

QUARTERLY | SEPTEMBER REPORT | 2017



IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO

A logo featuring a green crescent moon and a five-pointed star.
SINDH MODARABA



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

إِنَّمَا الْمُؤْمِنُونَ إِخْوَةٌ

*The Muslims Are Brothers
To Each Other*

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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. Kamal Ahmed		-Independent Director
Ms. Yasmin Zafar		-Independent Director
Mr. Muhammad Naimuddin Farooqui		-Chief Executive

CFO & Company Secretary

Zulfiqar Ali

Bankers

Sindh Bank Limited-Islamic Banking (Saadat)
NRSP Microfinance Bank Limited

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.sindhmodarabalttd.com
Email: info@sindhmodarabalttd.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 first quarter of FY-2018 ended September 30, 2017.

Operating Results

During the quarter under review, the Modaraba earned profit of Rs. 12.525 million as compared to Rs. 3.466 million earned during the corresponding quarter ended September 30, 2016. The increase is mainly attributable to the increased executions during the period from diminishing musharaka and income from bank deposits from interest free loan of Rs. 500 million from the Management Company. Administrative expenses were kept under control and non-performing loans continue to be at zero level.

Future Prospects

After successfully building the initial financing portfolio, the management now intends to add new products to diversify its portfolio. The Modaraba has entered into arrangements with Government of Sindh for providing financing to transporters under Intra City Bus Project of GoS. The management is hopeful that this scheme will not only enhance the profitability of the Modaraba in current year but will also open the doors for participation in future Government schemes. As the economic indicators show improving trend, prospects of borrowing by the private sector looks bright if not hindered by the prevailing political environment in the country. We are cautiously optimistic of achieving even better results in the remaining part of the current financial year.

Acknowledgment

On behalf of the Board of Directors, I would like to thank the Sponsors and the Regulators 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.

On behalf of Board

Karachi:
October 24, 2017

M.Naim Farooqui
Chief Executive

Condensed Interim Balance Sheet

As at September 30, 2017

		September 30, 2017	June 30, 2017
		<u>Un-audited</u>	<u>Audited</u>
	Note	-----Rupees-----	
ASSETS			
Current assets			
Cash and bank balances	4	286,656,510	370,776,004
Short term investment	5	80,000,000	-
Ijarah rental receivables	6	2,936,176	3,546,890
Advances, prepayments and other receivables	7	18,089,996	17,721,303
Current portion of Diminishing Musharaka	8	114,274,903	76,122,720
Current portion of long term loan		324,000	324,000
Total current assets		502,281,585	468,490,917
Non - current assets			
Long term Diminishing Musharaka	8	419,306,646	419,108,369
Ijarah assets	9	117,542,777	136,380,508
Long term loan		459,000	540,000
Fixed assets - in own use	10	3,761,003	4,073,912
Total non - current assets		541,069,426	560,102,789
TOTAL ASSETS		1,043,351,011	1,028,593,706
LIABILITIES AND EQUITY			
Current liabilities			
Creditors, accrued and other liabilities	11	14,261,126	12,029,419
Current portion of customers' security deposit		13,258,571	13,258,571
Profit distribution payable		20,306,951	56,951
		47,826,648	25,344,941
Non - current liabilities			
Customers' security deposit		19,577,124	19,577,124
TOTAL LIABILITIES		67,403,772	44,922,065
CERTIFICATE HOLDERS' EQUITY			
Certificate capital			
Authorised certificate capital			
50,000,000 certificates of Rs. 10 each		500,000,000	500,000,000
(June 30, 2017: 50,000,000 certificates of Rs. 10 each)			
Issued, subscribed, and paid - up certificate capital		450,000,000	450,000,000
Reserves		25,947,239	33,671,641
Long term loan	12	500,000,000	500,000,000
TOTAL EQUITY		975,947,239	983,671,641
TOTAL LIABILITIES AND EQUITY		1,043,351,011	1,028,593,706
CONTINGENCIES AND COMMITMENTS			
	13		

The annexed notes from 1 to 20 form an integral part of these financial statements.

For Sindh Modaraba Management Limited
(Management Company)



Chairman



Chief Executive



Director

Condensed Interim Profit And Loss Account

For the Quarter Ended September 30, 2017

	For the quarter ended September 30, 2017	For the quarter ended September 30, 2016
	<u>Un-audited</u>	
Note	-----Rupees-----	
Income from:		
- Diminishing Musharaka	12,584,603	5,384,845
- Ijarah	21,828,024	22,372,497
- Bank deposits and TDRs	5,955,245	795,696
	<u>40,367,872</u>	<u>28,553,038</u>
Administrative and operating expenses	14 (7,085,998)	(5,415,249)
Depreciation - Ijarah assets	9 (18,837,731)	(19,283,090)
(Provision)/reversal in respect of diminishing musharaka	(192,716)	53,423
Reversal/(provision) on ijarah rental receivable	3,069	(3,073)
	<u>(26,113,376)</u>	<u>(24,647,989)</u>
	14,254,496	3,905,049
Other income	155,000	86,424
	<u>14,409,496</u>	<u>3,991,473</u>
Management Company's remuneration	(1,440,950)	(399,147)
Provision for services sales tax on the Management Company's remuneration	(187,324)	(55,881)
Workers' welfare fund	(255,624)	(70,729)
Profit for the quarter before taxation	<u>12,525,598</u>	<u>3,465,716</u>
Taxation	15 -	-
Profit for the quarter after taxation	<u>12,525,598</u>	<u>3,465,716</u>
Earnings per certificate - basic and diluted	<u>0.28</u>	<u>0.08</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chairman

For Sindh Modaraba Management Limited
(Management Company)



Chief Executive



Director

Condensed Interim Statement Of Comprehensive Income

For the Quarter Ended September 30, 2017

	For the quarter ended September 30, 2017	For the quarter ended September 30, 2016
	<u>Un-audited</u>	
	-----Rupees-----	
Profit for the quarter after taxation	12,525,598	3,465,716
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	<u>12,525,598</u>	<u>3,465,716</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

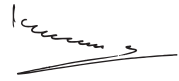
For Sindh Modaraba Management Limited
(Management Company)



Chairman



Chief Executive



Director

Condensed Interim Cash Flow Statement

For the Quarter Ended September 30, 2017

		For the quarter ended September 30, 2017	For the quarter ended September 30, 2016
		Un-audited	
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the quarter before taxation		12,525,598	3,465,716
Adjustments for non - cash and other items			
Depreciation - Ijarah assets	9	18,837,731	19,283,090
Depreciation - Fixed assets - in own use	10.1 & 10.2	337,609	286,056
Income on bank deposits		(5,955,245)	(795,696)
Provision for provident fund (employer's contribution)		125,913	105,835
Provision/(reversal) in respect of diminishing musharaka		192,716	(53,423)
(Reversal)/provision for Ijarah renatal receivable		(3,069)	3,073
		13,535,655	18,828,935
Working capital changes			
(Increase)/decrease in advances, prepayments and other receivables		(386,396)	4,334,646
Decrease/(increase) in Ijarah rental receivables		613,783	(3,401,488)
(Increase)/decrease in Diminishing Musharaka		(38,543,176)	10,684,667
Decrease in long term loan		81,000	81,000
Increase/(decrease) in creditors, accrued and other liabilities		2,231,707	(777,238)
Increase in long term security deposit		-	150,370
		(36,003,082)	11,071,957
Provident fund contribution paid (employer's contribution)		(125,913)	(105,835)
Income received on bank deposits		5,972,948	653,156
Net cash (used in)/generated from operations		(4,094,794)	33,913,929
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Ijarah assets	9	-	(5,514,700)
Purchase of fixed assets - in own use	10.1	(24,700)	(15,204)
Net cash used in investing activities		(24,700)	(5,529,904)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash (used in)/generated from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(4,119,494)	28,384,025
Cash and cash equivalents at the beginning of the quarter		370,776,004	40,445,905
Cash and cash equivalents at the end of the quarter	17	366,656,510	68,829,930

The annexed notes from 1 to 20 form an integral part of these financial statements.

For Sindh Modaraba Management Limited
(Management Company)



Chairman



Chief Executive



Director

Condensed Interim Statement of Changes in Equity

For the Quarter Ended September 30, 2017

	Issued, subscribed, and paid - up certificate capital	Reserve			Long term loan	Total
		Statutory reserve	Unappropriated profit	Total		
Un-audited						
Rupees						
Balance as at June 30, 2016	450,000,000	6,066,937	17,067,744	23,134,681	-	473,134,681
Total comprehensive income for the period	-	-	3,465,716	3,465,716	-	3,465,716
Transaction with Owner						
Profit distribution for the period ended June 30, 2016 at Re. 0.35 per certificate	-	-	(15,750,000)	(15,750,000)	-	(15,750,000)
Balance as at September 30, 2016	<u>450,000,000</u>	<u>6,066,937</u>	<u>4,783,460</u>	<u>10,850,397</u>	<u>-</u>	<u>460,850,397</u>
Un-audited						
Balance as at June 30, 2017	450,000,000	11,324,329	22,347,312	33,671,641	500,000,000	983,671,641
Total comprehensive income for the period	-	-	12,525,598	12,525,598	-	12,525,598
Transaction with Owner						
Profit distribution for the period ended June 30, 2017 at Re. 0.45 per certificate	-	-	(20,250,000)	(20,250,000)	-	(20,250,000)
Balance as at September 30, 2017	<u>450,000,000</u>	<u>11,324,329</u>	<u>14,622,910</u>	<u>25,947,239</u>	<u>500,000,000</u>	<u>975,947,239</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

For Sindh Modaraba Management Limited
(Management Company)



Chairman



Chief Executive



Director

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 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.

The JCRVIS Credit Rating Company Limited has assigned 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

These condensed interim financial statements of the Modaraba for the quarter ended September 30, 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 these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34; 'Interim Financial Reporting'. These condensed interim financial statements do 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, 2017.

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.

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2017

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 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 these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Modaraba for the year ended 30 June 2017.

	September 30, 2017	June 30, 2017
	Un-audited	Audited
Note -----	Rupees -----	
4 CASH AND BANK BALANCES		
Cash in hand	20,000	-
Stamp paper in hand	55,650	58,250
Balances with banks		
-on deposit accounts	4.1 286,498,154	370,627,330
-on current accounts	4.1 82,706	90,424
	<u>286,656,510</u>	<u>370,776,004</u>
4.1 These includes balances of Rs. 266,434,479/- held with Sindh Bank Limited - Islamic Banking Unit, related party. These carry profit at the rates of 5.14% to 5.8% per annum (June 30, 2017: 6.1% per annum).		
5 SHORT TERM INVESTMENT		
Term deposit receipts	5.1 80,000,000	-
5.1 This represents investment made in Term Deposit Receipt of a Microfinance Bank for the period of six months. This investment carries markup at the rate of 9.95% per annum (June 2017: Nil)		
6 IJARAH RENTAL RECEIVABLES		
Ijarah rental receivables	2,950,931	3,564,714
Less: provision for ijarah renatal receivable	6.1 (14,755)	(17,824)
	<u>2,936,176</u>	<u>3,546,890</u>
6.1 This represents general provision made at the rate of 0.5% (June 30, 2017: 0.5%) on ijarah rental receivables.		

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2017

7	ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES	Note	September	June
			30, 2017	30, 2017
			Un-audited	Audited
			Rupees	
	Advances	7.1	11,929,649	11,632,885
	Prepayments		1,429,716	1,284,028
	Accrued income from bank deposits/TDRs		2,324,255	2,341,958
	Accrued income from Diminishing Musharaka		2,374,306	2,434,912
	Other receivables		32,070	27,520
			<u>18,089,996</u>	<u>17,721,303</u>

7.1 This includes advance to vendors in respect of acquisition of assets under Diminishing Musharaka arrangement for onward delivery to Modaraba's customers amounting to Rs. 10,700,500 (June 30, 2017: Rs. 10,962,000).

8 DIMINISHING MUSHARAKA

Receivables - secured	7.1	536,262,863	497,719,687
Less: current portion of diminishing musharaka		(114,274,903)	(76,122,720)
Less: provision in respect of diminishing musharaka	7.2	(2,681,314)	(2,488,598)
Long term portion of diminishing musharaka		<u>419,306,646</u>	<u>419,108,369</u>

8.1 This represents the finance provided to Individual and Corporate clients under Diminishing Musharaka arrangements for periods ranging 3 to 20 years (June 30, 2017: 3 to 20 years) which is secured against mortgage of property, lien on title documents and charge on assets.

8.2 This represents general provision made at the rate of 0.5% (June 30, 2017: 0.5%) on diminishing musharaka receivables.

9 IJARAH ASSETS

Particulars	Amount in Rupees							Depreciation rate
	Cost			Depreciation			WDV as at September 30, 2017	
	As at July 01, 2017	Additions	As at September 30, 2017	As at July 01, 2017	Charge for the period	As at September 30, 2017		
	Un-audited							
Plant and machinery	194,470,625	-	194,470,625	89,486,344	13,891,792	103,378,136	91,092,489	33.33%
Vehicles	68,762,700	-	68,762,700	37,366,473	4,945,939	42,312,412	26,450,288	20-50%
	<u>263,233,325</u>	-	<u>263,233,325</u>	<u>126,852,817</u>	<u>18,837,731</u>	<u>145,690,548</u>	<u>117,542,777</u>	
June 30, 2017	257,718,625	5,514,700	263,233,325	49,384,277	77,468,540	126,852,817	136,380,508	

9.1 The Modaraba has entered into Ijarah arrangements for periods ranging 2 to 5 years (June 30, 2017: 2 to 5 years) against which security deposits were obtained at the time of disbursements.

10	FIXED ASSETS - in own use	Note	September	June
			30, 2017	30, 2017
			Un-audited	Audited
			Rupees	
	Property and Equipment	10.1	2,565,949	2,788,948
	Intangible assets	10.2	595,054	684,964
	Capital work in progress	10.3	600,000	600,000
			<u>3,761,003</u>	<u>4,073,912</u>

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2017

10.1

Property and Equipment

Particulars	Cost			Depreciation			WDV as at September 30, 2017	Depreciation rate
	As at July 01, 2017	Additions	As at September 30, 2017	As at July 01, 2017	Charge for the period	As at September 30, 2017		
	Un-audited							
Furniture and fixtures	1,326,935	-	1,326,935	231,762	33,171	264,933	1,062,002	10%
Office equipment	1,359,574	-	1,359,574	482,141	67,983	550,124	809,450	20%
Vehicles	43,500	-	43,500	21,025	2,175	23,200	20,300	20%
Computer and accessories	1,715,991	24,700	1,740,691	922,124	144,370	1,066,494	674,197	33.33%
Total	4,446,000	24,700	4,470,700	1,657,052	247,699	1,904,751	2,565,949	
June 30, 2017	4,358,413	87,587	4,446,000	680,601	976,451	1,657,052	2,788,948	

September 30, 2017 **June 30, 2017**

Un-audited **Audited**

Note -----Rupees-----

10.2 Intangible assets

Opening net book value	684,964	525,432
Additions during the year	-	553,550
Amortization for the period	(89,910)	(394,018)
Closing net book value	595,054	684,964

As at date

Cost	1,078,982	1,078,982
Accumulated amortization	(483,928)	(394,018)
Net book value	595,054	684,964
Annual rates of amortization	33.33%	33.33%

10.3 Capital work in progress

Opening	600,000	-
Addition	10.3.1 -	600,000
Closing	600,000	600,000

10.3.1 This represents fee paid for development of modules of the software of the Modaraba namely "Almanac". Total cost amounts to Rs.800,000 out of which 75% has been paid to the vendor.

11 CREDITORS, ACCRUED AND OTHER LIABILITIES

Management company remuneration	1,440,950	3,024,062
Provision for services sales tax payable on company's management remuneration	1,092,056	904,732
Creditors	138,747	138,747
Other liabilities	7,265,251	4,345,425
Accrued expenses	4,324,122	3,616,453
	14,261,126	12,029,419

12 LONG TERM LOAN

500,000,000 -

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.

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2017

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.

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at the balance sheet date (June 30, 2017: Nil).

	For the quarter ended September 30, 2017	For the quarter ended September 30, 2016
	Un-audited	
Note	-----Rupees-----	
14 ADMINISTRATIVE AND OPERATING EXPENSES		
Salaries, allowances and other benefits	4,354,014	3,510,640
Legal and professional charges	614,250	261,786
Repair and maintenance	159,618	213,330
Utility services	274,775	221,484
Insurance	328,850	168,559
Postage, Courier and Telegraphs	17,931	8,608
Generator Sharing and fuel charges	119,240	128,639
Entertainment	53,000	38,316
Staff Orientation and Training	18,000	5,000
Rent, Rates and Taxes	49,998	24,999
Registration and subscription fee	216,177	193,365
Travelling and conveyance	173,163	135,633
Security services	136,497	85,497
Printing, stationery and photocopy	108,927	52,323
Auditors' remuneration	93,110	66,855
Depreciation expense - tangible assets	10.1 247,699	242,274
Amortisation expense - intangible assets	10.2 89,910	43,782
Miscellaneous	30,839	14,159
	7,085,998	5,415,249

15 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, 2018. Accordingly, no provision in respect of current and deferred taxation has been made in these condensed interim financial statements.

16 RELATED PARTY BALANCES AND TRANSACTIONS

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

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2017

The details of related party transactions and balances as at September 30, 2017 are as follows:

	September 30, 2017	June 30, 2017
	Un-audited	Audited
Note	-----Rupees-----	
Balances as at period end		
Sindh Bank Limited		
Bank deposits	266,434,479	370,627,330
Accrued income from bank deposits	1,230,526	2,341,958
	267,665,005	372,969,288
Sindh Modaraba Management Limited		
Management Company's remuneration payable 11	1,440,950	3,024,062
Long term loan	500,000,000	500,000,000
Others	-	24,000
	501,440,950	503,048,062
Key Management Personnel		
Long term loan	783,000	864,000
Sindh Insurance Limited		
Sharing of expenses payable	109,215	218,430
	For the quarter ended September 30, 2017	For the quarter ended September 30, 2016
	Un-audited	
	-----Rupees-----	
Transactions for the period		
Sindh Bank Limited		
Income from deposits	4,797,746	795,696
Sindh Modaraba Management Limited		
Management Company remuneration paid	3,024,062	-
Management Company remuneration incurred	1,440,950	399,147
	4,465,012	399,147
Sindh Insurance Limited		
Insurance premium paid	318,674	294,081
Sharing of expenses paid	218,430	109,215
	537,104	403,296

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2017

		For the quarter ended September 30, 2017	For the quarter ended September 30, 2016
		<u>Un-audited</u>	
Note		-----Rupees-----	
Key Management Personnel			
	Salaries, allowances and benefits paid	<u>1,768,215</u>	<u>1,450,641</u>
Staff Provident Fund			
	Contribution paid (both employer's & employee's contribution)	<u>251,826</u>	<u>129,456</u>
17	CASH AND CASH EQUIVALENTS		
	Cash and bank balance	4 <u>286,656,510</u>	370,776,004
	Term deposit receipt	5 <u>80,000,000</u>	-
		<u>366,656,510</u>	<u>370,776,004</u>
18	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.

19 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, 2017.

20 DATE OF AUTHORISATION

These financial statements were authorised for issue on October 24, 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

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