

Sindh Modaraba Management Limited

Financial Statements
For the Year Ended June 30, 2015

JALIS AHMAD & CO.
CHARTERED ACCOUNTANTS
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CHARTERED ACCOUNTANTS

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121-CLIFTON CENTRE,
BLOCK-5, MAIN CLIFTON ROAD,
KARACHI-75600 (PAKISTAN)

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed Interim Balance Sheet of **Sindh Modaraba Management Limited** ("the Company"), as at June 30, 2015 and the related Income Statement, Cash Flow Statement, Statement of Comprehensive Income and Statement of Changes in Equity together with the notes forming part thereof, for the year then ended 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 purposes of our audit;

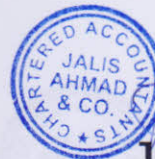
It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit;

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

- a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- b) in our opinion-
 - i) the Balance Sheet and Income Statement together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- c) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Income Statement, Cash Flow Statement, Statement of Comprehensive Income and Statement of Changes in Equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's interim affairs as June 30, 2015 and of the profit, its comprehensive profit, its cash flows and changes in equity for the year then ended; and
- d) In our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Date: **18 SEP 2015**

Place: **KARACHI**



Jalis Ahmad & Co.

Chartered Accountants

Engagement person: Mr. Iqbal Yousuf- FCA

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JALIS AHMAD & CO.

CHARTERED ACCOUNTANTS

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Review Report to the Members on the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 ("the Code") prepared by the Board of Directors of **Sindh Modaraba Management Limited** ("the Company") for the year ended June 30th 2015 to comply with the requirements of the Code.

The responsibility for compliance with the Code is that of the Board of Directors of the 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 Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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 of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the 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 of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed 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. We are only required and have ensured compliance of this requirement to the extent of 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 Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30th 2015.

Date: **18 SEP 2015**

Place: KARACHI



Jalil Ahmad
Jalis Ahmad & Co.

Chartered Accountants

Engagement person: Mr. Iqbal Yousuf- FCA

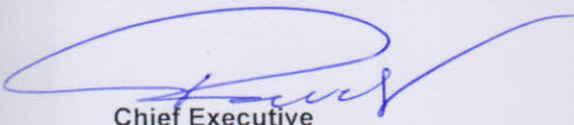
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SINDH MODARABA MANAGEMENT LIMITED

**BALANCE SHEET
AS AT JUNE 30, 2015**

	Note	2015 Rupees	2014 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	13,802,648	14,965,357
Long term investment	5	429,153,047	-
		442,955,695	14,965,357
CURRENT ASSETS			
Advance, prepayment and other receivables	6	11,423,319	2,643,701
Short term investment	7	-	50,000,000
Cash and bank balances	8	66,614,024	451,919,465
		78,037,343	504,563,166
CURRENT LIABILITIES			
Accrued expenses and other liabilities	9	1,761,106	6,031,901
Provision for taxation	10	-	866,857
		1,761,106	6,898,758
Net current assets / (liabilities)		76,276,237	497,664,408
Net assets		519,231,932	512,629,765
EQUITY AND RESERVES			
AUTHORIZED SHARE CAPITAL			
50,000,000 ordinary shares of Rs. 10/- each	11	<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up capital	11	500,000,000	500,000,000
Revenue Reserves	12	18,134,494	12,013,593
Net shareholders' equity		518,134,494	512,013,593
DEFERRED LIABILITY			
Deferred taxation	13	1,097,438	616,172
		<u>519,231,932</u>	<u>512,629,765</u>

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


Chief Executive

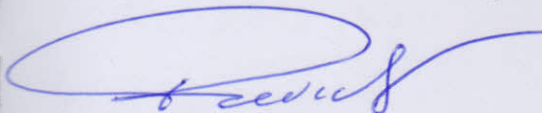

Director

SINDH MODARABA MANAGEMENT LIMITED

STATEMENT OF INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	From November 28, 2013 to June 30, 2014 Rupees
Revenue	14	24,070,194	23,900,939
Direct expenses		-	-
Gross profit		<u>24,070,194</u>	<u>23,900,939</u>
General and administrative expenses	15	(14,964,770)	(5,729,817)
		(14,964,770)	(5,729,817)
Profit from operating activities		9,105,424	18,171,122
Other income		2,500	3,000
Profit before taxation		<u>9,107,924</u>	<u>18,174,122</u>
Taxation	17	(2,987,023)	(6,160,529)
Profit after taxation		<u><u>6,120,901</u></u>	<u><u>12,013,593</u></u>

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


Chief Executive


Director



SINDH MODARABA MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	From November 28, 2013 to June 30, 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,107,624	15,131,121
Profit for the year / period	6,120,901	12,013,593
Depreciation	1,517,295	302,250
Other comprehensive income	(1,014,400)	-
Total comprehensive income for the year / period	<u>6,120,901</u>	<u>12,013,593</u>
Profit before working capital changes	9,511,296	15,491,143
The annexed notes form an integral part of these financial statements.		
Advance recognised	(7,036,628)	-
Chief Executive	13,000,000	-
Director	(4,270,791)	(3,231,901)
Accrued expenses and other liabilities	56,638,372	(46,611,600)
Income tax paid	(5,051,403)	(4,677,500)
Net cash generated from operating activities	43,158,512	(32,609,179)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(343,107)	(15,272,356)
Purchase of intangibles	(50,000,000)	-
Sale proceeds from sale of investments	81,714,481	-
Purchase of Long Term Investments	(429,153,047)	-
Net cash used in investing activities	(400,462,783)	(15,272,356)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued	-	500,000,000
Net cash generated from financing activities	-	500,000,000
Net increase/decrease in cash and cash equivalents	(357,304,271)	451,918,465
Cash and cash equivalents at beginning of the year / period	451,918,465	-
Cash and cash equivalents at end of the year / period	<u>94,614,194</u>	<u>451,918,465</u>
Cash and cash equivalents	94,614,194	451,918,465
Cash at bank	16,614,024	451,918,465

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

Chief Executive

Director

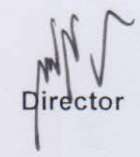
SINDH MODARABA MANAGEMENT LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	From November 28, 2013 to June 30, 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,107,924	18,174,122
Adjustments		
Depreciation	1,517,895	306,999
Gain on sale of investments	(1,014,481)	-
Balance as at June 30, 2014	503,414	306,999
Profit before working capital changes	9,611,338	18,481,121
Working capital changes		
(Increase)/decrease in current assets		
Advance, prepayment and other receivables	(7,090,828)	(2,643,701)
Short term investment	50,000,000	(50,000,000)
Increase/(decrease) in current liabilities		
Accrued expenses and other liabilities	(4,270,795)	6,031,901
Income tax paid	38,638,377	(46,611,800)
	(5,061,403)	(4,677,500)
Net cash generated from operating activities	43,188,312	(32,808,179)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(355,187)	(15,272,356)
Purchase of investments	(60,000,000)	-
Sale proceeds from sale of investments	61,014,481	-
Purchase of Long Term Investments	(429,153,047)	-
Net cash used in investing activities	(428,493,753)	(15,272,356)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued	-	500,000,000
Net cash generated from financing activities	-	500,000,000
Net increase(decrease) in cash and cash equivalents	(385,305,441)	451,919,465
Cash and cash equivalents at beginning of the year / period	451,919,465	-
Cash and cash equivalents at end of the year / period	66,614,024	451,919,465
Cash and cash equivalents		
Cash at bank	66,614,024	451,919,465
	66,614,024	451,919,465

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


Chief Executive



Director

SINDH MODARABA MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	Share Capital	Unappropriated profit	Net shareholders' equity
	Rupees	Rupees	Rupees
Issue of share capital	500,000,000	-	500,000,000
Profit for the period	-	12,013,593	12,013,593
Balance as at June 30, 2014	500,000,000	12,013,593	512,013,593
Profit for the year	-	6,120,901	6,120,901
Balance as at June 30, 2015	500,000,000	18,134,494	518,134,494

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


Chief Executive


Director

SINDH MODARABA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

Sindh Modaraba Management Limited has been incorporated in Pakistan as a public limited company by share under the Companies Ordinance, 1984 on November 28, 2013. Its registered office is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road Karachi. The principal activity of the company is to engage in floatation and management of Modaraba and to function as a Modaraba Management Company with in the meaning of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance 1980.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standard comprise of such International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board as are notified under the companies ordinance, 1984, provisions of and directives issued under the companies ordinance, 1984. In case requirements differ, the provisions or directives of the companies ordinance, 1984 shall prevail.

2.1 STATEMENT OF COMPREHENSIVE INCOME

IAS1 (revised), 'presentation of financial statements' standard prohibits the presentation of items of income and expenses (that is "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All "non-owner changes in equity" are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (income statement and statement of comprehensive income).

The Company has preferred to present two statements; an income statement and a statement of comprehensive income. The financial information has been prepared under revised disclosure requirements.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements of the company have been prepared under the historical cost convention.

3.2 Property plant and equipment

a) Owned assets

Assets in own use are stated at cost less accumulated depreciation. Depreciation is charged to income on straight line method using the rates specified in note 4 to the financial statements. Depreciation is charged from the month an item is acquired or capitalized up to the month of disposal.

Maintenance costs and normal repairs are charged to income statement as and when incurred. Major renewals and repairs are capitalized.

Trade debts

Supply debts, originated by the company are recognized and carried at original invoice amount. Bad debts are written off when identified.

SINDH MODARABA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

b) Leased assets

The company accounts for property, plant and equipment acquired under finance leases recording the assets and the related liability at the amounts, which are determined on the basis of discounted value of minimum lease payments. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged to income applying the same basis as for owned assets.

c) Gain or loss on disposal

Gain or loss on disposal of assets, if any, is included in income currently.

d) Impairment of assets

The company assesses at each balance sheet date whether there is any indication that a property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.

3.3 Investment

Investments in securities are initially recognized at cost, being the fair value of the consideration given, including acquisition costs associated with the investment. Thereafter these are classified and measured as follows:

Held-for-trading

These are securities which are either acquired for generating profit from short term fluctuations in market prices, interest rate movements, dealers margin or are securities included in a portfolio in which a pattern of short-term profit making exists.

After initial recognition, these investments are remeasured at fair value. Unrealized gains and losses are included in the income statement for the year.

3.4 Investment in associates

Investment in associates is accounted for using the equity method. The equity method is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee.

Investments in modaraba managed by the company are stated at cost. Provision is made for decline other than temporary in the value of investments, if any.

3.5 Advances, deposits, prepayments and others receivable

These are stated at cost.

3.6 Trade debts

Sundry debtors originated by the company are recognized and carried at original invoice amount. Bad debts are written off when identified.

SINDH MODARABA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

3.7 Cash and cash equivalent

Cash in hand and at banks is carried at cost.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and bank balances.

3.8 Creditors, accrued expenses and other liabilities

Liabilities for trade and others payable are carried at cost which is the fair value of the consideration to be paid in future in respect of goods and services.

3.9 Provisions

Provisions are recognized when:

- . the company has a present legal or constructive obligation as a result of past events;
- . it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations; and
- . a reliable estimate of the obligation can be made.

3.10 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account available tax credits and tax rebates if any in accordance with the provisions of the Income Tax Ordinance, 2001 and Income Tax Rules, 2002.

Deferred

Provision for deferred taxation, if any, is made on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the assets can be utilized.

3.11 Revenue recognition

- (a) Management fee is charged up to 10 percent of net profit of modaraba and is recognized on an accrual basis.
- (b) Dividend income is recognized when the shareholders' right to receive payment is established.
- (c) Profit on PLS savings bank accounts is recognized on accrual basis.
- (d) Revenue is recognized when invoice is raised to the customer.

3.12 Preliminary expenses

Preliminary expenses has been paid by Government of Sindh which are not to be paid back / refunded as per normal practice.

3.13 Related party transactions

All transactions with related parties are priced on an arm's length basis. Prices for these transactions are determined on the basis of admissible valuation methods, which sets the price by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

SINDH MODARABA MANAGEMENT LIMITED
SINDH MODARABA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

From
November 28,
2012 to June
30, 2015
Rupees

3.14 Financial instruments

a) Financial assets

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity. All financial assets approximate their fair values.

b) Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity.

Any gain or loss on the recognition of the financial assets and liabilities is included in net profit and loss for the year in which it arises.

Assets and liabilities that are of contractual nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the company.

c) Offsetting of a financial asset and a financial liability

A financial asset and a financial liability is offset and net amount is reported in the balance sheet only when an enterprise currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.15 Staff retirement benefits

The company operates:

A provident fund for all eligible employees and equal contributions by the employer and employee are made at the rate of 10% of the basic salaries of the employees.

7 SHORT TERM INVESTMENT

Term deposit receipt

10,000,000

8 CASH AND BANK BALANCES

- in current account

- in FRS accounts

2,404	-
86,611,567	451,219,493
<u>86,614,024</u>	<u>451,219,493</u>

These deposit accounts carry rates of interest ranging from 5.2% to 6.8% (2014: 0.50%) per annum and include Rs 10,578,920 with Sindh Bank Limited (covered partly).

ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors remuneration

Provident fund payable

Performance security

Guaranty creditors

Accrued expenses

Other liabilities

50,000	50,000
1,192,042	578,276
-	127,430
191,174	5,219,665
303,030	245,151
24,850	10,276
<u>1,761,106</u>	<u>6,031,997</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

4 OPERATING FIXED ASSETS

---Property plant and equipments
---Intangible assets

Note	2015 Rupees	2014 Rupees
4.1	13,772,122	14,965,357
	30,526	-
	13,802,648	14,965,357

4.1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold improvement on building		Furniture and fixtures		Office equipment		Computer equipment		Motor vehicle		Total	
	Owned	Rupees	Owned	Rupees	Owned	Rupees	Owned	Rupees	Owned	Rupees	Owned	Rupees
At June 30, 2014												
Cost	9,382,627	1,916,451	1,360,000	195,278	2,418,000	15,272,356						
Accumulated depreciation	(39,094)	(30,240)	(22,667)	(13,498)	(201,500)	(306,999)						
Net book value	9,343,533	1,886,211	1,337,333	181,780	2,216,500	14,965,357						
Net carrying value basis												
Year ended June 30, 2015												
Opening net book value (NBV)	9,343,533	1,886,211	1,337,333	181,780	2,216,500	14,965,357						
Additions - cost	3,541	108,864	243,313	46,168	-	401,886						
Disposals at cost	-	-	(80,000)	-	-	(80,000)						
Depreciation charge	(468,186)	(193,241)	(297,636)	(72,458)	(483,600)	(1,515,121)						
Closing net book value (NBV)	8,878,888	1,801,834	1,203,010	155,490	1,732,900	13,772,122						
At June 30, 2015												
Cost	9,386,168	2,025,315	1,523,313	241,446	2,418,000	15,594,242						
Accumulated depreciation	(507,280)	(223,481)	(320,303)	(85,956)	(685,100)	(1,822,120)						
Net book value	8,878,888	1,801,834	1,203,010	155,490	1,732,900	13,772,122						
Rate	5%	10%	20%	33.33%	20%							

SINDH MODARABA MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

		2015	From November 28, 2013 to June 30, 2014
	Note	Rupees	Rupees
5 LONG TERM INVESTMENT			
Sindh Modaraba			
42,847,500 certificates of Rs. 10/- each		<u>429,153,047</u>	<u>-</u>

Sindh Modaraba is floated and managed by the company and the company holds 95.22% of the total certificate capital of the Modaraba

The break-up value of the above investment is Rs.10.22 per certificate as at June 30, 2015 based on the audited accounts of Sindh Modaraba and the quoted market price on Karachi Stock Exchange on June 30, 2015 was Rs. 6.99 per certificate. The above investment is carried at cost being a long term strategic investment.

6 ADVANCES AND OTHERS RECEIVABLES

Accrued profit on term deposit receipt		122	41,096
Security deposit		50,000	97,580
Sindh Insurance		-	206,640
Prepaid office rent		1,274,542	2,259,595
Prepaid insurance		34,337	38,790
Advance income tax		1,688,789	-
CDC annual subscription fee		78,857	-
Receivable from Sindh Modaraba	6.1	8,296,672	-
		<u>11,423,319</u>	<u>2,643,701</u>

6.1 After adjustment of Rs. 10.58 million received from Government of Sindh towards Modaraba floatation expense. The above balance includes Rs. 1.107 million receivable against Management fee income

7 SHORT TERM INVESTMENT

Term deposit receipt		<u>-</u>	<u>50,000,000</u>
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8 CASH AND BANK BALANCES

- in current account		2,464	-
- in PLS accounts	8.1	66,611,560	451,919,465
		<u>66,614,024</u>	<u>451,919,465</u>

8.1 These deposit accounts carry profit at rates ranging from 6.5% to 6.8% (2014: 9.50%) per annum and include Rs 66,578,539 with Sindh Bank Limited (related party).

9 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditor's remuneration		50,000	50,000
Provident fund payable		1,192,042	379,276
Performance security		-	127,530
Sundry creditors		191,174	5,219,668
Accrued expenses		303,030	245,151
Other liabilities		24,860	10,276
		<u>1,761,106</u>	<u>6,031,901</u>

SINDH MODARABA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	From November 28, 2013 to June 30, 2014 Rupees
10 PROVISION FOR TAXATION			
Opening balance		866,857	-
Provided during the year:			
- current year		3,159,051	
- prior year		(653,294)	5,544,357
		3,372,614	5,544,357
Payments/adjustments during the year		(5,061,403)	(4,677,500)
Tax payable/ (tax refundable)		<u>(1,688,789)</u>	<u>866,857</u>
11 SHARE CAPITAL			
Authorized share capital			
50,000,000 ordinary shares of Rs.10/- each		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up capital			
50,000,000 ordinary shares of Rs.10/- each fully paid in cash		<u>500,000,000</u>	<u>500,000,000</u>
11.1 At June 30, 2015, Government of Sindh (through Viability Gap Fund) and its nominees held 100 percent (2014: 100 percent) of the share capital of the Company.			
12 REVENUE RESERVES			
Unappropriated profit		<u>18,134,494</u>	<u>12,013,593</u>
13 DEFERRED TAXATION			
Taxable temporary differences arising due to:			
WDV of fixed assets & inadmissible expense		3,325,569	1,867,188
Applicable tax rate		33%	33%
Deferred tax liability		<u>1,097,438</u>	<u>616,172</u>
14 REVENUE			
Profit on daily product account		19,441,744	21,407,788
Profit on term deposit receipt		2,506,849	2,493,151
Management fee income		1,107,120	-
Realized gain on sale of investments		1,014,481	-
		<u>24,070,194</u>	<u>23,900,939</u>

SINDH MODARABA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	From November 28, 2013 to June 30, 2014 Rupees
15 GENERAL AND ADMINISTRATIVE EXPENSE			
Salaries allowances and other benefits		8,888,655	3,651,251
Provident fund		406,383	189,638
Director meeting fee		330,000	165,000
Honourarium/Professional charges		30,000	123,871
Training and seminar		37,500	13,000
Traveling and conveyance expense		111,630	52,589
Telephone and internet expense		72,158	14,655
Advertisement expense		-	279,482
Printing and stationery		87,269	10,065
Insurance expense		152,541	27,705
Security guard charges		316,833	13,440
Brokerage and commission		-	114,800
Legal and professional		417,703	59,675
Repair and maintenance		244,084	8,500
Entertainment		58,842	1,290
Postage and courier		10,400	1,780
Vehicle running expense		32,297	60,560
Electricity expense		106,272	37,549
Generator running expense		310,400	13,712
Rent expense		1,714,949	412,185
Registration and subscription fee		33,333	-
Auditor's remuneration		50,000	50,000
Depreciation/Amortization		1,517,895	306,999
Miscellaneous expenses		35,625	122,071
		14,964,770	5,729,817

16 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Chief Executive		Executives	
	2015	2014	2015	2014
Remuneration	6,000,000	3,087,603	1,499,170	-
Retirement benefits	366,036	190,943	37,606	-
Other benefits	669,290	419,543	174,890	-
	7,035,326	3,698,089	1,711,666	-
Number of persons	1	1	2	0

SINDH MODARABA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

19 PROVIDENT FUND RELATED DISCLOSURE
The provident fund trust was formed on June 26, 2013.

	2015 Rupees	From November 28, 2013 to June 30, 2014 Rupees
17 TAXATION		
Current year	3,159,051	5,544,357
Prior year	(653,294)	-
Deferred tax	481,266	616,172
	2,987,023	6,160,529

21 GENERAL
21.1 RELATED PARTY TRANSACTION

The company has related party relationship with its associated companies, directors and key management personnel.

The details of significant related party transactions and balances as at June 30, 2015 are as follows:

	June 30, 2015	June 30, 2014
18.1 Balances at the year end		
Term deposit receipt	-	50,000,000
Daily product account - Sindh Bank Limited	66,578,539	451,919,465
Receivable from/ (payable) to Sindh Insurance Limited	-	206,640
Receivable from Sindh Modaraba against preliminary expenses	7,189,552	-
Management fee receivable from Sindh Modaraba	1,107,120	-
Accrued mark-up on term deposit receipt	-	41,096
18.2 Transactions during the year		
Profit on term deposit receipt	2,506,849	1,246,576
Profit on daily product account	17,110,487	10,662,911
Remuneration paid to key management personnel	7,928,543	1,851,815
Retirement benefits	403,642	100,034
Generator sharing expenses - Sindh Insurance Limited	291,240	-
Received from Government of Sindh towards Modaraba floatation expense	10,580,755	-
Pre operating expenses incurred on behalf of Sindh Modaraba	17,770,307	-
Director's meeting fees	330,000	60,000
Sindh Modaraba's Management fee	1,107,120	-

SINDH MODARABA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

19 PROVIDENT FUND RELATED DISCLOSURE

The provident fund trust was formed on June 26, 2015.

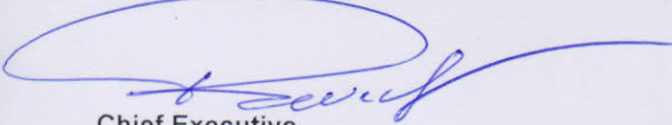
	2015	2014
	(Number)	
20 Number of employees		
Average employees during the year	2	2
Employees as at June 30	1	2

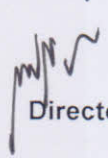
21 GENERAL

21.1 Corresponding figures where necessary has been reclassified for the purpose of better presentation.

21.2 These financial statements were authorized by the board of directors of the company on 18 SEP 2015

21.3 Figures have been rounded off to the nearest rupee.


Chief Executive


Director

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