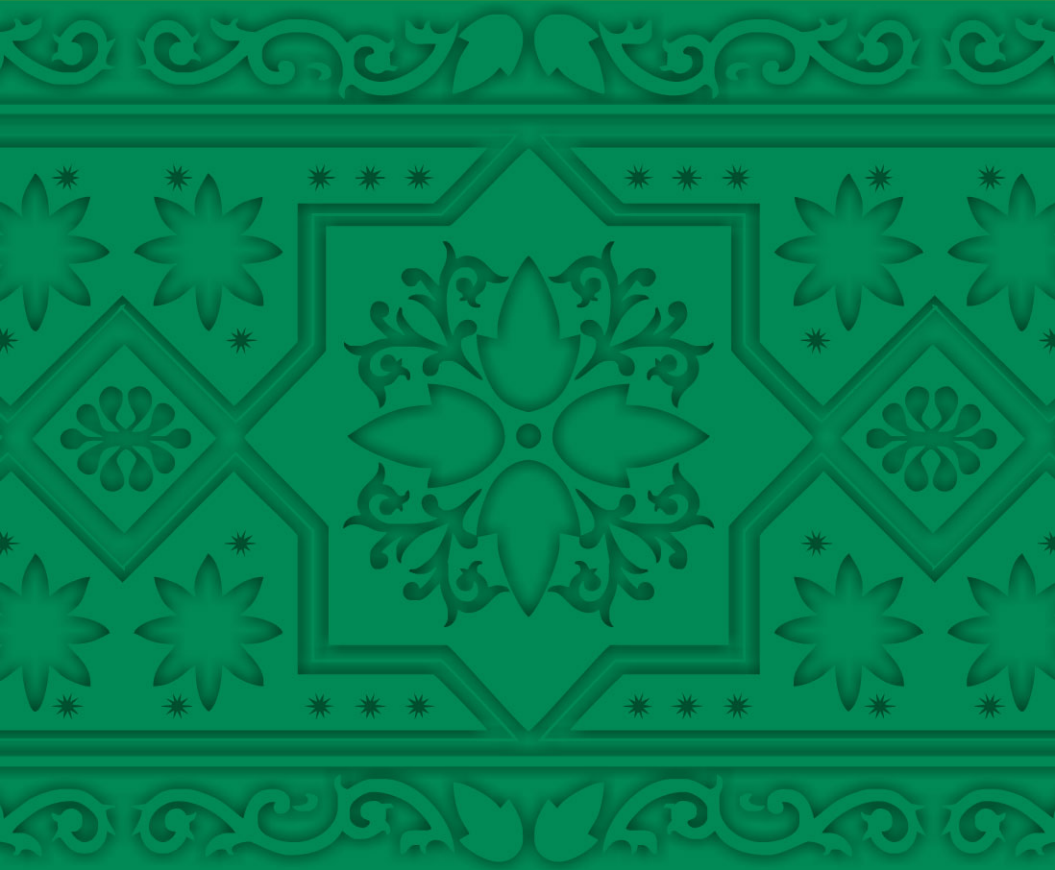


IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO

SINDH MODARABA

QUARTERLY REPORT MARCH 31, 2017



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

○ فَبِأَيِّ آلَاءِ رَبِّكُمَا تُكَذِّبَانِ

So which of the favors of your
Lord would you deny?

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Vision & Mission Statements

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

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 the line with the practices of His Prophet (P.B.U.H.) by meeting its stated objectives built on Trust, Integrity, Innovation and good governance for meeting expectation of its stakeholders.

Corporate Information

Board of Directors

Mr. Muhammad Bilal Sheikh	-Chairman	-Non-Executive Director
Syed Hasan Naqvi		-Non-Executive Director
Mr. Muhammad Shahid Murtaza		-Independent Director
Mr. Asif Haider Mirza		-Independent Director
Mr. Muhammad Naimuddin Farooqui		-Chief Executive

CFO & Company Secretary

Mr.Zulfiqar Ali

Bankers

Sindh Bank Limited-Islamic Banking (Saadat)

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Legal Advisor

Mohsin Tayebaly & Co.

Share Registrar

Technology Trade (Pvt.) Ltd
Dagia House, 241-C Block 2,
P.E.C.H.S., Shahra-e-Quaideen
Karachi.
Tel: (92-21) 34391316

Registered/Head Office

1st Floor, Imperial Court,
Dr. Ziauddin Ahmed Road
Karachi
Tel : (92-21) 35640708-9
web : www.sindhmodarabaltd.com
Email : info@sindhmodarabaltd.com

Lahore Branch

Escort House no. 28,
Davis Road,
Lahore.

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 period ended March 31, 2017.

Operating Results

During the period under review, the Modaraba earned profit of Rs. 15.44 million as compared to Rs. 10.95 million earned during the corresponding period ended Mar 31, 2016. The increase is mainly attributable to the increased income on bank deposits due to receipt of interest free loan of Rs. 500 million from the Management Company. Financing worth Rs. 176 million were disbursed during the quarter bringing the total financing portfolio to Rs. 478 million. Administrative expenses were kept under control.

Future Prospects

With additional funds available marketing efforts have been intensified across the country which is reflected in the quarter ended March 31, 2017. The Modaraba will continue its policy of gradually building a high quality and diversified financing portfolio. It is expected to enter into an arrangement with Government of Sindh for providing financing to transporters under Intra City Bus Project of GoS. The management is hopeful that this scheme will have far reaching impact on Modaraba's balance sheet and will substantially contribute to its profitability in the current and coming financial year. We are hopeful of achieving even better results in the remaining quarter of the current financial year. Non performing loans remains at zero level and the management hopes to maintain it at that level.

Acknowledgment

On behalf of the Board of Directors, I would like to thank all stake holders' i.e. Sponsors, Shareholders, Regulators and Shariah Advisors for their guidance and support, and the customers for their patronage. We assure them of continued adherence to prudent practices and providing customized products and services to the customers. A special note of thanks to the staff whose unrelenting hard work has enabled Sindh Modaraba for achieving these results.

On behalf of Board

Karachi:
April 27, 2017

M.Naim Farooqui
Chief Executive

Condensed Interim Balance Sheet

As at March 31, 2017

	Note	March 31,	June 30,
		2017	2016
		Un-audited	Audited
		-----Rupees-----	
ASSETS			
Current assets			
Cash and bank balances	4	496,561,014	40,445,905
Ijarah rental receivables	5	4,363,925	1,711,015
Advances, prepayments and other receivables	6	32,303,957	9,341,792
Current portion of Diminishing Musharaka	7	37,928,987	25,953,667
Current portion of long term loan		324,000	324,000
Total current assets		571,481,883	77,776,379
Non - current assets			
Long term Diminishing Musharaka	7	285,041,136	224,349,085
Ijarah assets	8	155,800,991	208,334,348
Long term loan		621,000	864,000
Fixed assets - in own use	9	3,771,456	4,101,086
Total non - current assets		445,234,583	437,648,519
TOTAL ASSETS		1,016,716,466	515,424,898
LIABILITIES AND EQUITY			
Current liabilities			
Creditors, accrued and other liabilities	10	10,995,196	9,598,094
Current portion of long term security deposit		3,931,600	-
Profit distribution payable		58,147	6,798
		14,984,943	9,604,892
Non - current liabilities			
Long term security deposit		28,904,095	32,685,325
TOTAL LIABILITIES		43,889,038	42,290,217
CERTIFICATE HOLDERS' EQUITY			
Certificate capital			
Authorised certificate capital		500,000,000	500,000,000
50,000,000 certificates of Rs. 10 each			
(June 30, 2016: 50,000,000 certificates of Rs. 10 each)			
Issued, subscribed, and paid - up certificate capital		450,000,000	450,000,000
Reserves		22,827,428	23,134,681
Long term loan	11	500,000,000	-
TOTAL EQUITY		972,827,428	473,134,681
TOTAL LIABILITIES AND EQUITY		1,016,716,466	515,424,898
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

For Sindh Modaraba Management Limited
(Management Company)



Chairman



Chief Executive



Director

Condensed Interim Profit And Loss Account

For the Nine Months Period Ended March 31, 2017

		For the nine months period ended March 31, 2017	For the nine months period ended March 31, 2016	For the quarter ended March 31, 2017	For the quarter ended March 31, 2016
		Un-audited			
	Note	-----Rupees-----			
Income from:					
- Diminishing Musharaka		13,915,953	9,661,327	4,888,754	3,786,211
- Ijarah		67,203,487	37,432,703	22,425,757	17,097,947
- Bank deposits		12,532,756	10,840,169	9,357,455	2,457,021
		<u>93,652,196</u>	<u>57,934,199</u>	<u>36,671,966</u>	<u>23,341,179</u>
Administrative and operating expenses	13	(17,761,819)	(12,295,250)	(6,440,284)	(4,387,734)
Depreciation - Ijarah assets	8	(58,048,057)	(32,239,857)	(19,395,150)	(14,616,993)
Provision in respect of diminishing musharaka		(365,162)	(1,021,613)	(790,759)	(355,678)
Provision on ijarah rental receivable		(13,331)	(23,069)	(4,169)	(14,848)
		<u>(76,188,369)</u>	<u>(45,579,789)</u>	<u>(26,630,362)</u>	<u>(19,375,253)</u>
		<u>17,463,827</u>	<u>12,354,410</u>	<u>10,041,604</u>	<u>3,965,926</u>
Other income		301,570	257,277	167,000	105,500
		<u>17,765,397</u>	<u>12,611,687</u>	<u>10,208,604</u>	<u>4,071,426</u>
Management Company's remuneration		(1,776,540)	(1,261,169)	(1,020,860)	(407,143)
Services sales tax on the Management Company's remuneration		(230,951)	(176,564)	(132,712)	(57,000)
Workers' welfare fund		(315,159)	(223,480)	(181,101)	(72,146)
Profit for the period before taxation		<u>15,442,747</u>	<u>10,950,474</u>	<u>8,873,931</u>	<u>3,535,137</u>
Taxation	14	-	-	-	-
Profit for the period after taxation		<u>15,442,747</u>	<u>10,950,474</u>	<u>8,873,931</u>	<u>3,535,137</u>
Earnings per certificate - basic and diluted		<u>0.34</u>	<u>0.24</u>	<u>0.20</u>	<u>0.08</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

For Sindh Modaraba Management Limited
(Management Company)



Chairman



Chief Executive



Director

Condensed Interim Statement Of Comprehensive Income

For the Nine Months Period Ended March 31, 2017

	For the nine months period ended March 31, 2017	For the nine months period ended March 31, 2016	For the quarter ended March 31, 2017	For the quarter ended March 31, 2016
	Un-audited			
	-----Rupees-----			
Profit for the period	15,442,747	10,950,474	8,873,931	3,535,137
Other comprehensive income for the period				
- items that may be reclassified to profit and loss	-	-	-	-
- items that will not be reclassified to profit and loss account subsequently	-	-	-	-
Total comprehensive income for the period	15,442,747	10,950,474	8,873,931	3,535,137

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

For Sindh Modaraba Management Limited
(Management Company)



Chairman



Chief Executive



Director

Condensed Interim Cash Flow Statement

For the Nine Months Period Ended March 31, 2017

		For the nine months period ended March 31, 2017	For the nine months period ended March 31, 2016
		Un-audited	
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation		15,442,747	10,950,474
Adjustments for non - cash and other items			
Depreciation - Ijarah assets	8	58,048,057	32,239,857
Depreciation - Fixed assets - in own use	9.1 & 9.2	933,120	495,102
Income on bank deposits		(12,532,756)	(10,840,169)
Provision in respect of diminishing musharaka		365,162	1,021,613
Provision for ijarah renatal receivable		13,331	23,069
		46,826,914	22,939,472
Working capital changes			
Increase in advances, prepayments and other receivables		(20,094,573)	(4,867,124)
Increase in Ijarah rental receivables		(2,666,241)	(3,907,950)
Increase in Diminishing Musharaka		(73,032,533)	(88,132,385)
Decrease in long term loan		243,000	243,000
Increase in creditors, accrued and other liabilities		1,397,102	4,577,650
Increase in security deposit		150,370	19,517,731
		(94,002,875)	(72,569,078)
Income received on bank deposits		9,665,164	12,231,790
Net cash used in operations		(22,068,050)	(26,447,342)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Ijarah assets	8	(5,514,700)	(209,222,027)
Purchase of fixed assets - in own use	9.1	(87,587)	(3,325,497)
Purchase of intangible	9.2	(515,903)	(525,432)
Net cash used in investing activities		(6,118,190)	(213,072,956)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from Management Company	11	500,000,000	-
Dividend paid		(15,698,651)	(7,190,988)
Net cash generated from/(used in) financing activities		484,301,349	(7,190,988)
Net increase/(decrease) in cash and cash equivalents		456,115,109	(246,711,286)
Cash and cash equivalents at the beginning of the period		40,445,905	309,603,524
Cash and cash equivalents at the end of the period	4	496,561,014	62,892,238

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

For Sindh Modaraba Management Limited
(Management Company)



Chairman



Chief Executive



Director

Condensed Interim Statement of Changes in Equity

For the Nine Months Period Ended March 31, 2017

	Issued, subscribed, and paid - up certificate capital	Reserves			Long term loan	Total equity
		Statutory reserve	Unappropriated profit	Total		
Audited						
-----Rupees-----						
Balance as at July 01, 2015	450,000,000	1,918,241	7,672,962	9,591,203	-	459,591,203
Profit for the period	-	-	10,950,474	10,950,474	-	10,950,474
Other comprehensive income for the period	-	-	-	-	-	-
Transaction with Certificate Holders						
Profit distribution @ Rs. 0.16 (1.6%) per certificate	-	-	(7,200,000)	(7,200,000)	-	(7,200,000)
Balance as at March 31, 2016	450,000,000	1,918,241	11,423,436	13,341,677	-	463,341,677
Un-audited						
Balance as at July 01, 2016	450,000,000	6,066,937	17,067,744	23,134,681	-	473,134,681
Profit for the period	-	-	15,442,747	15,442,747	-	15,442,747
Other comprehensive income for the period	-	-	-	-	-	-
Loan from Management Company	-	-	-	-	500,000,000	500,000,000
Transaction with Certificate Holders						
Profit distribution @ Rs. 0.35 (3.5%) per certificate	-	-	(15,750,000)	(15,750,000)	-	(15,750,000)
Balance as at March 31, 2017	450,000,000	6,066,937	16,760,491	22,827,428	500,000,000	972,827,428

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

For Sindh Modaraba Management Limited
(Management Company)



Chairman



Chief Executive



Director

Notes to the Condensed Interim Financial Information

For the Nine Months Period Ended March 31, 2017

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 (formerly Karachi Stock Exchange Limited).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Modaraba for the nine months period ended March 31, 2017 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 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, 2016.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Modaraba operates. The condensed interim financial statements are 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 statements in conformity with the approved accounting standards requires the management to make estimates, judgments

Notes to the Condensed Interim Financial Information

For the Nine Months Period Ended March 31, 2017

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 2016. However, following new accounting policy for transactions, other events or conditions that did not occur previously is adopted during the period.

Any loan or other amount received by the Modaraba from the Management Company which is agreed to be paid at the discretion of the Modaraba does not pass the test of liability and is to be recorded as equity at face value. This is not subsequently re-measured. The decision by the Modaraba at any time in future to deliver cash or any other financial asset to settle the loan or other amount received would be a direct debit to equity.

		March 31, 2017	June 30, 2016
		Un-audited	Audited
Note		-----Rupees-----	
4 CASH AND BANK BALANCES			
Cash in hand		20,000	-
Stamp paper in hand		43,700	47,200
Balances with banks			
-on deposit accounts	4.1	496,405,456	40,379,487
-on current accounts		91,858	19,218
		496,561,014	40,445,905

4.1 These represent balances held with Sindh Bank Limited - Islamic Banking Unit, related party. These carry profit at the rates of 6.10% per annum (June 30, 2016: 6.10% per annum).

		March 31, 2017	June 30, 2016
		Un-audited	Audited
Note		-----Rupees-----	
5 IJARAH RENTAL RECEIVABLES			
Ijarah rental receivables		4,385,854	1,719,613
Less: provision for ijarah renatal receivable	5.1	(21,929)	(8,598)
		4,363,925	1,711,015

5.1 This represents general provision made at the rate of 0.5% on ijarah rental receivables.

Notes to the Condensed Interim Financial Information

For the Nine Months Period Ended March 31, 2017

	Note	March 31,	June 30,
		2017	2016
		Un-audited	Audited
		-----Rupees-----	
6			
ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances	6.1	25,429,526	6,143,847
Prepayments		981,308	515,251
Accrued income from bank deposits		3,039,772	172,180
Accrued income from Diminishing Musharaka		2,825,831	2,477,394
Other receivables		27,520	33,120
		<u>32,303,957</u>	<u>9,341,792</u>

- 6.1 This includes advance to vendors in respect of acquisition of assets under Diminishing Musharaka arrangement and acquisition of Ijarah assets for onward delivery to lessee (Mustajir) amounting to Rs. 23,835,540 (June 30, 2016: Rs. Nil) and Rs. Nil (June 30, 2016: Rs. 4,862,700), respectively.

	Note	March 31,	June 30,
		2017	2016
		Un-audited	Audited
		-----Rupees-----	
7			
DIMINISHING MUSHARAKA			
Receivables - secured	7.1	324,593,088	251,560,555
Less: current portion of diminishing musharaka		(37,928,987)	(25,953,667)
Less: provision in respect of diminishing musharaka	7.2	(1,622,965)	(1,257,803)
Long term portion of diminishing musharaka		<u>285,041,136</u>	<u>224,349,085</u>

- 7.1 This represents the finance provided under Diminishing Musharaka arrangements for a period upto five years except house financing arrangement which is upto twenty years.
- 7.2 This represents general provision made at the rate of 0.5% on diminishing musharaka receivables.

Notes to the Condensed Interim Financial Information

For the Nine Months Period Ended March 31, 2017

8 IJARAH ASSETS

Particulars	Amount in Rupees							Depreciation rate
	Cost			Depreciation			WDV as at March 31, 2017	
	As at July 01, 2016	Addition/ (Disposal)	As at March 31, 2017	As at July 01, 2016	Charge for the period/ (Adjustment)	As at March 31, 2017		
Un-audited								
Plant and machinery	194,470,625	-	194,470,625	33,919,180	41,675,374	75,594,554	118,876,071	33.33%
Vehicles	63,248,000	5,514,700	68,762,700	15,465,097	16,372,683	31,837,780	36,924,920	20-50%
As at and for the period ended March 31, 2017	257,718,625	5,514,700	263,233,325	49,384,277	58,048,057	107,432,334	155,800,991	
As at and for the year ended June 30, 2016	46,634,838	224,987,527 (13,903,740)	257,718,625	621,798	50,859,629 (2,097,150)	49,384,277	208,334,348	

9 FIXED ASSETS - in own use

	Note	March 31, 2017	June 30, 2016
		Un-audited	Audited
-----Rupees-----			
Property and Equipment	9.1	3,035,275	3,677,812
Intangible assets	9.2	736,181	423,274
		3,771,456	4,101,086

9.1 Property and Equipment

Particulars	Amount in Rupees							Depreciation rate
	Cost			Depreciation			WDV as at March 31, 2017	
	As at July 01, 2016	Additions	As at March 31, 2017	As at July 01, 2016	Charge for the period	As at March 31, 2017		
Un-audited								
Furniture and fixtures	1,312,935	14,000	1,326,935	100,006	98,585	198,591	1,128,344	10%
Vehicles	43,500	-	43,500	12,325	6,525	18,850	24,650	20%
Office equipment	1,324,474	35,100	1,359,574	214,897	199,261	414,158	945,416	20%
Computer and accessories	1,677,504	38,487	1,715,991	353,373	425,753	779,126	936,865	33.33%
As at and for the period ended March 31, 2017	4,358,413	87,587	4,446,000	680,601	730,124	1,410,725	3,035,275	
As at and for the year ended June 30, 2016	294,601	4,063,812	4,358,413	19,946	660,655	680,601	3,677,812	

Notes to the Condensed Interim Financial Information

For the Nine Months Period Ended March 31, 2017

		March 31, 2017	June 30, 2016
		Un-audited	Audited
	Note	-----Rupees-----	
9.2 Intangible assets			
Opening net book value		423,274	-
Additions during the period		515,903	525,432
Amortization for the period		(202,996)	(102,158)
Closing net book value		<u>736,181</u>	<u>423,274</u>
As at date			
Cost		1,041,335	525,432
Accumulated amortization		(305,154)	(102,158)
Net book value		<u>736,181</u>	<u>423,274</u>
Annual rates of amortization		33.33%	33.33%
10 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Management company remuneration payable		1,776,540	3,496,150
Provision for services sales tax on the Management Company's remuneration		742,554	511,603
Creditors	10.1	226,397	2,249,264
Other liabilities		5,050,977	1,547,760
Accrued expenses		3,198,728	1,793,317
		<u>10,995,196</u>	<u>9,598,094</u>

- 10.1** This includes amount of Rs. Nil (June 30, 2016: Rs. 2,116,225) payable to Sindh Modaraba Management Limited.

		March 31, 2017	June 30, 2016
		Un-audited	Audited
		-----Rupees-----	
11 LONG TERM LOAN		<u>500,000,000</u>	<u>-</u>

This represents interest free loan provided by the Management Company to the Modaraba on 30th day of December 2016. The loan is repayable at the discretion of Modaraba.

The loan may be ranked sub-ordinated to senior debts in future. The Modaraba has the option to issue equity certificates in future against this loan, subject to necessary regulatory approvals.

Notes to the Condensed Interim Financial Information

For the Nine Months Period Ended March 31, 2017

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at the balance sheet date (June 30, 2016: Nil)

		For the nine months period ended March 31, 2017	For the nine months period ended March 31, 2016
		<u>Un-audited</u>	
	Note	-----Rupees-----	
13 ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and other benefits		11,074,291	7,684,806
Legal and professional charges		1,164,930	973,095
Repair and maintenance		678,413	371,074
Utility services		661,259	483,138
Registration and subscription fee		529,342	379,338
Generator Sharing and fuel charges		381,755	376,390
Entertainment		121,382	83,674
Advertisement and Publications		23,900	69,076
Staff Orientation and Training		40,000	10,000
Rent, Rates and Taxes		149,996	74,997
Travelling and conveyance		498,541	254,660
Security services		256,491	256,491
Printing, stationery and photocopy		406,163	316,024
Postage, Courier and Telegraphs		59,620	67,966
Auditors' remuneration		149,899	122,550
Depreciation expense - fixed assets	9.1 & 9.2	933,120	495,102
Insurance - owned assets		93,077	43,841
Insurance - Ijarah and Diminishing Musharaka		383,953	115,344
Miscellaneous		155,687	117,684
		<u>17,761,819</u>	<u>12,295,250</u>

14 TAXATION

As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes at least 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. The Modaraba intends to continue to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation to statutory reserves for the year ending June 30, 2017. Accordingly, no provision in respect of current and deferred taxation has been made in these condensed interim financial statements.

Notes to the Condensed Interim Financial Information

For the Nine Months Period Ended March 31, 2017

15 RELATED PARTY BALANCES AND TRANSACTIONS

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

The details of related party transactions and balances as at March 31, 2017 are as follows:

	Note	March 31, 2017	June 30, 2016
		Un-audited	Audited
		-----Rupees-----	
Balances as at period end			
Sindh Bank Limited			
Bank deposits	4	<u>496,405,456</u>	<u>40,379,487</u>
Accrued income from bank deposits	6	<u>3,039,772</u>	<u>172,180</u>
Sindh Modaraba Management Limited			
Loan from Management Company	11	<u>500,000,000</u>	<u>-</u>
Management Company remuneration payable	10	<u>1,776,540</u>	<u>3,496,150</u>
Other Payable	10.1	<u>-</u>	<u>2,116,225</u>
Key Management Personnel			
Long term loan		<u>945,000</u>	<u>1,188,000</u>
Sindh Insurance Limited			
Sharing of expenses payable		<u>109,215</u>	<u>218,430</u>
		For the nine months period ended March 31, 2017	For the nine months period ended March 31, 2016
		Un-audited	
		-----Rupees-----	
Transactions for the period			
Sindh Bank Limited			
Income from deposits		<u>12,532,756</u>	<u>9,559,445</u>
Sindh Modaraba Management Limited			
Loan received from Management Company		<u>500,000,000</u>	<u>-</u>
Dividend Paid		<u>14,996,625</u>	<u>6,855,600</u>
Purchase of fixed assets		<u>-</u>	<u>2,116,225</u>
Payment against purchase of fixed assets		<u>2,116,225</u>	<u>-</u>
Accrual of Management Company remuneration		<u>1,776,540</u>	<u>1,261,169</u>
Management Company remuneration paid		<u>3,496,150</u>	<u>-</u>
Sindh Insurance Limited			
Insurance premium paid		<u>729,652</u>	<u>295,355</u>
Sharing of expenses paid		<u>436,860</u>	<u>327,645</u>
Key Management Personnel			
Salaries, allowances and benefits paid		<u>3,310,053</u>	<u>2,936,753</u>
Staff Provident Fund			
Contribution paid		<u>632,022</u>	<u>618,494</u>

Notes to the Condensed Interim Financial Information

For the Nine Months Period Ended March 31, 2017

16 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.

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 nine months period ended March 31, 2017.

18 DATE OF AUTHORISATION

These financial statements were authorised for issue on April 27, 2017 by the Board of Directors of the Management Company.

For Sindh Modaraba Management Limited
(Management Company)



Chairman



Chief Executive



Director

**Islamic Financing
Products Offered by
Sindh Modaraba**

- Ijarah
- Diminishing Musharaka
- Morabaha
- Musharaka
- Salam
- Istisna

SINDH MODARABA

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