In Memory of Shaheed Mohtarma Benazir Bhutto

Sindh Modaraba

Islamic Finance Institution

GAINING MOMENTUM

A JOURNEY OF TRUST AND TRANSFORMATION

Quarterly Report
September 2025

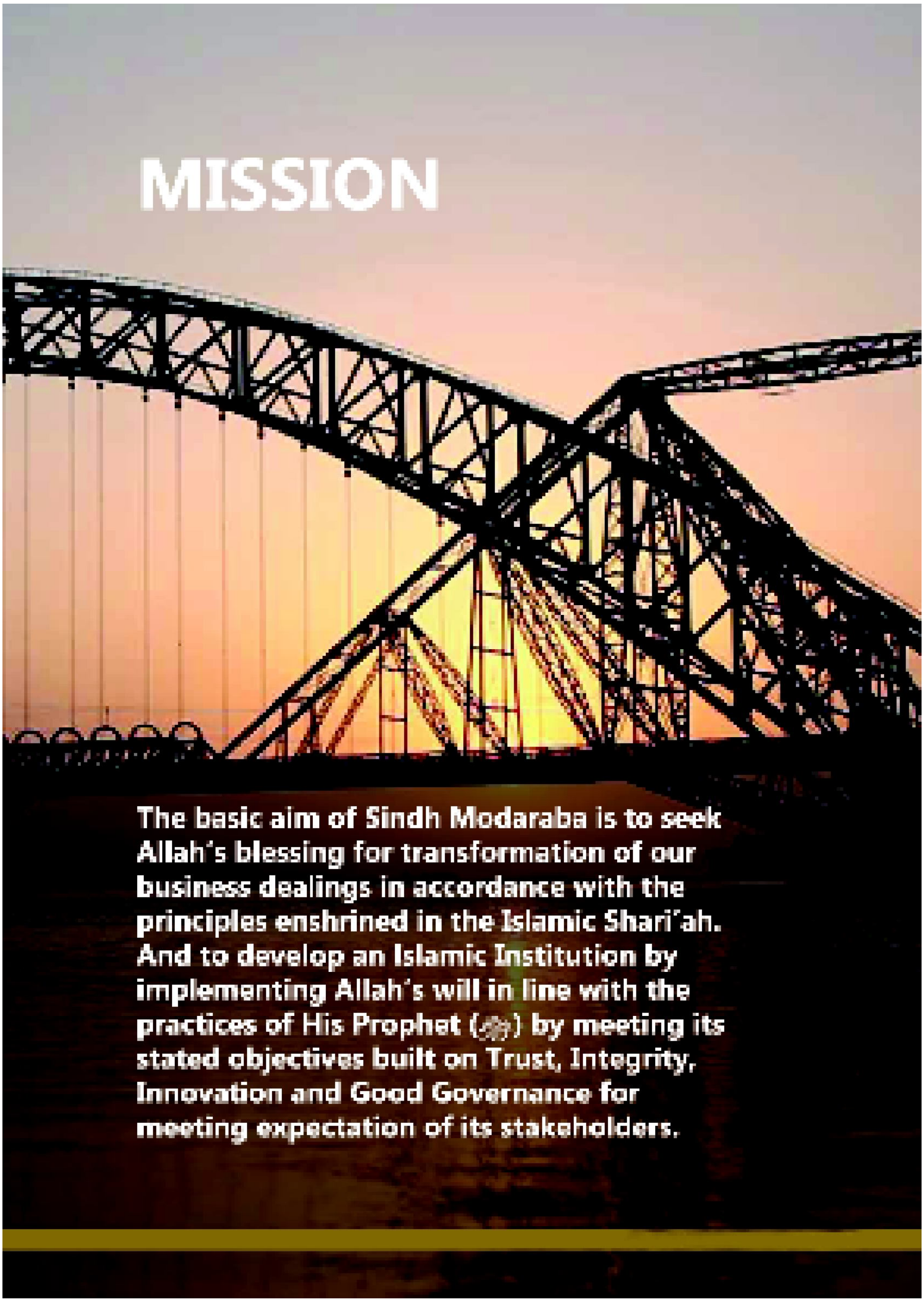
Contents

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.

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

Human Resource Committee

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

Nomination Committee

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

Procurement Committee

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

Risk Management Committee

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

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

Shariah Advisor
Mufti Syed Zahid Siraj

Legal Advisor
Mohsin Tayebaly & Co.

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

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

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

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 un-audited Financial Statements of Sindh Modaraba for the first quarter of FY-2026 ended September 30, 2025.

Operating Results

As per current economic scenario and reducing trend of the Policy rate and inflation, Modaraba earned a profit before tax of Rs. 51.25 Million during the first quarter of FY-2026. The revenue has been reported to Rs. 80.397 million. During the quarter NPLs has been reduced and Diminishing Musharika financing portfolio has been increased by Rs. 225.64 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 holds promising potential for growth, supported by increased financial inclusion and a rising demand for Islamic, interest-free financial solutions among individuals and businesses. This growing preference provides a strong foundation for portfolio expansion, particularly through innovative and diversified products catering to SMEs and agriculture sectors. Additionally, geographical outreach offers new avenues to enhance customer access and operational efficiency. However, the sector continues to face challenges such as macroeconomic instability, monetary policy shifts, and the need for stronger governance and Shariah compliance frameworks. Addressing these factors through prudent risk management, enhanced recovery mechanisms, and adherence to sound corporate governance will be essential for sustainable progress.

In light of the above, the management will keep its strategy to focus on Islamic financing more aggressively to bring more weightage in financing revenue to the total income. The management is focusing on the rapid growth in the financing portfolio through concentration in low risk sectors. Moreover, timely recovery from the customers against the existing facilities remains the key area of focus to maintain the returns yield of the 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 employees of the Modaraba.

Abdul Rauf Chandio
Chief Executive Officer

Karachi: October 27, 2025

ڈائریکٹرز کا جائزہ

سندھ مضاربہ مینجمنٹ لمیٹڈ جو کہ سندھ مضاربہ کی مینجمنٹ کمپنی ہے کے بورڈ آف ڈائریکٹرز مالی سال 2026 کی پہلی سہ ماہی (30 ستمبر 2025 کو ختم ہونے والی) کے لئے سندھ مضاربہ کے غیر آڈیٹڈ مالیاتی بیانے پیش کر رہی ہے۔

عملدر آمد کے نتائج

موجودہ معاشی حالات، اور پالیسی ریٹ و مہنگائی کے کم ہوتے ہوئے رجحان کو ملحوظ خاطر رکھتے ہوئے، مضاربہ نے مالی سال 2026 کی پہلی سہ ماہی کے دوران ٹیکس سے پہلے 51.25 ملین روپے کا منافع حاصل کیا۔ اس سہ ماہی کے دوران کل آمدنی 80.397 ملین روپے رہی۔ اس مدت میں نادہندہ قرضے (NPLs) کم ہوئے، جبکہ ڈمنیشنگ مشارکہ فنانسنگ پورٹ فولیو میں 225.64 ملین روپے کا اضافہ ہوا۔ انتظامیہ نے مضاربہ کی منافعیت میں اضافے کے لئے اخراجات پر سختی سے قابو رکھنے کی کوششیں جاری رکھیں۔

مستقبل کے امکانات

پاکستان میں مضاربہ شعبہ ترقی کی بھرپور صلاحیت رکھتا ہے، جس کی بنیاد مالی شمولیت میں اضافے اور افراد و کاروباری اداروں کے درمیان اسلامی، بغیر سودی مالیاتی حل کی بڑھتی ہوئی طلب پر ہے۔ یہ بڑھتا ہوا رجحان پورٹ فولیو میں توسیع کے لئے ایک مضبوط بنیاد فراہم کرتا ہے، خاص طور پر ایس ایم ای (SME) اور زرعی شعبوں کے لئے جدید اور مختلف مصنوعات کے ذریعے، مزید برآں، جغرافیائی دائرہ کار میں توسیع صارفین تک رسائی اور عملی کارکردگی کو بہتر بنانے لئے مواقع فراہم کرتا ہے۔ تاہم، یہ شعبہ اب بھی معاشی عدم استحکام، مالیاتی پالیسی میں تبدیلیوں، اور مضبوط گورننس و شریعہ کمپلائنس فریم ورک کی ضرورت جیسے کے چیلنجز کا سامنا کر رہا ہے۔ ان عوامل سے نمٹنے کے لئے محتاط رسک مینجمنٹ، بہتر ریکوری میکنزمز، اور اچھی کارپوریٹ گورننس کے اصولوں پر سختی سے عمل درآمد پائیدار ترقی کو یقینی بنانے کے لئے نہایت اہم ہوگا۔

ان باتوں کو مدِنظر رکھتے ہوئے، انتظامیہ اپنی حکمت عملی پر قائم رہے گی اور کل آمدنی میں فنانسنگ آمدنی کے حصے کو بڑھانے کے لئے اسلامی فنانسنگ پر زیادہ توجہ مرکوز کرے گی۔ انتظامیہ کم خطرے والے شعبوں میں فنانسنگ بڑھا کر اپنے فنانسنگ پورٹ فولیو میں سے تیزی اضافے پر زور دے رہی ہے، مزید برآں، موجودہ فنانسنگ سے گاہکوں سے بروقت وصولی کو یقینی بنانا پورٹ فولیو کی منافع دہی برقرار رکھنے کا اہم ہدف ہے

تشکر

بورڈ آف ڈائریکٹرز کی طرف سے، میں اسپانسرز، ریگولیٹرز اور ہمارے شرعی ایڈوائزر کا ان کی رہنمائی اور تعاون کے لیے شکرادا کرنا چاہتا ہوں۔ ہم اپنے گاہکوں کے مسلسل اعتماد کا بھی شکریہ ادا کرتے ہیں اور مضاربہ کے ملازمین کی لگن اور محنت کو سراہتے ہیں۔

عبدالرؤف چانڈیو
چیف ایگزیکٹو آفیسر

کراچی 27 اکتوبر 2025

Condensed Interim Statement of Financial Position as at September 30, 2025

	Note	September 30, 2025 Un-audited	June 30, 2025 Audited
		-----------Rupees----------	
ASSETS			
Current assets			
Cash and bank balances	4	279,730,019	371,724,227
Advances, prepayments and other receivables	5	21,087,070	27,118,670
Morabaha finance	6	85,127,777	212,819,445
Current portion of Diminishing Musharaka	7	787,922,956	726,974,570
Current portion of long term advances		522,372	522,372
Current portion of long term loan		2,195,412	2,299,116
Total current assets		1,176,585,606	1,341,458,400
Non - current assets			
Diminishing Musharaka	7	883,373,549	716,692,373
Long term advances		596,230	726,823
Long term loan		3,689,956	4,240,649
Fixed assets - in own use	8	1,883,668	1,689,139
Total non - current assets		889,543,403	723,348,984
TOTAL ASSETS		2,066,129,009	2,064,807,384
LIABILITIES AND EQUITY			
Current liabilities			
Creditors, accrued and other liabilities	9	35,887,489	69,036,102
Payable to gratuity fund - related party		319,821	1,036,752
Taxation - net	10	836,553	2,035,782
Profit distribution payable		61,940,116	1,190,116
		98,983,979	73,298,752
Non - current liabilities		-	-
TOTAL LIABILITIES		98,983,979	73,298,752
CERTIFICATE HOLDERS' EQUITY			
Certificate capital			
Authorized certificate capital			
50,000,000 certificates of Rs. 10 each		500,000,000	500,000,000
(June 30, 2025: 50,000,000 certificates of Rs. 10 each)			
Issued, subscribed, and paid-up certificate capital		450,000,000	450,000,000
Reserves		517,145,030	541,508,632
Subordinated Fund	11	1,000,000,000	1,000,000,000
TOTAL EQUITY		1,967,145,030	1,991,508,632
TOTAL LIABILITIES AND EQUITY		2,066,129,009	2,064,807,384
CONTINGENCIES AND COMMITMENTS	12	-	-

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

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

Waseem Mehdi

Chairman | Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Note	For the Quarter Ended September 30, 2025	September 30, 2024
		Un-audited	
		---------------------Rupees---------------------	
Income from:			
- Diminishing Musharaka		**65,166,273**	42,765,812
- Morabaha		**5,554,454**	-
- Bank deposits		**9,676,721**	9,058,761
- Term deposits receipts		-	46,028,689
		80,397,448	97,853,262
Administrative and operating expenses	13	**(25,581,297)**	(21,472,531)
Reversal of provision against financing		**2,624,313**	1,817,078
		(22,956,984)	(19,655,453)
		57,440,464	78,197,809
Other income		**467,387**	230,165
		57,907,851	78,427,974
Management Company's remuneration		**(5,790,785)**	(7,842,797)
Provision for services sales tax on the Management Company's remuneration		**(868,618)**	(1,176,420)
Profit for the quarter before tax and levy		**51,248,448**	69,408,757
Provision for Taxation	10	**(14,862,050)**	(20,128,540)
Profit for the quarter after tax and levy		**36,386,398**	49,280,217
Earnings per certificate - basic and diluted		**0.81**	1.10

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

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

Chairman	Chief Executive Officer	Director	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	For the Quarter Ended	
	September 30, 2025	September 30, 2024
	Un-audited	
	---------------------Rupees-----------------------	
Profit for the quarter after tax and levy	**36,386,398**	49,280,217
Other comprehensive income for the period		
- items that may be reclassified to profit and loss account	-	-
- items that will not be reclassified to profit and loss account subsequently	-	-
Total comprehensive income for the quarter	**36,386,398**	49,280,217

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

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

Waseem Memon

Chairman	Chief Executive Officer	Director	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Note	For the Quarter Ended September 30, 2025	September 30, 2024
		Un-audited	
		---Rupees---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the quarter before tax and levy		51,248,448	69,408,757
Adjustments for non - cash and other items			
Depreciation on fixed assets - owned	8.1 & 8.2	197,981	259,703
Gain on disposal of fixed assets - owned		-	(59,996)
Income on bank deposits		(9,676,721)	(9,058,761)
Income on term deposit receipts		-	(46,028,689)
Provision for provident fund (employer's contribution)		332,473	389,175
Reversal of provision in respect of financing		(2,624,313)	(1,817,078)
Provision for gratuity fund		319,821	-
		39,797,689	13,093,111
Working capital changes			
Advances, prepayments and other receivables		6,468,529	1,531,967
Diminishing Musharaka financing		(227,629,562)	(25,381,893)
Morabaha financing		127,691,668	-
Long term advances		130,593	
Long term loan		654,397	(1,254,391)
Creditors, accrued and other liabilities		(28,251,065)	(26,380,298)
		(120,935,440)	(51,484,615)
Provident fund contribution paid (employer's contribution)		(5,230,021)	(389,175)
Gratuity fund paid		(1,036,752)	-
Income tax paid	10	(16,061,279)	(15,729,714)
Income received on term deposit receipt		-	46,879,782
Income received on bank deposits		11,864,105	10,974,450
Net cash (used in)/generated from operations		(91,601,698)	3,343,839
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceed from disposal of fixed assets - owned		-	60,000
Purchase of fixed assets - owned	8.1	(392,510)	(245,100)
Net cash used in investing activities		(392,510)	(185,100)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flow from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(91,994,208)	3,158,739
Cash and cash equivalents at the beginning of the quarter		371,724,227	1,152,142,642
Cash and cash equivalents at the end of the quarter	19	279,730,019	1,155,301,381

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

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

Waseem Mehdi

Chairman | Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Issued, subscribed and paid-up certificate capital	Reserves			Subordinated Fund	Total equity
		Statutory reserve	Unappropriated profit	Total		
	(Rupees)					
	Un-audited					
Balance as at July 01, 2024	450,000,000	200,682,424	216,627,477	417,309,901	1,000,000,000	1,867,309,901
Profit for the quarter	-	-	49,280,217	49,280,217	-	49,280,217
Transaction with Certificate Holders						
						-
Profit distribution @ Rs. 1.25 (12.50%) per certificate"	-	-	(56,250,000)	(56,250,000)	-	(56,250,000)
Balance as at September 30, 2024	450,000,000	200,682,424	209,657,694	410,340,118	1,000,000,000	1,860,340,118
	Un-audited					
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						
						-
Profit distribution @ Rs. 1.35 (13.50%) per certificate"	**-**	**-**	**(60,750,000)**	**(60,750,000)**	**-**	**(60,750,000)**
Balance as at September 30, 2025	**450,000,000**	**236,705,182**	**280,439,848**	**517,145,030**	**1,000,000,000**	**1,967,145,030**

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

For Sindh Modaraba Management Limited
(Management Comapany - 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, 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 and Regulations framed thereunder and is managed by Sindh Modaraba Management Limited (the Management Company), which is a wholly owned subsidiary of Government of Sindh. The registered office of the Modaraba is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Modaraba for the quarter ended September 30, 2025 has 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, Prudential regulation for Modarabas and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case the requirements of the Ordinance and the Rules differ with the requirements of IFRS, the requirements of the Ordinance or the Rules shall prevail.

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, 2025.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Modaraba for the year ended 30 June 2025.

	Note	September 30, 2025 Un-audited	June 30, 2025 audited
		--------------------Rupees--------------------	
4 CASH AND BANK BALANCES			
Cash in hand		**50,000**	-
Stamp paper in hand		**64,900**	61,900
Balances with banks on:			
- Deposit accounts	**4.1**	**278,315,125**	369,372,170
- Current accounts	**4.2**	**1,299,994**	2,290,157
		279,730,019	371,724,227

4.1 These carry profit at the rates ranging from 2.73% to 10.25% per annum. (June 30, 2025: 4.00% to 10.50% per annum). This includes balance of Rs. 1.05 million (June 30, 2025: 1.73 million) held with Sindh Bank Limited - Islamic Banking Unit, a related party.

4.2 This includes balance of Rs. 0.128 million (June 30, 2025: Rs. 1.07 million) held with Sindh Bank Limited - Islamic Banking Unit, related party.

	Note	September 30, 2025 Un-audited	June 30, 2025 audited
		--------------------Rupees--------------------	
5 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances		**26,000**	27,800
Prepayments		**3,289,763**	3,024,693
Accrued income from bank deposits	**5.1**	**2,389,350**	4,576,734
Accrued income from Diminishing Musharaka	**5.2**	**13,642,469**	10,792,011
Profit receivable from Morabaha		**1,739,488**	8,697,432
		21,087,070	27,118,670

5.1 This includes accrued income of Rs. Nil (June 30, 2025: Rs. 11,112) in deposit account, held with Sindh Bank Limited - Islamic Banking Unit, related party.

	Note	September 30, 2025 Un-audited	June 30, 2025 audited
		--------------------Rupees--------------------	
5.2 Accrued income from Diminishing Musharaka			
Receivable		**20,818,876**	20,794,065
Less: Income suspend		**(7,176,407)**	(10,002,054)
		13,642,469	10,792,011
6 MORABAHA FINANCE			
Receivables	**6.1**	**85,555,555**	213,888,889
Less: general provision	**6.2**	**(427,778)**	(1,069,444)
		85,127,777	212,819,445

6.1 This represents the finance provided to corporate clients under morabaha finance for periods of 9 months (June 30, 2025: 9 months) which was secured against pledge and personal guarantee of a director.

6.2 This represent general provion made at the rate of 0.5% (June 30, 2025: 0.5%)

	Note	September 30, 2025 Un-audited	June 30, 2025 audited
7 DIMINISHING MUSHARAKA			
Receivables - secured	**7.1**	**1,716,289,330**	1,490,642,415
Less: current portion		**(787,922,956)**	(726,974,570)
Less: provision	**7.2**	**(44,992,825)**	(46,975,472)
Long term portion		**883,373,549**	716,692,373

7.1 This represents the finance provided to Individual and Corporate clients under Diminishing Musharaka arrangements for the periods ranging 3 to 20 years (June 30, 2025: 3 to 20 years) which is secured against mortgage of property, lien on title documents and charge on assets etc.

7.2 This includes general provision of Rs. 8.37 million (June 30, 2025: 7.14 million) made at the rate of 0.5% (June 30, 2025: 0.5%) on diminishing musharaka receivables respectively.

	Note	September 30, 2025 Un-audited	June 30, 2025 audited
		--------------------Rupees--------------------	
8 FIXED ASSETS - in own use			
Tangible assets	**8.1**	**1,821,161**	1,620,383
Intangible assets	**8.2**	**62,507**	68,756
		1,883,668	1,689,139

8.1 Tangible assets

Particulars	Cost: As at July 01, 2025	Cost: Addition/ Deletion	Cost: As at September 30, 2025	Depreciation: As at July 01, 2025	Depreciation: Charge (Adj) for the quarter	Depreciation: As at September 30, 2025	WDV as at September 30,2025	Depreciation rate
	Un-audited							
Furniture and fixtures	1,810,317		1,810,317	1,439,368	42,012	1,481,380	328,937	10%
Office equipment	3,464,258		3,464,258	2,788,239	50,889	2,839,128	625,130	20%
Vehicles	161,500		161,500	51,368	5,901	57,269	104,231	20%
Computer and accessories	3,650,586	392,510	4,043,096	3,187,303	92,930	3,280,233	762,863	33.33%
As at and for the quarter ended September 30, 2025	**9,086,661**	**392,510**	**9,479,171**	**7,466,278**	**191,732**	**7,658,010**	**1,821,161**	
As at and for the year ended June 30, 2025	10,040,455	591,649 (1,545,443)	9,086,661	8,107,675	904,042 (1,545,439)	7,466,278	1,620,383	

	Note	September 30, 2025	June 30, 2025
		Un-audited	audited
		----------Rupees----------	
8.2 Intangible assets			
Opening net book value		**68,756**	2,782
Additions during the period		**-**	75,000
Amortization for the period		**(6,249)**	(9,026)
Closing net book value		**62,507**	68,756
Cost		**2,186,982**	2,186,982
Accumulated amortization		**(2,124,475)**	(2,118,226)
Net book value		**62,507**	68,756
Annual rates of amortization		**33.33%**	33.33%

	Note	September 30, 2025 Un-audited	June 30, 2025 audited
		---Rupees---	
9 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Management remuneration payable - related party		**5,790,785**	26,709,832
Provision for sindh sales tax on management remuneration		**868,618**	4,006,475
Other liabilities		**16,305,424**	17,958,837
Accrued expenses	**9.1**	**12,112,398**	13,996,240
Deferred morabaha income		**803,823**	6,358,277
Creditors		**6,441**	6,441
		35,887,489	69,036,102

9.1 These includes Rs. 182,072 (June 30, 2025: Rs. 45,518) for branch rent payable to Sindh Bank Limited, related party.

10 PROVISION FOR TAXATION-Net of Advance Tax		
Opening balance - Provision	**2,035,782**	8,307,484
Payments / adjustments during the period	**(16,061,279)**	(62,539,923)
Provision for the period:		
- current year	**14,862,050**	72,374,934
- prior year	**-**	(16,106,713)
Total provision for the period	**14,862,050**	56,268,221
Closing balance - Provision	**836,553**	2,035,782
11 SUBORDINATED FUND - Unsecured	**1,000,000,000**	1,000,000,000

This represents riba free fund 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.

12 CONTINGENCIES AND COMMITMENTS

12.1 CONTINGENCIES

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

12.1.2 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.

	Note	**September 30, 2025**	September 30, 2024
		Un-audited	
		--------------------Rupees--------------------	
13 ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and other benefits	**13.1**	**18,090,251**	15,750,986
Legal and professional charges		**410,847**	316,562
Shariah advisor fee		**150,000**	150,000
Repairs and maintenance		**605,580**	411,678
Utility services		**527,374**	562,577
Registration and subscription fee		**411,968**	357,298
Generator sharing and fuel charges	**13.2**	**313,305**	300,592
Entertainment		**251,321**	165,998
Advertisement and publications		**75,000**	122,500
Rent, rates and taxes	**13.3**	**246,558**	212,004
Travelling and conveyance		**2,954,461**	2,096,138
Security services		**150,000**	150,000
Printing, stationery and photocopy		**157,918**	254,209
Postage, courier and telegraphs		**43,758**	43,745
Auditors' remuneration		**122,842**	75,000
Depreciation - tangible assets	**8.1**	**191,732**	258,047
Amortization - intangible assets	**8.2**	**6,249**	1,656
Takaful - owned assets		**71,994**	49,112
Takaful - financing assets		**702,072**	155,948
Miscellaneous		**98,067**	38,481
		25,581,297	21,472,531

13.1 This includes contribution of Rs. 372,473 (2024: Rs. 389,175) to provident fund and provision for gratuity of Rs. 319,821 (2024: Rs.349,029), related party.

13.2 This includes amount of Rs. 270,000 (2024: Rs. 270,000) against sharing of expenses with Sindh Insurance Limited - related party.

13.3 This includes amount of Rs. 136,554 (2024: 162,000) branch rent to Sindh Bank Limited, related party.

14 SEGMENT INFORMATION

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

15 RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	September 30, 2025	June 30, 2025
	Un-audited	audited
	----Rupees----	
Balances as at period end		
Sindh Modaraba Management Limited - Management company		
Profit distribution payable	**57,302,100**	-
Key Management Personnel		
Long term loans and advances	**3,564,514**	4,041,624

	For the quarter ended September 30, 2025	September 30, 2024
	Un-audited	
	--------------------Rupees--------------------	
Transactions for the period		
Sindh Bank Limited - associated company		
Income on bank deposits	**18,925**	13,411
Income on term deposit receipt	**-**	-
	18,925	13,411
Sindh Modaraba Management Limited - Management company		
Management Company's remuneration accrued	**5,790,785**	7,842,797
Management Company's remuneration paid	**26,709,832**	34,631,681
Profit distribution accrued	**57,302,100**	53,057,500
	32,500,617	42,474,478
Sindh Insurance Limited - associated company		
Takaful contribution paid	**1,122,632**	2,151,703
Sharing of expenses paid	**270,000**	270,000
	1,392,632	2,421,703
Key Management Personnel		
Salaries, allowances and benefits paid	**10,546,666**	8,418,258
Sindh Modaraba Employees Provident Fund - employee fund		
Contribution paid (both employer's and employee's contribution)	**5,230,021**	778,350
Sindh Modaraba Employees Gratuity Fund		
Contribution paid	**1,036,752**	-

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Repairs and maintenance

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);
- Postage, courier and telegraphs
- Amortization - intangible assets

Takaful - financing assets

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

17 SUBSEQUENT EVENT

No subsequent events have occurred till the reporting date that may require adjustment of or disclosure in the condensed interim financial information for the quarter ended September 30, 2025.

18 DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on October 27, 2025 by the Board of Directors of the Management Company.

	Note	**September 30, 2025**	September 30, 2024
		Un-audited	
19 CASH AND CASH EQUIVALENT		--------------------Rupees--------------------	
Cash and bank balances	4	279,730,019	655,301,381
Short term investments		-	500,000,000
		279,730,019	1,155,301,381

20 GENERAL

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan.

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

Chairman	Chief Executive Officer	Director	Chief Financial Officer

SINDH MODARABA

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO

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