ ہولڈرز کی نقد ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہو جائے گا جنہوں نے یہ تفصیلات فراہم نہیں کی ہیں۔

۸۔ جن سٹوکیٹ ہولڈرز نے کسی بھی وجہ سے اپنے ڈیویڈنڈز کا دعویٰ نہیں کیا یا اپنے فزیکل مضاربہ سرٹیفکیٹس وصول نہیں کئے، انہوں کو مشورہ دیا جاتا ہے کہ وہ اپنے غیر دعویٰ شدہ ڈیویڈنڈ یا زیر التواء موڈر اہ سرٹیفکیٹس کے بارے میں معلومات حاصل کرنے کے لئے ہمارے شیئر رجسٹرار سے رابطہ کریں۔

براہ کرم نوٹ کریں کمپنیز ایکٹ، 2017 کے سیکشن 244 کی تعمیل میں، مقررہ طریقہ کار مکمل کرنے کے بعد تمام ایسے ڈیویڈنڈز جن کا ان کی ادائیگی کی تاریخ سے تین سال تک دعویٰ نہیں کیا گیا، وفاقی حکومت/ایس ای سی پی (SECP) کے اکاؤنٹ میں جمع کر دیئے جائیں گے اور حصص کی صورت میں، یہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے حوالے کر دیئے جائیں گے۔

۹۔ کمپنیز ایکٹ، 2017 کی ضرورت کے مطابق، تمام لسڈ کمپنیوں کے لیے یہ لازم ہے کہ وہ فزیکل (کاغذی) شکل میں رکھے گئے سرٹیفکیٹس کو بک۔ اینٹری (الیکٹرانک) شکل میں جاری کئے جانے والے سرٹیفکیٹس سے تبدیل کریں۔ لہذا، تمام سٹوکیٹ ہولڈرز جو اپنے حصص فزیکل شکل میں رکھتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ کمپنیز ایکٹ، 2017 کی دفعات کی تعمیل کرنے کے لئے اپنے حصص کو بک۔ اینٹری فارم میں منتقل کرائیں۔ سرٹیفکیٹ ہولڈرز فزیکل سرٹیفکیٹس کو بک۔ اینٹری فارم میں تبدیل کرنے کا طریقہ کار سمجھنے کے لئے مضاربہ کے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

۱۰۔ کمپنیز ایکٹ، 2017 کے سیکشن 185 کے تحت عائد پابندی کے پیش نظر، کمپنی اپنی جنرل میٹنگز میں اپنے اراکین کو کسی بھی قسم کے تحائف تقسیم نہیں کرتی۔



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