

IN MEMORY OF SHAHEED MOHTARAMA BENAZIR BHUTTO



QUARTERLY REPORT

September 2026

Upgraded Credit Rating



Rated by: VIS as on December, 2025

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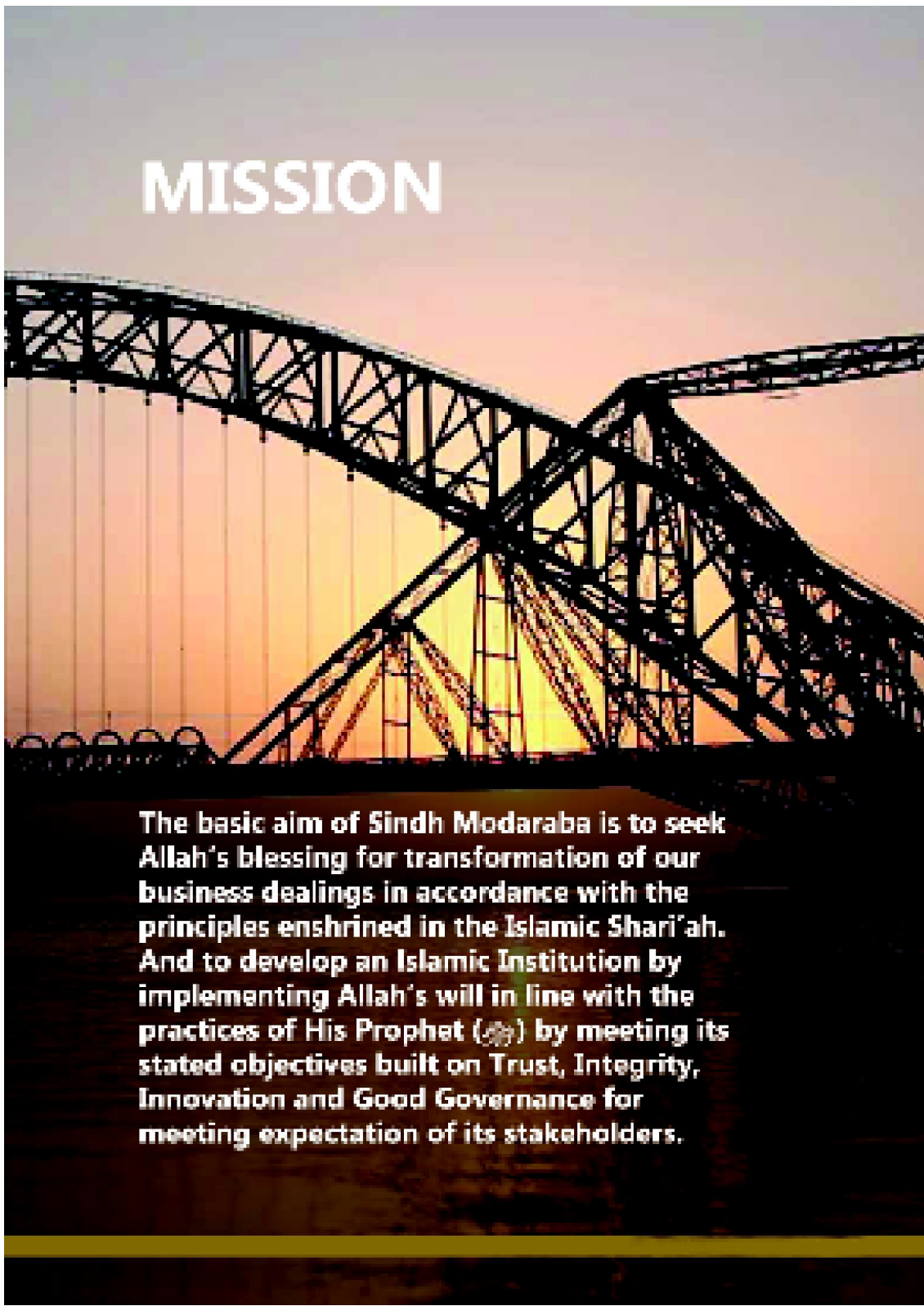
VISION



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

A large steel truss bridge, likely the Jinnah Bridge in Karachi, is shown from a low angle, spanning across a body of water. The bridge's intricate steel framework is silhouetted against a vibrant sunset sky with hues of orange, yellow, and pink. The water in the foreground is dark and calm, reflecting the bridge's structure.

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.

COMPANY INFORMATION

Board of Directors

Mr. Waseem Mehdi Syed	Chairman	Independent Director
Mr. Muhammad Asghar Memon	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
Ms. Naila Asad Shaikh	Member

Shariah Advisor

Mufti Syed Zahid Siraj

Human Resource Committee

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

Legal Advisor

Mohsin Tayebaly & Co.

Nomination Committee

Mr. Muhammad Asghar Memon	Chairman
Mr. Kamal Ahmed	Member
Mr. Waseem Mehdi Syed	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. Ejaz Akhtar Ansari	Chairman
Mr. Abdul Rauf Chandio	Member
Ms. Naila Asad Shaikh	Member

Registered/Head Office

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

Risk Management Committee

Ms. Naila Asad Shaikh	Chairman
Mr. Waseem Mehdi Syed	Member
Mr. Kamal Ahmed	Member

Lahore Branch

30-30A, Commercial Building
The Mall, Lahore.

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

Islamabad Branch

E-11-3 Market, Plot 1, St 70,
Markaz, Blue Area,
Islamabad.

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

DIRECTORS' REVIEW

The Board of Directors of Sindh Modaraba Management Limited, Management Company of Sindh Modaraba, is pleased to present the unaudited Financial Statements of Sindh Modaraba for the first quarter of FY 2026-2027 ended September 30, 2026.

Operating Results

As per the current economic situation, including the policy rate and inflation, Modaraba earned a profit before tax of Rs.73.91 million during the first quarter of FY 2026-2027 as compared to Rs. 51.25million (44%) in the respective quarter of FY 2025-2026. The Diminishing Musharaka financing portfolio has also increased by Rs. 108 million. The management tried to keep on controlling expenses at maximum level to increase the profitability of the Modaraba.

Future Prospects

The Modaraba sector in Pakistan continues to offer strong prospects for growth, driven by deep-rooted demand for Shariah-compliant, Riba-free financial solutions and sustained initiatives toward financial inclusion. As macroeconomic indicators gradually stabilize and are supported by steady monetary policy adjustments and a gradual pickup in private sector credit, the demand for Islamic financing among businesses and individual borrowers remains robust. This environment provides a solid foundation for Sindh Modaraba to expand its portfolio, with a focused approach on key growth drivers such as the SME, agricultural, and commercial logistics sectors. However, the operating environment still presents challenges, including global commodity price volatility, ongoing structural reforms, and the imperative to navigate persistent economic uncertainties. To mitigate these risks and achieve sustainable progress, maintaining strong corporate governance, strict risk management practices, and an unwavering adherence to Shariah compliance frameworks remain paramount.

In alignment with this outlook, management will maintain its strategy to aggressively focus on Islamic financing, aiming to increase the weightage of financing revenue within the total income structure. The management is directing its efforts toward achieving qualitative, rapid portfolio growth by concentrating deployment in low-risk, high-performing sectors. Furthermore, ensuring prompt recovery against existing credit facilities will remain a central operational focus, safeguarding the yield and overall health of the Modaraba's portfolio.

Acknowledgment

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



Abdul Rauf Chandio
Chief Executive Officer

Karachi: October 14, 2026

ڈائریکٹرز کا جائزہ

سندھ مضاربہ بینیمٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز، جو سندھ مضاربہ کی بینیمٹ کمپنی ہے، کو یہ اعلان کرتے ہوئے خوشی ہے کہ مالی سال 2026-27 کی پہلی سہ ماہی، جو 30 ستمبر 2026 کو ختم ہوئی، کے لیے سندھ مضاربہ کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کیے جا رہے ہیں۔

آپریٹنگ نتائج

موجودہ معاشی صورتحال، بشمول پالیسی ریٹ اور افراط زر، کے تناظر میں سندھ مضاربہ نے مالی سال 2026-27 کی پہلی سہ ماہی کے دوران ٹیکس سے قبل 73.91 ملین روپے منافع حاصل کیا، جبکہ مالی سال 2025-26 کی اسی سہ ماہی میں یہ منافع 51.25 ملین روپے تھا، یعنی (44 فیصد) اضافہ ہوا۔ مشارکہ متناقصہ کی فنانسنگ کے پورٹ فولیو میں بھی 108 ملین روپے کا اضافہ ہوا ہے۔ مضاربہ کے منافع میں اضافے کے لیے انتظامیہ نے اخراجات کو قحی الامکان کنٹرول میں رکھنے کی کوشش کی۔

مستقبل کے امکانات

پاکستان میں مضاربہ کا شعبہ ترقی کے وسیع امکانات رکھتا ہے۔ اس کی بنیادی وجوہات شریعت کے مطابق، سود سے پاک مالیاتی سہولیات کی مسلسل طلب اور مالیاتی شمولیت کے فروغ کے لیے جاری اقدامات ہیں۔ معاشی اشاریوں میں بتدریج استحکام، مالیاتی پالیسی میں مسلسل تبدیلیوں اور نجی شعبے کو قرضوں کی فراہمی میں بتدریج بہتری کے باعث کاروباری اداروں اور انفرادی صارفین میں اسلامی فنانسنگ کی طلب مضبوط ہے۔ یہ صورتحال سندھ مضاربہ کے لیے اپنے فنانسنگ پورٹ فولیو کو وسعت دینے کی بنیاد فراہم کرتی ہے، خصوصاً چھوٹے اور درمیانے درجے کے کاروبار (SMEs)، زرعی شعبے اور تجارتی لاجسٹکس کے شعبوں میں۔ تاہم، کاروباری ماحول کو اب بھی کئی چیلنجز درپیش ہیں، جن میں عالمی سطح پر اشیائے ضروریہ کی قیمتوں میں اتار چڑھاؤ، جاری ساختی اصلاحات اور مسلسل معاشی غیر یقینی صورتحال شامل ہیں۔ ان خطرات کو کم کرنے اور پائیدار ترقی کے لیے مضبوط کارپوریٹ گورننس، خطرات کے مؤثر انتظام اور شریعت کے تقاضوں پر مکمل عمل درآمد نہایت اہم ہیں۔

مستقبل کے اس منظر نامے کے مطابق انتظامیہ اسلامی فنانسنگ پر بھرپور توجہ دینے کی حکمت عملی جاری رکھے گی، تاکہ مجموعی آمدنی میں فنانسنگ سے حاصل ہونے والی آمدنی کا تناسب بڑھایا جاسکے۔ انتظامیہ کم خطرے اور بہتر کارکردگی والے شعبوں میں سرمایہ مختص کرتے ہوئے پورٹ فولیو میں معیاری اور تیز رفتار اضافہ کرنے کی کوشش کر رہی ہے۔ اس کے علاوہ، موجودہ فنانسنگ سہولیات کے تحت قوم کی بروقت وصولی بھی انتظامیہ کی اہم ترجیح رہے گی، تاکہ منافع کی شرح اور مضاربہ کے مجموعی فنانسنگ پورٹ فولیو کی صحت برقرار رکھی جاسکے۔

اتھارٹھ

بورڈ آف ڈائریکٹرز کی جانب سے ہم اسپانسرز، ریگولیٹرز اور اپنے شریعا ایدہ وائزر کے مسلسل تعاون اور رہنمائی پر دلی شکر یہ ادا کرتے ہیں۔ ہم اپنے معزز کلائنٹس کی مسلسل سرپرستی کو بھی سراہتے ہیں اور مضاربہ کے ملازمین کی محنت، لگن اور انتھک کوششوں کو سراہتے ہیں۔



عبدالرؤف چانڈیو
چیف ایگزیکٹو آفیسر

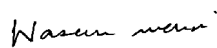
کراچی: 14 اکتوبر 2026

Condensed Interim Statement of Financial Position as at September 30, 2026

		September 2026	June 2026
		Un-Audited	Audited
		-----Rupees-----	
ASSETS			
Non-current assets	Note		
Fixed assets - in own use	4	16,273,528	16,530,978
Diminishing musharaka	5	572,625,019	815,787,795
Long term investments	6	31,233,766	31,233,766
Long term advances	7	140,011	287,146
Long term facility	8	3,981,290	4,332,492
Total non-current assets		624,253,614	868,172,177
Current assets			
Current portion of diminishing musharaka	5	1,101,223,507	750,635,176
Morabaha finance	9	186,064,997	970,373,748
Current portion of long term investments	6	12,493,507	12,493,507
Current portion of long term advances	7	588,540	588,540
Current portion of long term facility	8	2,404,756	2,282,520
Advances, prepayments and other receivables	10	227,980,578	299,168,978
Advance taxation - net	14	711,242	-
Cash and cash equivalent	21	1,094,412,048	354,000,682
Total current assets		2,625,879,175	2,389,543,151
TOTAL ASSETS		3,250,132,789	3,257,715,328
EQUITY AND LIABILITIES			
CERTIFICATE CAPITAL AND RESERVES			
Authorised certificate capital 50,000,000 (June 30, 2026: 50,000,000) certificates of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up certificate capital		450,000,000	450,000,000
Reserves		630,882,725	641,410,135
Subordinated funds - related party	12	2,000,000,000	2,000,000,000
Total certificate holders' equity		3,080,882,725	3,091,410,135
Non - current liabilities			
Provision / Payable to gratuity fund - related party		2,332,501	1,996,390
Provision for compensated absences		3,448,031	3,198,031
Total non - current liabilities		5,780,532	5,194,421
Current liabilities			
Creditors, accrued and other liabilities	13	99,220,581	159,545,427
Provision for taxation - net	14	-	316,394
Profit distribution payable		64,248,951	1,248,951
Total current liabilities		163,469,532	161,110,772
TOTAL LIABILITIES		169,250,064	166,305,193
TOTAL EQUITY AND LIABILITIES		3,250,132,789	3,257,715,328
CONTINGENCIES AND COMMITMENTS			
	15		

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer

**Condensed Interim Statement of Profit and Loss
for the quarter ended September 30, 2026**

		Quarter Ended	
		September 2026	September 2025
		Un-Audited	
Note		----- Rupees -----	
Income from:			
- Diminishing musharaka		67,579,878	65,166,273
- Morabaha		26,831,335	5,554,454
		94,411,213	70,720,727
Administrative and operating expenses	16	(31,781,397)	(25,581,297)
Net reversal of provision against financing assets		3,401,423	2,624,313
		(28,379,974)	(22,956,984)
		66,031,239	47,763,743
Investment income		17,220,616	9,676,721
Other income		256,683	467,387
		83,508,538	57,907,851
Management company's remuneration		(8,350,854)	(5,790,785)
Provision for services sales tax on the Management company's remuneration		(1,252,628)	(868,618)
Profit before taxation and levy		73,905,056	51,248,448
Taxation	14	(21,432,466)	(14,862,050)
Profit for the quarter		52,472,590	36,386,398
Earnings per certificate - basic		1.17	0.81
Earnings per certificate - diluted		0.21	0.25

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

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

Wasim Memon

Chairman

[Signature]

Chief Executive Officer

[Signature]

Director

[Signature]

Chief Financial Officer

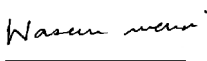
Condensed Interim Statement of Comprehensive Income for the quarter ended September 30, 2026

	Quarter Ended	
	September 2026	September 2025
	Un-Audited	
	----- Rupees -----	
Profit for the quarter	52,472,590	36,386,398
Other comprehensive income		
"Items that may be reclassified to profit and loss account"	-	-
"Items that will not be reclassified to profit and loss account"	-	-
Total comprehensive income for the quarter	52,472,590	36,386,398

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

The annexed notes 1 to 20 form an integral part of these condensed interim financial information.

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


Chairman


Chief Executive Officer


Director

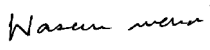

Chief Financial Officer

Condensed Interim Statement of Cash Flow for the quarter ended September 30, 2026

		Quarter Ended	
		September 2026	September 2025
		Un-Audited	
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the quarter before taxation and levy		73,905,056	51,248,448
Adjustments for non - cash and other items:			
- Depreciation - tangible assets	4.1	1,091,501	197,981
- Amortization - intangible assets	4.2	6,249	-
- Gain on disposal of fixed assets - in own use		(25,000)	-
- Income on bank deposits		(14,476,447)	(9,676,721)
- Income on term deposit receipts		(1,194,520)	-
- Income on Sukuk investment		(1,549,648)	-
- Provision for provident fund (employer's contribution)		414,630	332,473
- Provision for gratuity fund		336,111	319,821
- Reversal of provision against financing		(3,401,423)	(2,624,313)
Operating profit before working capital changes		55,106,509	39,797,689
Working capital changes			
Advances, prepayments and other receivables		78,515,298	6,468,529
Diminishing Musharaka		(104,024,132)	(227,629,562)
Morabaha		784,308,751	127,691,668
Long term advances		147,135	130,593
Long term facility		228,966	654,397
Creditors, accrued and other liabilities		(60,074,846)	(28,251,065)
		699,101,172	(120,935,440)
Income received on term deposit receipts		349,315	-
Income received on bank deposits		9,472,647	11,864,105
Gratuity fund paid		-	(1,036,752)
Provident fund contribution paid (employer's contribution)		(342,873)	(5,230,021)
Income tax paid		(22,460,102)	(16,061,279)
Net cash generated from/ (used in) operating activities		741,226,668	(91,601,698)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceed from disposal of fixed assets - in own use		25,000	-
Purchase of fixed assets - in own use	4.1	(840,302)	(392,510)
Net cash used in investing activities		(815,302)	(392,510)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net Increase/(Decrease) in cash and cash equivalents		740,411,366	(91,994,208)
Cash and cash equivalents at the beginning of the quarter		354,000,682	371,724,227
Cash and cash equivalents at the end of the quarter	21	1,094,412,048	279,730,019

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

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


Chairman


Chief Executive Officer


Director

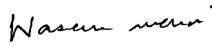

Chief Financial Officer

Condensed Interim Statement of Changes in Equity for the quarter ended September 30, 2026

	Certificate Capital	Capital Reserve Statutory reserve	Revenue Reserve Unappropri- ated profit	Total Reserve	Subordinated Fund	Total equity
Un-Audited						
----- (Rupees) -----						
Balance as at July 01, 2025	450,000,000	236,705,182	304,803,450	541,508,632	1,000,000,000	1,991,508,632
Profit for the quarter	-	-	36,386,398	36,386,398	-	36,386,398
Transaction with Certificate Holders in their capacity as owner recognized directly in equity						
Profit distribution @ Rs. 1.35 (13.50%) per certificate	-	-	(56,250,000)	(56,250,000)	-	(56,250,000)
Balance as at September 30, 2025	<u>450,000,000</u>	<u>236,705,182</u>	<u>284,939,848</u>	<u>521,645,030</u>	<u>1,000,000,000</u>	<u>1,971,645,030</u>
Balance as at July 01, 2026	450,000,000	268,974,487	372,435,648	641,410,135	2,000,000,000	3,091,410,135
Profit for the quarter	-	-	52,472,590	52,472,590	-	52,472,590
Transaction with Certificate Holders in their capacity as owner recognized directly in equity						
Profit distribution @ Rs. 1.40 (14.00%) per certificate	-	-	(63,000,000)	(63,000,000)	-	(63,000,000)
Balance as at September 30, 2026	<u>450,000,000</u>	<u>268,974,487</u>	<u>361,908,238</u>	<u>630,882,725</u>	<u>2,000,000,000</u>	<u>3,080,882,725</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

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


Chairman


Chief Executive Officer


Director


Chief Financial Officer

Notes to the Condensed Interim Financial Information for the Quarter Ended September 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

The VIS Credit Rating Company Limited has upgraded the long and short term ratings of Sindh Modaraba from A+ to AA- and from A1 to A1+ respectively. The medium to long-term rating of 'AA-' signifies high credit quality and strong factors of protection. The short-term rating of 'A1+' denotes strongest likelihood of timely repayment of short-term obligations with outstanding liquidity factors.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Modaraba for the quarter ended September 30, 2026 have been prepared by the management in accordance with the International Accounting Standard (IAS)-34 "Interim Financial Reporting" and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation, 2021 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever provisions of and directives issued under the Companies Act, 2017, the Modaraba Companies & Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation, 2021 and the Islamic Financial Accounting Standards (IFASs) differ from the IFRS standards, the provision of and directives issues under the Companies Act, 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 and the Islamic Financial Accounting Standards (IFASs) has been followed.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34; 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2026.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of significant estimates and judgments

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

3 Material Accounting Policies and Information

- 3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Modaraba for the year ended June 30, 2025. Example for the adoption of new and amended standard are set out below;
- 3.1.1 Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2026, but are considered not to be relevant or did not have any significant effect on the Modaraba's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.
- 3.1.2 There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Modaraba's accounting periods beginning on or after January 1, 2026, but are not considered to be relevant or expected to have any significant effect on the Modaraba's operations and are, therefore, not detailed in these condensed interim financial statements.

	September 2026	June 2026
	Un-audited	Audited
	-----Rupees-----	
4 FIXED ASSETS - in own use		
Tangible assets	16,236,018	16,487,219
Intangible assets	37,510	43,759
	16,273,528	16,530,978

4.1 Tangible assets

Particulars	Cost			Depreciation			WDV as at September 30, 2026	Depreciation Rate
	As at July 01, 2026	Additions/ Deletion	As at September 30, 2026	As at July 01, 2026	Charge (Adj) for the period	As at September 30, 2026		
	Rupees							
Furniture and fixtures	1,987,417	297,960	2,285,377	1,532,215	21,863	1,554,078	731,299	10%
Office equipment	3,621,940	117,292 (65,600)	3,673,632	3,006,101 -	62,658 (65,600)	3,003,159	670,473	20%
Vehicles	16,762,441	-	16,762,441	2,288,428	835,947	3,124,375	13,638,066	20%
Computer and accessories	4,642,147	425,050	5,067,197	3,699,984	171,033	3,871,017	1,196,180	33.33%
As at and for the period ended September 30, 2026	27,013,945	774,702	27,788,647	10,526,728	1,025,901	11,552,629	16,236,018	
"As at and for the year ended June 30, 2026"	9,086,661	17,927,285	27,013,946	7,466,277	3,060,450	10,526,727	16,487,219	

4.2 Intangible assets

	September 2026	June 2026
	Un-audited	Audited
	-----Rupees-----	
Opening net book value	43,759	68,755
Additions during the quarter / year	-	-
Amortization for the quarter / year	(6,249)	(24,996)
Closing net book value	37,510	43,759

As at September 30, 2026 / June 30, 2026

Cost	2,186,982	2,186,982
Accumulated amortization	(2,149,472)	(2,143,223)
Net book value	37,510	43,759
Annual rates of amortization	33.33%	33.33%

5 DIMINISHING MUSHARAKA

Receivables - secured	5.1	1,709,069,327	1,601,103,944
Less: current portion		(1,101,223,507)	(750,635,176)
Less: provision	5.2	(35,220,801)	(34,680,973)
Long term portion		572,625,019	815,787,795

5.1 This represents the finance provided to Individual and Corporate clients under Diminishing Musharaka arrangements for periods ranging 3 to 20 years (June 30, 2026: 3 to 20 years) which is secured against mortgage of property, lien on title documents and charge on assets etc.

5.2 This includes general provision of Rs. 8.44 million (June 30, 2026: Rs. 7.90 million) made at the rate of 0.5% (June 2026: 0.5%) on diminishing musharaka receivables.

	September 2026	June 2026
	Un-Audited	Audited
	-----Rupees-----	
6 LONG TERM INVESTMENTS		
Investment in Sukuk - At amortized cost	43,727,273	43,727,273
Less: current portion	(12,493,507)	(12,493,507)
Non-current portion	31,233,766	31,233,766

6.1 This represents an investment in sukuk issued by Thatta Cement Company Limited, with a profit rate of 6-month KIBOR plus 2.5% per annum and a tenure of four years, with the principal repayable in eight equal semi-annual instalments.

7 LONG TERM ADVANCES

Long term advances - considered good	7.1	728,551	875,686
Less: Current portion of long term advances		(588,540)	(588,540)
Non-current portion		140,011	287,146

7.1 This represents advances against salaries provided to employees in accordance with Sindh Modaraba's Human Resource Policy, including advances of Rs. 0.157 million (June 30, 2026: Rs. 0.196 million) provided to Key Management Personnel, being a related party. These advances are unsecured and are recoverable through monthly deductions from employees' salaries.

8 LONG TERM FACILITY

Long term facility	8.1	6,386,046	6,615,012
Less: Current portion of long term facility		(2,404,756)	(2,282,520)
Non-current portion		3,981,290	4,332,492

8.1 This includes Rs. 4.15 million (June 30, 2026: 4.40 million) against vehicle monetization facility for 5 years, and Rs. 0.08 million (June 30, 2026: 0.1 million) against house furnishing allowance of 3 basic salaries for 3 years (under house furnishing allowance approved by the board), provided to Mr. Adnan Shakeel - CFO & Company Secretary, who is related party to Modaraba.

9 MORABAHA FINANCE

Receivables-MRB	9.1	186,999,997	975,249,998
Less: general provision-MRB	9.2	(935,000)	(4,876,250)
		186,064,997	970,373,748

9.1 This represents the finance provided to corporate clients under murabaha finance for periods of 9 months which was secured against pledge and personal guarantee of a director.

9.2 This represent general proven made at the rate of 0.5% (June 30, 2026: 0.5%)

		September 2026	June 2026
		Un-Audited	Audited
		-----Rupees-----	
Note			
10	ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
Advances	10.1	180,002,412	156,826,000
Accrued income from Sukuk investment		2,880,324	1,330,676
Accrued income from bank deposits	10.2	7,533,000	2,529,200
Accrued income from term deposits	10.3	926,712	81,507
Accrued income from Diminishing Musharaka	10.4	25,617,716	21,129,287
Prepayments		4,476,005	4,478,633
Profit receivable from Morabaha		6,539,409	112,788,675
Other receivables		5,000	5,000
		227,980,578	299,168,978

10.1 These include advances of Rs. 150 million (June 30, 2026: 150 million) given to clients for the manufacturing of goods under Istisna arrangements. Upon the completion of the manufacturing process, the goods will be acquired and subsequently sold or disposed of, with the corresponding advance adjusted against the relevant financing portfolio. It also includes advances to vendors Rs. 29.98 million (June 30, 2026: 6.80 million) in respect of acquisition of assets under Diminishing Musharaka arrangement for onward delivery to lessee (customers).

10.2 This includes accrued income of Rs. 0.05 million (June 30, 2026: Rs. 0.03 million) in deposit account, held with Sindh Bank Limited - Islamic Banking (related party).

10.3 This represents accrued income on term deposit Rs. 50 million for a 3-month maturity at a profit rate of 10.25% per annum (June 30, 2026: 50 million for a 1-month maturity at a profit rate of 8.50%) held with Sindh Bank Limited - Islamic Banking Unit, a related party.

	September 2026	June 2026
	Un-Audited	Audited
Note	-----Rupees-----	
10.4 Accrued income from Diminishing Musharaka		
Receivable	31,532,159	26,894,211
Less: Income suspended	(5,914,443)	(5,764,924)
	25,617,716	21,129,287

		September 2026	June 2026
		Un-Audited	Audited
		-----Rupees-----	
11	CASH AND BANK BALANCES	Note	
	Cash in hand	50,000	-
	Stamp paper in hand	60,700	67,100
	Balances with banks in:		
	- Deposit accounts	11.1 1,043,020,053	302,628,919
	- Current accounts	11.2 1,281,295	1,304,663
		1,044,412,048	304,000,682

11.1 These carry profits at the rates ranging from 2.41% to 10.80% per annum. (June 30, 2026: Rs. 2.50% to 10.80% per annum). This includes balance of Rs. 16.45 million (June 30, 2026: Rs. 4.67 million) held with Sindh Bank Limited - Islamic Banking Unit, a related party.

11.2 This includes balance of Rs. 0.08 million (June 30, 2026: Rs. 0.1 million) held with Sindh Bank Limited - Islamic Banking Unit, related party.

		September 2026	June 2026
		Un-Audited	Audited
		-----Rupees-----	
12	SUBORDINATED FUNDS - Unsecured	12.1	2,000,000,000

12.1 This represents riba free funds provided by the Modaraba Management Company (related party). The fund is unsecured, sub-ordinated to all other indebtedness, and repayable at the discretion of Modaraba. The Modaraba has the option to issue modaraba certificates in future against this fund, subject to necessary regulatory approvals.

		September 2026	June 2026	
		Un-Audited	Audited	
-----Rupees-----				
13	CREDITORS, ACCRUED AND OTHER LIABILITIES	Note		
	Accrued expenses	13.1	16,230,716	14,485,623
	Management remuneration payable - related party		34,573,845	26,222,991
	Provision for Sindh sales tax on management remuneration		5,186,077	3,933,449
	Creditors		6,441	6,441
	Deferred morabaha income		5,089,848	80,069,956
	Advance from client		17,313,474	13,083,516
	Other liabilities		20,820,180	21,743,451
			99,220,581	159,545,427

13.1 These includes Rs. 0.74 million (June 30, 2026: Rs. 0.47 million) for Lahore and Islamabad branches rent payable to Sindh Bank Limited, related party.

		September 2026	June 2026
		Un-Audited	Audited
		-----Rupees-----	
14	TAXATION - NET	Note	
	Opening balance - Provision for taxation	316,394	2,035,782
	Tax paid/deducted during the quarter / year	(22,460,102)	(72,446,339)
	Provision for the quarter / year	21,432,466	70,929,339
	- prior year adjustment	-	(202,388)
	Total provision for the quarter / year	21,432,466	70,726,951
	Closing balance - (Advance tax)/Provision for taxation	(711,242)	316,394

15 CONTINGENCIES AND COMMITMENTS

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

- 15.2** 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.

		September 2026	September 2025
		Un-Audited	Un-Audited
		-----Rupees-----	
16	ADMINISTRATIVE AND OPERATING EXPENSES	Note	
	Salaries, allowances and other benefits	16.1	21,609,82018,090,251
	Travelling and conveyance		3,724,0022,954,461
	Takaful - financing assets		1,334,017702,072
	Repairs and maintenance		674,634605,580
	Utility services		553,466527,374
	Depreciation - tangible assets	4.1	1,091,501191,732
	Registration and subscription fee		476,213411,968
	Legal and professional charges		541,120410,847
	Entertainment		260,026251,321
	Generator sharing and fuel charges	16.2	287,847313,305
	Rent, rates and taxes	16.3	316,506246,558
	Printing, stationery and photocopy		183,309157,918
	Security services		150,000150,000
	Shariah advisor fee		180,000150,000
	Auditors' remuneration		146,171122,842
	Takaful - owned assets		139,74071,994
	Advertisement and publications		25,00075,000
	Postage, courier and telegraphs		33,11043,758
	Staff orientation and training		15,450-
	Amortization - intangible assets	4.2	6,2496,249
	Miscellaneous		33,21698,067
			31,781,39725,581,297

16.1 This includes contribution of Rs. 0.41 million (2025: Rs. 0.33 million) charged/paid to provident fund and provision for gratuity of Rs. 0.34 million (2025: Rs. 0.32 million), related party.

16.2 This includes amount of Rs. 0.29 million (2025: Rs. 0.31 million) against sharing of expenses with Sindh Insurance Limited - related party.

16.3 This includes amount of Rs. 0.27 million (2025: 0.2 million) against Lahore and Islamabad branches rent to Sindh Bank Limited, related party.

17 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 investments in entities incorporated in Pakistan.

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

18 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 leasing financing) obtained as per Islamic mode	None.
iii)	Long-term, short-term Shariah-compliance investment	Investment in Sukuk. Refer Note No. 6 & 21.1
iv)	Shariah-compliant bank deposits/bank balances	Placed under Shariah permissible arrangement as disclosed in Note 11.
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 Shariah-compliant business segment	All revenue earned is from Shariah-compliant business segment, refer Note 17.
vii)	Break-up of late payments or liquidated damages	None.
viii)	Gain/loss or dividend earned from Shariah-compliant Investments	Refer investment of profit and loss.
ix)	Share of profit from Shariah-compliant associates	None.
x)	Exchange gain earned from actual currency	None.
xi)	Exchange gain 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)	Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.	Banker: Al Baraka Bank Limited, Soneri Bank Limited, Sindh Bank Limited, Meezan Bank Limited, MCB Islamic Bank, NRSP Microfinance Bank Lessor: None. Takaful Operators: Sindh Insurance Limited - Window Takaful

19 RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	September 2026	September 2025
	Un-Audited	Un-Audited
	-----Rupees-----	
Transactions for the period		
Sindh Bank Limited - associated company		
Income on bank deposits	274,361	18,925
Income on term deposits	1,194,520	-
	<u>1,468,881</u>	<u>18,925</u>
Sindh Modaraba Management Limited - Management company		
Profit distribution / Dividend accrued	59,424,400	57,302,100
Management Company's remuneration accrued	8,350,854	5,790,785
Management Company's remuneration paid	-	26,709,832
	<u>67,775,254</u>	<u>89,802,717</u>
Sindh Insurance Limited - associated company		
Takaful contribution paid	1,483,884	1,122,632
Sharing of expenses paid	270,000	270,000
	<u>1,753,884</u>	<u>1,392,632</u>
Key Management Personnel		
Salaries, allowances and benefits paid	<u>9,454,240</u>	<u>10,546,666</u>
Sindh Modaraba Employees Provident Fund - employee fund		
Contribution paid (employer and employees contribution)	<u>685,746</u>	<u>661,758</u>
Sindh Modaraba Employees Gratuity Fund - employee fund		
Contribution paid	<u>-</u>	<u>1,036,752</u>

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

		Quarter ended	
		September 2026	September 2025
		Un-Audited	Un-Audited
		-----Rupees-----	
21 CASH AND CASH EQUIVALENT	Note		
Cash and bank balances	11	1,044,412,048	279,730,019
Short term investments	21.1	50,000,000	-
		1,094,412,048	279,730,019

21.1 This represents investment made during the year in TDRs for a period of 3 months maturity at a special profit rate of 10.25% per annum (2025: Nil) in Sindh Bank Limited - Islamic Banking, a related party.

22 SUBSEQUENT EVENT

No material event after the reporting period has occurred that require recognition or disclosure in the financial statements.

23 DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on 14 October 2026 by the Board of Directors of the Management Company.

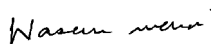
24 CORRESPONDING FIGURES

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

25 GENERAL

Figures have been rounded off to the nearest rupee.

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



Chairman



Chief Executive Officer



Director



Chief Financial Officer

IN MEMORY OF SHAHEED MOHTARUMA BINAZIR BHUTTO



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