



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO

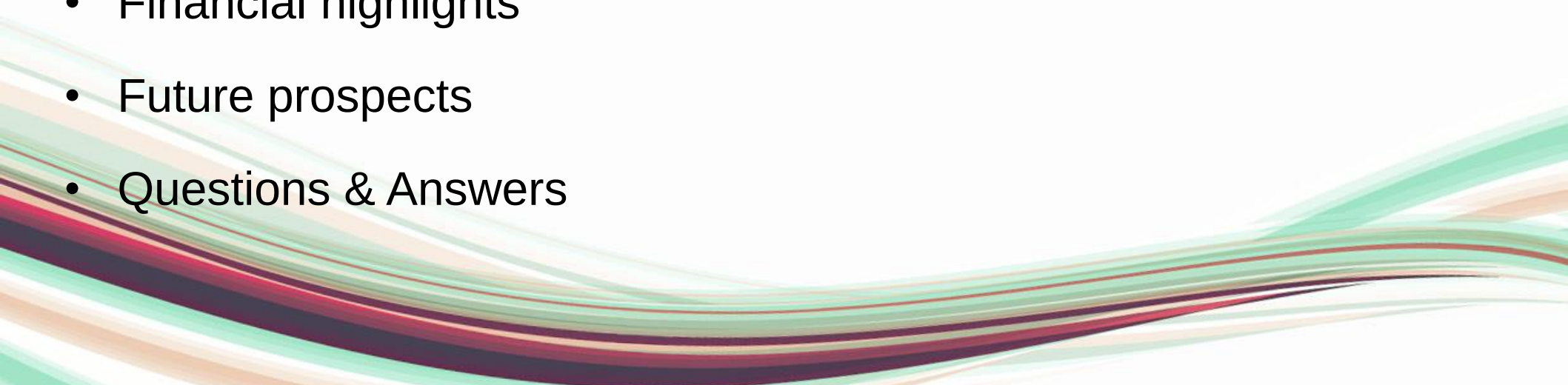


CORPORATE BRIEFING SESSION
(CBS)

FRIDAY, 24th OCTOBER 2025

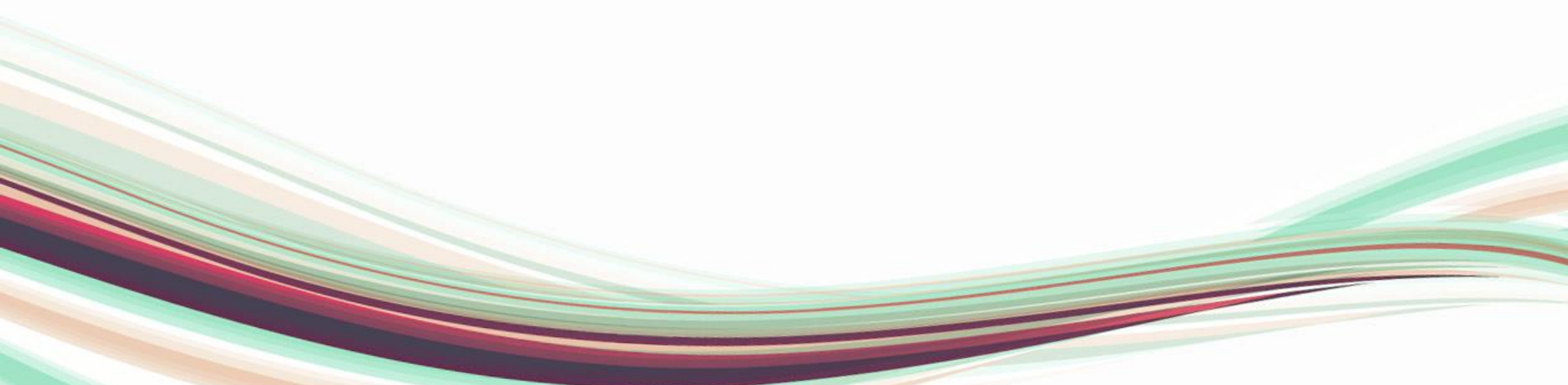


CORPORATE BRIEFING

- Sindh Modaraba Profile
 - Governance
 - Operation
 - Sector Analysis
 - Financial highlights
 - Future prospects
 - Questions & Answers
- 



PROFILE OF SINDH MODARABA





Sindh Modaraba commenced its operations in February 2015.

Sindh Modaraba is a perpetual and multi purpose Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

Sindh Modaraba is an Islamic Financial Institution providing Shariah Compliant Services to its clients.

Sindh Modaraba is managed by Sindh Modaraba Management Limited which holds 94.33% of the certificate holding of Sindh Modaraba and is 100% owned by the Government of Sindh.

The registered office of the Sindh Modaraba Management Limited is at 1st floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

OWNERSHIP STRUCTURE

Government of Sindh

100%

Sindh Modaraba Management Limited

94.33%

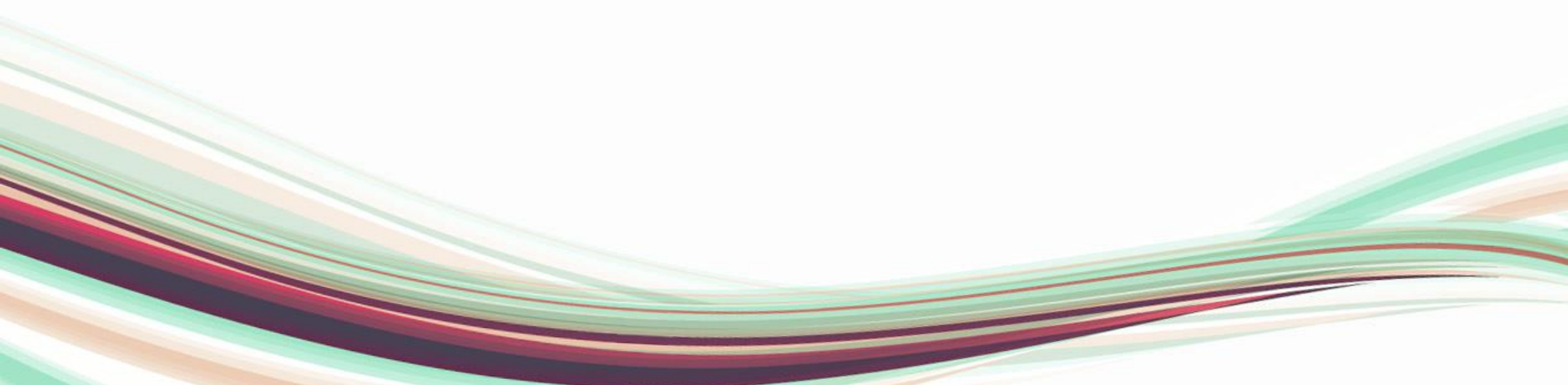
General Public

5.67%

Sindh Modaraba



GOVERNANCE





REGULATORY FRAMEWORK (SECP REGULATOR)

- Modaraba Companies and Modarabas (Floatation & Control) Ordinance, 1980
 - Modaraba Companies and Modaraba Rules, 1981
 - Modaraba Regulations, 2021
 - Public Sector Companies (Corporate Governance) Regulations, 2013
 - PSX Listing Regulations
 - Listed Companies (Corporate Governance) Regulations, 2019
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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





Shariah Advisor

Syed Zahid Siraj

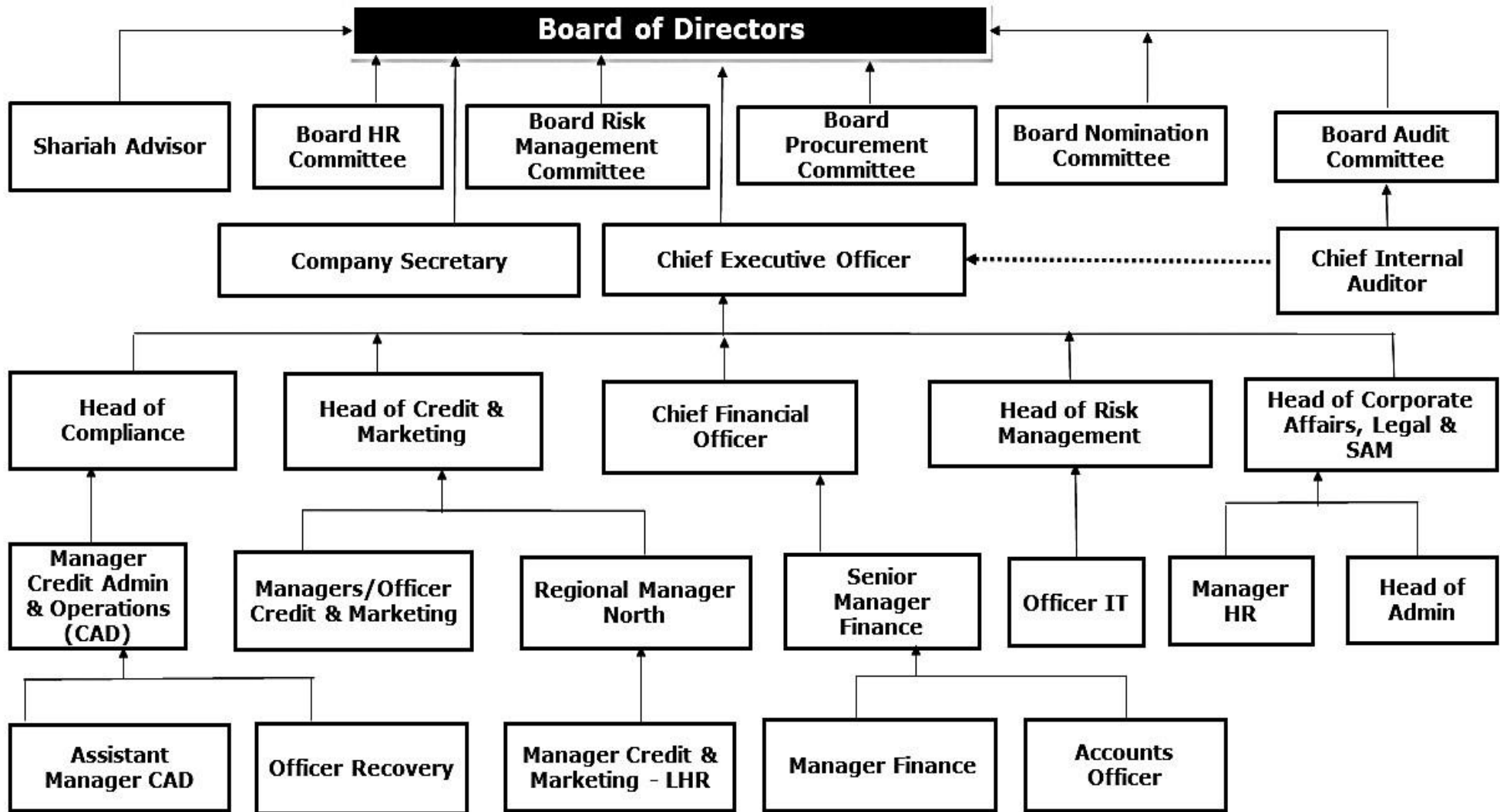
Credit Rating

Long term : A +
Short term : A -1

By **VIS Credit Rating Company Limited**

SINDH MODARABA & SINDH MODARABA MANAGEMENT LIMITED

ORGANOGRAM



— Direct reporting
 Indirect reporting

RISK MANAGEMENT FRAMEWORK

- a. Modaraba shall not allow any facility to clients, who have been allowed waivers / write offs in Modaraba or any other financial institution except when the disputed amounts are small and justified.
- b. Any borrower who holds influential public position shall require enhanced due diligence.
- c. Any conflicts of interest arising from Modaraba's various obligations are examined and resolved by the CMD, in cooperation with the Risk Management & Compliance Department.
- d. Risk management is a continuous on-going process to detect and manage risks and involves the following steps:

1. Identification of risks
2. Measurement
3. Aggregation
4. Planning and management or controlling
5. Monitoring
6. Mitigating the risk(s)



RISK MANAGEMENT FRAMEWORK

e. Anti-Money Laundering & Countering Financing Terrorism Policy:

- Policies and procedures are intended to ensure at the time of establishing relationship with the Customers, all reasonable and practical measures are taken to confirm the Customers' identities
- Modaraba has established a system to search its current and new clients to make suspicion after matching names from the proscribed list of individuals and entities published by NACTA and UNSCR.
- Frequency of the search for possible match is on fortnightly basis and accordingly reported to the regulator.
 - The day-to-day updating in the proscribed list is also matched with our database and reported on the online portal of SECP within 48 hours.
 - The Modaraba also quarterly submits a report to the regulator of its assessment on prescribed Performa circulated by the regulator.
 - The annual assessment also conducted and submitted to the regulator duly approved by the Board.

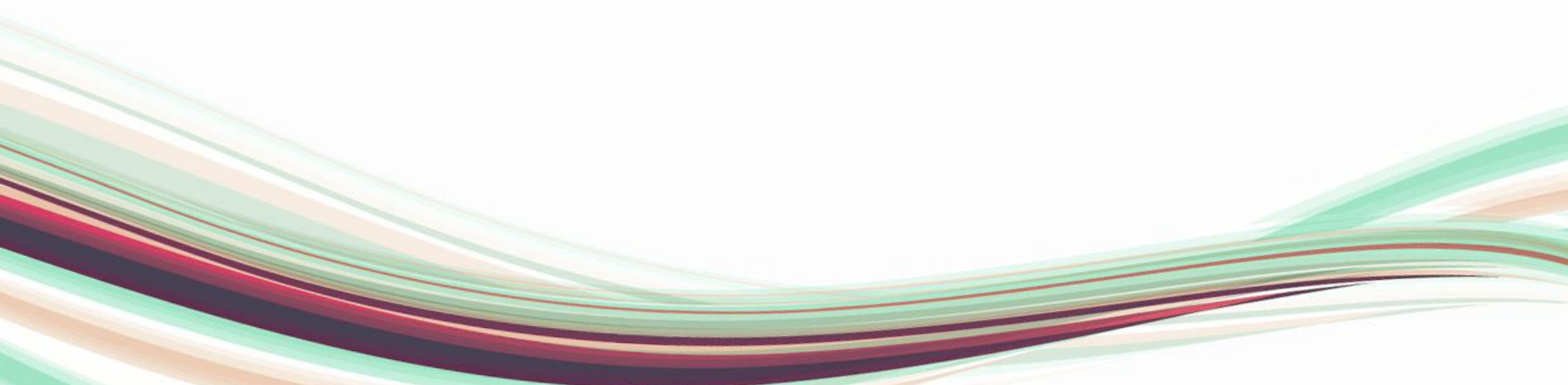


Shariah Governance

- Fully Complied with Shari'ah Compliance and Shari'ah Audit Mechanism (SCSAM) for Modarabas
 - Quarterly Internal Shariah Audit Report by Chief Internal Auditor
 - Shariah Advisor Report included in the Annual Report of Sindh Modaraba
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OPERATIONS





BUSINESS MODEL

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

The registered office of the Sindh Modaraba is situated at 1st floor, Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi.



PRODUCTS / MODES OF FINANCING

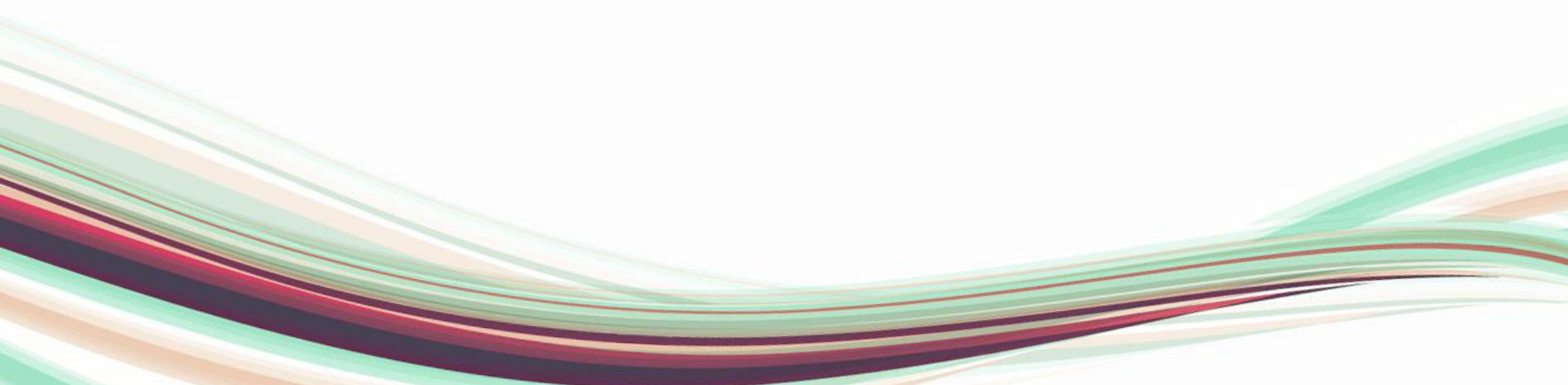
- Modaraba
 - Diminishing Musharaka
 - Ijarah
 - Murabaha
 - Salam
 - Istisna
 - Any other products which may be approved by the Religious Board from time to time.
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SECTOR DIVERSIFICATION

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
	1,704,531,302	100	791,724,335	100



Financial highlights



Financial Data

	2025	2024	2023	2022	2021	2020
	-----Rupees-----					
	Balance Sheet					
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	1,490,642,415	791,724,335	919,465,142	901,928,698	819,617,511	791,938,755
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

Financial Data

2025	2024	2023	2022	2021	2020
	-----Rupees----- -----				

Profit & Loss

Revenues	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
Profit before management fee	267,098,316	346,316,807	219,363,097	113,522,169	78,624,804	124,111,038
Net profit before tax	236,382,009	306,490,374	194,575,067	100,694,164	75,822,337	107,884,760
Net profit after tax	180,113,788	201,330,520	130,410,860	66,313,222	75,822,337	107,884,760

Appropriations

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	26,537,818	26,537,818	43,153,904

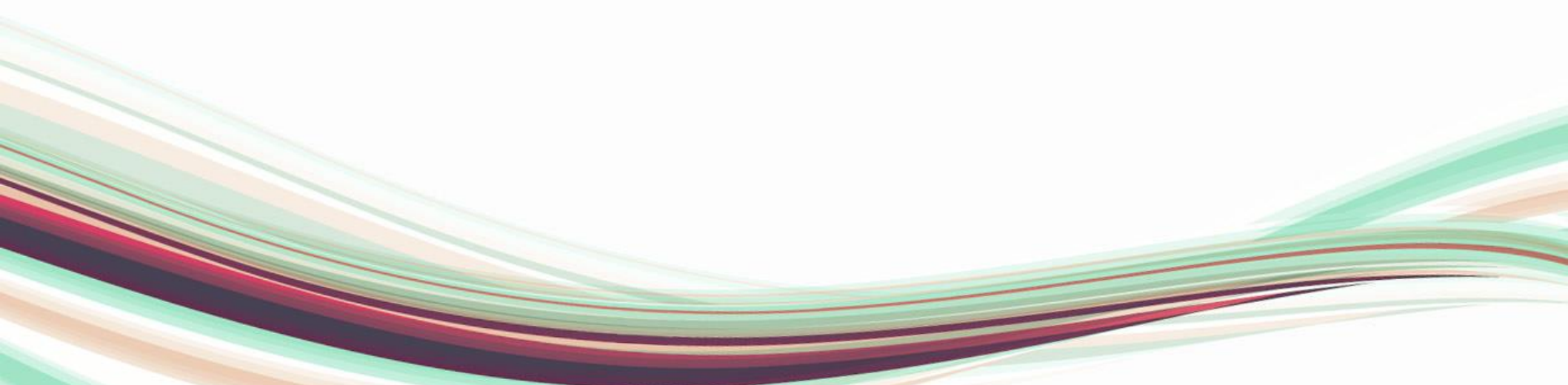
Key ratios

2025	2024	2023	2022	2021	2020
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Earning per Certificate	4.00	4.47	2.90	1.47	1.68	2.40
Breakup Value	22.03	19.27	16.05	14.35	13.89	13.55
Current ratio	18.30	21.39	22.93	30.39	37.40	12.24
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%
Price quoted (PSX)	12.57	10.31	8.03	7.00	8.80	8.21



Future prospects





Future Prospects

Future Economic Outlook (FY 2025-26 and Beyond)

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.

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.

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.



Future Prospects

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.

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.

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.



Future Prospects

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.

Conclusion

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 shareholders, Pakistan can achieve a path of sustainable and inclusive economic growth.

QUESTIONS & ANSWERS



THANK YOU