

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



SINDH MODARABA
ISLAMIC FINANCIAL INSTITUTION

ANNUAL | **2024**
REPORT

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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 Statement

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. 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

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Human Resource Committee

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

Legal Advisor

Mohsin Tayebaly & Co.

Nomination Committee

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

Share Registrar

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

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

Registered/Head Office

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

Bankers

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

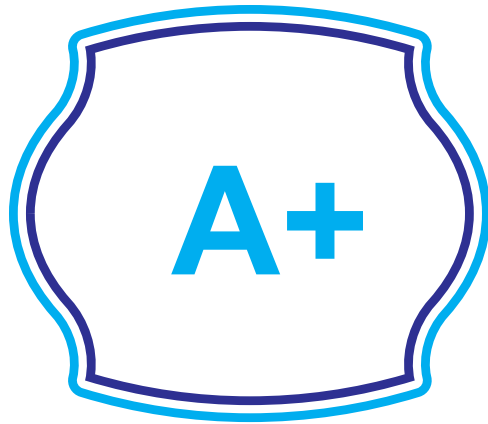
Lahore Branch

30-30A, Commercial Building
The Mall
Lahore

Auditors

Baker Tilly Mehmood Idrees Qamar,
Chartered Accountants

Credit Rating



" Long Term "



" Short Term "

**Sindh Modaraba has been maintaining
" Long Term A+ & Short Term A-1"
Credit Rating since 2015**

Sindh Modaraba Products

DIMINISHING MUSHARIKA

DM arrangements allow equity participation and sharing of profits on a pro-rata basis. Under this product, possession of the asset is with the client. The financing is made by SM and the client jointly in accordance with an agreed share. The share of the Modaraba in an asset reduces with every periodical payment, ultimately transferring ownership of the asset to the client.

The client also pays rent for the use of Modaraba's share in the asset. The clients may approach SM for the acquisition of plant & machinery, commercial & saloon Vehicles, computer Equipment and medical equipment using DM financing. The asset remains under the charge of SM until settlement



MURABAHA FINANCE

Murabaha is selling a commodity as per the purchasing price with an agreed profit to the customers. Murabaha refers to the state of commodity on predefined price and profit. Murabaha is completed in two stages. In the first stage the SM purchases a commodity that the client is desirous of acquiring. In the second stage the client agrees to a payment schedule for re-purchasing the goods.



HOUSE MORTGAGE DIMINISHING MUSHARAKAH

HMDM is based on the concept of mortgage. The clients can avail HMDM facility for the acquisition, construction and renovation of property of their choice. Under this product, ownership and possession of the property is with the client.

The financing is done by SM and the client jointly in accordance with an agreed percentage. The property remains mortgaged in favor of SM and original property documents is held by us till the contract is matured or terminated and settled currently.



Sindh Modaraba Products

SALAM

Salam or Bai-Al Salam, is a contract of sale where the Seller undertakes to supply some specific commodity to the Buyer at a future date in exchange for a price fully paid in advance. Hence, the price is paid in cash whereas delivery of the purchased Goods is deferred.

Clients may approach SM for this product to manage its working capital requirements. This may include both core expenses pertaining to business operations of our esteemed clients



ISTISNA

The word Istisna is a derivative from the root word 'Sa na'a, which means to manufacture or to construct something. Istisna is a contract of sale of specified items to be manufactured or constructed with an obligation on the part of the seller to deliver them to the purchaser upon completion.

A client who intends to purchase certain assets to be manufactured or constructed may approach the Modaraba. At this point Modaraba acting as a seller and the client as purchaser would execute an Istisna contract. Once the asset is complete and in useable condition, the Modaraba would deliver the as-

sets to the client on agreed delivery schedule. The Client would make the payment to the Modaraba pursuant to the terms agreed upon in the Istisna contract or as the case may be the delivery of the asset.



BOARD OF DIRECTORS



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. Kamal Ahmed
Non-Executive Director



Mr. Ejaz Akhtar Ansari
Independent Director



Naila Asad Shaikh
Non-Executive Director



Mr. Abdul Rauf Chandio
Executive Director & CEO

MANAGEMENT TEAM



Mr. Abdul Rauf Chandio
Executive Director & CEO



Mr. Ishfaque Ahmed
Head of Corporate Affairs,
Legal & SAM



Mr. Adnan Shakeel
CFO & Co. Secretary



Mr. Mujahid Ali Mirza
Head of Risk Management



Mr. Faraz-uz-Zafar
Head of Compliance



Ms. Kiran Hassan
Chief Internal Auditor



Mr. Imtiaz Rashid Ansari
Head of Administration



Ms. Bushra Zaib
Manager HR

Picture Profile



Board of Directors



Directors Meeting in Progress



Modaraba Team

CEO's Message

Dear Certificate Holders and Valued Customers,

As we present this year's annual accounts, I want to take a moment to express my heartfelt gratitude to the Government of Sindh (GoS) and Security Exchange Commission of Pakistan (SECP) representatives and nominees for invaluable support. Their leadership and vision have empowered us to navigate challenges effectively, ensuring that we can serve our community with purpose and dedication, resulting in a remarkable difference in our operations and initiatives.



I am proud to reflect on a year of significant achievements. Despite the challenges posed, we not only meet our targets but surpass them in many areas. Our financial performance this year is a demonstration to our strategic vision and the firm dedication of our teams. We have maintained strong revenue growth, improved operational efficiencies, and invested in key areas that will ensure long-term success. Our balance sheet remains robust, positioning us well for future opportunities and challenges alike.

Beyond the numbers, this year has been about laying the foundation for a sustainable future. We have taken bold steps in our initiatives, embracing new technologies and practices that will reduce our carbon footprint and enhance our social impact so as to remain at the forefront of our industry. Our goal is to expand geographically and increase our footprint into new markets to improve our market share. Additionally, we will work to diversify our Shariah compliant products and services offerings to meet the evolving needs of our clients.

Sindh Modaraba focus remains on delivering value and best services to our customers not just in the short term but for years to come, without compromising regulatory and internal policies guidelines. Our greatest asset is our employees. We will continuously invest in professional development and training programs to ensure that each team member has skills and knowledge needed to excel. Additionally, we foster a culture of teamwork, equal access to opportunities, mutual respect and also we address the ESG challenges which may improve Governance and Corporate culture.

I want to extend my gratitude to our Board for their valuable guidance and support. My heartfelt thanks also goes to our employees for their dedication and ongoing support by our certificate holders. We have achieved great things and together we will continue to reach new heights.

A. Rauf Chandio

Directors' Reports

On behalf of the Board of Directors of Sindh Modaraba Management Limited, we are presenting the 10th annual report of Sindh Modaraba together with Audited Accounts for the year ended June 30, 2024.

1 Economy

Pakistan's economy witnessed a notable decline in real GDP growth, falling to 0.3 percent from an average of 6 percent over the previous two years, marking it as one of the three lowest growth rates in the nation's history. This downturn can be attributed to a combination of domestic and international challenges that hindered the economic recovery following the pandemic.

Despite ongoing challenges, the year saw a degree of political stability, financial backing from the International Monetary Fund (IMF), and favorable global trends, which collectively offer a hopeful outlook for Pakistan's economic future in the current and upcoming fiscal years. With genuine efforts directed toward formulating effective policies, a gradual yet positive transformation is anticipated. Such initiatives are essential to leverage these advantageous conditions, ultimately fostering strong and inclusive economic growth in FY 2023-24 and beyond.

Inflation in the country, which surged to 38 percent in May 2023, has significantly decreased to approximately 11.8 percent. The Central bank's foreign exchange reserves, which plummeted to a mere \$2.9 billion in February 2023 sufficient to cover only three weeks of imports have since risen to over \$14.78 billion. Additionally, the Pakistani rupee, which had depreciated by over 60 percent against the United States dollar over the past two years, has begun to stabilize at a rate of 280 rupees per dollar. The stock market has also experienced a positive trend, reaching a peak of 78,000 points.

Further, Inflation in Pakistan has been a significant challenge, leading the Central bank to implement a stringent monetary policy. However, the recent decision to lower interest rates has sparked speculation regarding whether the State Bank of Pakistan (SBP) will continue to ease its monetary stance to bolster economic growth or adopt a more cautious approach in light of ongoing inflationary pressures, with a fact that government is facing rate reduction pressure from various sectors.

In a recent development, Moody's Ratings has upgraded Pakistan's economic outlook from stable to positive, highlighting improvements in the nation's macroeconomic environment and liquidity. This upgraded rating indicates that Pakistan is seen as somewhat more capable of fulfilling its debt obligations than before, though it still resides in the high-risk category.

The future outlook remains uncertain and largely hinges on the approval of the IMF loan and debt rollover agreements with allied countries. Despite a decline in inflation, a stable exchange rate, increasing foreign exchange reserves, and controlled current account and fiscal deficits, the authorities have succeeded in stabilizing the economy. Nevertheless, the outlook is fraught with significant downside risks stemming from both external and internal factors.

Directors' Reports

2. Operating Results and Business Overview

The Modaraba earned a net profit after tax of Rs. 201.33 million during the year under review as compared to a net profit after tax of Rs. 130.41 million earned during the year ended June 30, 2023, which is about 54% increase. SBP kept its policy rate high during the current year which increased the earnings from the financing portfolio and funds placed with the banks. The profit before tax increased by Rs. 111.92 million due to an increase in financing income, prudent treasury management on the investment portfolio and proactive recovery strategy of NPLs in such high inflationary period. Modaraba has disbursed Rs. 273.94 million against Islamic Financing during the year. Further, Murabaha Financing was added as product diversification in the current period as compared to the same period in last year. DM revenue increased by Rs. 35.75 million due to an increase in the weighted average rate of return by 25.52%.

The operating results for the year ending June 30, 2024, are summarized in the table below:

	June 30, 2024	June 30, 2023
	-----Rupees-----	
Balance Sheet		
Certificate capital	450,000,000	450,000,000
Total equity	1,867,309,901	1,722,367,212
Investment in Diminishing Musharaka	738,913,158	863,791,867
Investment in Morabaha	80,000,000	-
Profit & Loss		
Revenues	407,340,786	279,664,809
Operating expenses	64,572,249	64,092,024
Profit before management fee	346,316,807	219,363,097
Profit before tax	306,490,374	194,575,067
Profit after tax	201,330,520	130,410,860
Appropriations		
Profit distribution @ of 12.50 % (2023: 12.50%)	5,6250,000	5,6250,000
Statutory Reserve	40,266,104	26,082,172
Earning per Certificate	4.47	2.90

Directors' Reports

3. Outlook

Moving towards FY 2024, the country's economy appears to be entering into a new phase. Pending final approval by its Board, the IMF provisionally agreed to a USD 3 billion bailout with the government on 30 June, averting an imminent default. The agreement will improve international reserves and unlock further funding from other creditors; such as the USD 2 billion from Saudi Arabia announced on 11 July 2023. However, the government was forced to revise its budget to secure the IMF deal, cutting spending and raising taxes.

Management is continuously reviewing the economic developments and is prudently making decisions regarding advances and deployment of funds without compromising the quality of the portfolio.

4. Profit distribution

The Board of Directors has approved a cash dividend @ 12.50 % (2023:12.50%) i.e. Rs. 1.25 (2023: Rs. 1.25) per certificate for the year ended 30th June 2024.

As per Modaraba Regulations issued by Securities & Exchange Commission of Pakistan, every Modaraba may create reserve fund which shall be credited an amount to reserve fund from after-tax profits or any part thereof.

The Board of Directors has appropriated Rs. 40,266,104/- (20%) towards the Statutory Reserve.

5. External Annual Audit

The financial statements of Modaraba have been audited without any qualification by the auditors namely M/s. Baker Tilly Mehmood Idrees Qamar, Chartered Accountants.

6. Corporate Governance

The Modaraba is required to comply with the various requirements of the Public Sector Companies (Corporate Governance) Rules, 2013 (Rules) as well as Listed Companies (Code of Corporate Governance) Regulations 2019 (the CCG) issued by the SECP.

The statutory auditors are also required to issue their review report on the compliance statement of the best practices, which is published with the financial statements.

The Board of Directors has reviewed the CCG and Rules and confirms that:

- The Board has consistently complied with the relevant principles of corporate governance.
- Financial statements prepared by the management fairly present the statement of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The system of internal control is sound in design and has been effectively implemented and monitored.

Directors' Reports

- The appointment of chairman and other members of the Board and the terms of their appointment are in the best interests of the Modaraba as well as in line with the best practices.
- The Board has elected an independent director in compliance with the rules.
- International Financial Reporting Standards, as applicable to Modarabas in Pakistan, have been followed in the preparation of financial statements and any departures therefrom have been adequately disclosed and explained.
- There are no statutory payments on account of taxes, duties, levies and charges outstanding as on June 30, 2024, except for those disclosed in financial statements.
- The value of Investment in Employees Provident Fund based on financial statements of the Fund as of June 30, 2024 is Rs. 14.558 million (2023: Rs. 10.608 million).
- Key operating and financial data of last six years is annexed.
- Six Board Meetings of the Modaraba Company were held during the year. Attendance of each director is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Waseem Mehdi Syed	6
Mr. Kazim Hussain Jatoi	1
Mr. Ejaz Akhtar Ansari	4
Mr. Sami ul Haq Khilji	6
Mr. Kamal Ahmed	6
Mr. Abdul Rauf Chandio	4
Ms. Naila Asad Shaikh	6

- Four Audit Committee meetings of the Modaraba Company were held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Waseem Mehdi Syed	1
Mr. Ejaz Akhtar Ansari	2
Mr. Sami ul Haq Khilji	2
Mr. Kamal Ahmed	2
Mr. Abdul Rauf Chandio	2
Ms. Naila Asad Shaikh	2

- Two Human Resource Committee Meetings of the Modaraba Company were held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Waseem Mehdi Syed	2
Mr. Abdul Rauf Chandio	1
Mr. Sami ul Haq Khilji	2

- Two Risk Management Committee Meeting of the Modaraba Company were held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
-------------------	--------------------------

Mr. Waseem Mehdi Syed	2
Mr. Kamal Ahmed	1
Mr. Naila Asad Shaikh	2

- One Nomination Committee Meeting of the Modaraba Company was held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
-------------------	--------------------------

Mr. Waseem Mehdi Syed	1
Mr. Kamal Ahmed	1

- The Board has also established a Procurement Committee as required under the Rules. However, no meeting of this committee was required to be held during the year as per applicable rules.
- The pattern of certificate holding is annexed to this report.
- The Directors, CEO, Executives, and their spouses and minor children did not carry out any transaction in the certificates of the Modaraba during the year.

7. The Board of Directors

The Board, in its election of directors during the period, elected Mr. Abdul Rauf Chandio as a non-executive director and Mr. Ejaz Akhtar Ansari as an independent director. Further, consequent upon the transfer posting of Secretary Finance-Government of Sindh, the Board co-opted Mr. Fayaz Ahmed Jatoi as non-executive Director in place of Mr. Kazim Hussain Jatoi. During this period, Mr. Ishfaque Ahmed resigned from the post of Chief Executive due to personal reasons. Subsequently, the Board has appointed Mr. Abdul Rauf Chandio as the new Chief Executive Officer/ Executive Director of Sindh Modaraba Management Limited and reconstituted the Board committees accordingly. The Board also appreciated the valuable contributions made by the outgoing directors/CEO and welcomed new directors/CEO on the Board.

8. Principal Risk & Mitigation

Risk management governance starts with the Board and is supported by a robust management structure, an advanced information and risk rating system along-with well-developed risk governance policies. The Board ensures the assessment of the principal risk faced by the Modaraba and determines the level of tolerance by guiding the management in areas such as Strategic Risk, Credit Risk, Market Risk, and Liquidity Risk.

9. Board's Statement on Strategic Objectives for ESG and Sustainability Reporting

Sindh Modaraba strengthened its commitment to environmental, social, and governance (ESG) principles and sustainability. Our strategic objectives are deeply rooted in fostering long-term value for our stakeholders while advancing responsible business practices that align with global sustainability standards.

Directors' Reports

Our approach to ESG and sustainability is comprehensive, driven by a commitment to ethical governance, social responsibility and environmental stewardship. We have integrated ESG considerations into our core business strategies, ensuring that these principles are not only adhered to but are central to our decision-making processes.

This evolution is informed by the latest regulatory policies and guidelines on ESG, sustainability, and climate-related risk management. At the heart of our approach are Shariah values, which emphasize fairness, transparency and accountability. We are committed to embedding ESG into every aspect of our operations, ensuring alignment with our core values and meeting the expectations of our stakeholders.

The Board remains committed to furthering these objectives, continuously adapting our strategies to meet the changing expectations of our stakeholders and to contribute positively to the broader community and environment. We believe that our efforts in ESG and sustainability not only align with our core values but also position Sindh Modaraba as a leader in responsible and sustainable business practices.

9.1 Minimizing Environmental Impact:

This priority includes responsible resource management, waste reduction, and water conservation. Recognizing the ongoing efforts needed to support the transition to a low-carbon economy, we are committed to continuous digitalization, particularly to reduce paper usage and conserve electricity across our offices.

9.2 Corporate Social Responsibility

The Modaraba ensures its role of a Responsible Corporate Citizen by conducting business in line with its mission incorporating Shariah principles in a socially responsible and ethical manner, protecting the environment, and supporting the communities and cultures with which it works.

The Modaraba is committed to maintaining the highest standards of integrity and corporate governance practices to maintain excellence in its daily operations and to build-up confidence in its governance systems.

The Modaraba constantly strives to build trust and demonstrate respect for human dignity and rights in all relationships, including respect for cultures, customs and values of individuals and groups.

10. Gender Pay Gap Statement

The Board has prepared and included a disclosure statement on the gender pay gap in its annual report, in accordance with SECP circular No.10 of 2024, dated April 17, 2024.

11. Credit Rating

VIS Credit Rating Company has maintained the Modaraba's long term and short term credit rating of A+ and A-1 respectively, with a stable outlook.

Directors' Reports

12. External Auditors

The existing/retiring auditors, M/s Baker Tilly, Mehmood, Idrees, Qamar, Chartered Accountants, have satisfactorily completed their five-year tenure as external auditors. As per applicable laws, every Public Sector Company in the financial sector shall change its external auditors every five years. On recommendation of Board's audit committee, the Board of Directors has appointed M/s Grant Thornton Anjum Rahman, Chartered Accountants, as external auditors for the year ending June 30, 2025, subject to the approval of SECP-Registrar Modaraba.

13. Acknowledgment by the Management/Board

The Board would like to thank the SECP, our Shariah Advisor, and NBF1 & Modaraba Association for their continued guidance and support. It would also like to thank the valued customers of the Modaraba for their trust and support. The Board also wishes to record the appreciation, dedication, and hard work of the employees of the Modaraba without which it would not have been possible to turn in such an improved performance.

(On behalf of the Board)



Abdul Rauf Chandio
Chief Executive



Naila Asad Shaikh
Director

Karachi:
11 September 2024

سندھ مضاربہ بینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 جون 2024 کو ختم ہونے والے سال کے آڈٹ شدہ اکاؤنٹس کے ساتھ سندھ مضاربہ کی 10 ویں سالانہ رپورٹ پیش کر رہے ہیں۔

۱۔ معیشت

پاکستان کی معیشت نے مجموعی قومی پیداوار کی شرح میں نمایاں کمی کا سامنا کیا، جو پچھلے دو سالوں میں اوسطاً 6 فیصد سے کم ہو کر 0.3 فیصد رہ گئی، اور یہ ملک کی تاریخ کی گزشتہ تین سال کی سب سے کم مجموعی قومی پیداوار کی شرح میں سے ایک ہے۔ اس زوال کی وجہ ملکی اور بین الاقوامی چیلنجز کا مجموعہ ہے جو وبائی مرض کے بعد اقتصادی بحالی میں رکاوٹ بنی ہے۔

جاری چیلنجز کے باوجود، سال کے دوران سیاسی استحکام، بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کی مالی مدد، اور سازگار عالمی رجحانات نے پاکستان کے موجودہ اور آنے والے مالی سال میں اقتصادی مستقبل کے لیے بہتر منظر نامہ فراہم کیا ہے۔ مؤثر پالیسیوں کی تشکیل کے لیے کی جانے والی حقیقی کوششوں کے ساتھ، ایک تدریجی لیکن مثبت تبدیلی کی توقع ہے۔ یہ اقدامات ان سازگار حالات کا فائدہ اٹھانے کے لیے ضروری ہیں، اور بالآخر مالی سال 2023-24 اور اس کے بعد مضبوط اور جامع اقتصادی نمو کی بنیاد فراہم کریں گے۔

ملک میں مہنگائی جو مئی 2023 میں 38 فیصد تک پہنچ گئی تھی، اب تقریباً 11.8 فیصد پر آچکی ہے۔ مرکزی بینک کے غیر ملکی زرمبادلہ کے ذخائر، جو فروری 2023 میں صرف \$2.9 بلین رہ گئے تھے، جو کہ صرف تین ہفتے کی درآمدات کے لیے کافی تھے، اب \$14.78 بلین سے تجاوز کر چکے ہیں۔ مزید برآں، پاکستانی روپیہ، جو گزشتہ دو سالوں میں امریکی ڈالر کے مقابلے میں 60 فیصد سے زیادہ کمزور ہو گیا تھا، اب \$1 کے مقابلے میں 280 روپے کے تناسب پر مستحکم ہونا شروع ہو گیا ہے۔ اسٹاک مارکیٹ نے بھی مثبت رجحان دکھایا ہے اور 78,000 پوائنٹس کی بلند ترین سطح تک پہنچ چکی ہے۔

مزید برآں، پاکستان میں مہنگائی ایک بڑا چیلنج رہی ہے، جس کی وجہ سے مرکزی بینک نے سخت مانیٹری پالیسی اپنائی۔ تاہم، حالیہ فیصلہ کہ شرح سود کم کی جائے، جس نے قیاس آرائیوں کو جنم دیا ہے، آیا اسٹیٹ بینک آف پاکستان (ایس بی پی) اقتصادی نمو کو بڑھانے کے لیے اپنی مانیٹری پالیسی کو مزید نرم کرے گا یا جاری مہنگائی کے دباؤ کی روشنی میں محتاط رویہ اپنائے گا، جبکہ حکومت مختلف شعبوں سے شرح سود میں کمی کے دباؤ کا سامنا کر رہی ہے۔

حال ہی میں، موڈیز نے پاکستان کی اقتصادی منظر نامے کو مستحکم سے مثبت میں اپ گریڈ کیا ہے، جس میں ملک کے میکرو اکنامک ماحول اور لیکویڈیٹی میں بہتری کو اجاگر کیا گیا ہے۔ یہ اپ گریڈ ٹینگ اشارہ دیتی ہے کہ پاکستان پہلے کے مقابلے میں اپنے قرضوں کی ادائیگی کی صلاحیت میں کچھ بہتری دکھا رہا ہے، حالانکہ یہ اب بھی زیادہ رسک والی کیٹیگری میں ہے۔

مستقبل کا منظر نامہ تذبذب کا شکار ہے اور بڑی حد تک آئی ایم ایف قرضے اور اتحادی ممالک کے ساتھ قرضوں کی رول اور معاہدوں کی منظوری پر منحصر ہے۔ مہنگائی میں کمی، مستحکم کرنسی کی شرح، بڑھتے ہوئے غیر ملکی زرمبادلہ کے ذخائر، اور کنٹرولڈ کرنٹ اکاؤنٹ اور مالیاتی خسارے کے باوجود، حکام نے معیشت کو مستحکم کرنے میں کامیابی حاصل کی ہے۔ تاہم، منظر نامہ بڑے پیمانے پر بیرونی اور داخلی عوامل کی وجہ سے نمایاں خدشات سے بھرا ہوا ہے۔

۲۔ آپریٹنگ نتائج اور کاروباری جائزہ:

مضاربہ نے زیر غور سال کے دوران ٹیکس کے بعد 201.33 ملین روپے کا منافع حاصل کیا، جبکہ پچھلے سال 30 جون 2023 کو ختم ہونے والے سال کے دوران 130.41 ملین روپے کا منافع تھا، جو کہ تقریباً 54% اضافہ ہے۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے اس سال اپنی پالیسی کی شرح کو بلند رکھا جس سے فنانشنگ پورٹ فولیو اور بینکوں میں رکھی گئی رقم سے آمدنی میں اضافہ ہوا۔ ٹیکس سے پہلے کا منافع 111.92 ملین روپے سے بڑھ گیا، جس کی بنیادی وجہ فنانشنگ کی آمدنی میں اضافہ، سرمایہ کاری پورٹ فولیو کی دانشمندانہ مالیاتی انتظام اور نان پرفارمنگ لو نز (NPLs) کی فعال وصولی کی حکمت عملی رہی جو کہ اس مہنگائی کے دور میں اپنائی گئی۔ مضاربہ نے اسلامی فنانشنگ کے تحت سال کے دوران 273.94 ملین روپے کی سرمایہ کاری کری۔ مزید برآں، مرابحہ فنانشنگ کو موجودہ مدت میں گزشتہ سال کی اسی مدت کے مقابلے پر نئی پروڈکٹ کے طور پر شامل کیا گیا۔ ڈی ایم کی آمدنی 35.75 ملین روپے بڑھ گئی جس کی وجہ 25.52% اوسط شرح میں اضافہ بنی۔

سال کے اختتام پر 30 جون 2024 کو آپریٹنگ نتائج کا خلاصہ درج ذیل ٹیبل میں دیا گیا ہے

30 جون 2024	30 جون 2023	بیلنس شیٹ
450,000,000	450,000,000	سرٹیفکیٹ کیپیٹل
1,867,309,901	1,722,367,212	کل ایکویٹی
738,913,158	863,791,867	ڈنٹنگ مشارکہ میں سرمایہ کاری
80,000,000	-	مرابحہ میں سرمایہ کاری
		منافع و نقصان
407,340,786	279,664,809	آمدنی
64,572,249	64,092,024	آپریٹنگ اخراجات
346,316,807	219,363,097	انتظامی فیس سے قبل منافع
306,490,374	194,575,067	ٹیکس سے قبل منافع
201,330,520	130,410,860	ٹیکس کے بعد منافع
		تخصیصات
56,250,000	56,250,000	12.50% (2023: 12.50%) @ منافع کی تقسیم
40,266,104	26,082,172	قانونی ریزرو
4.47	2.90	ہر سرٹیفکیٹ پر کمائی

ڈائریکٹر رپورٹ

۳۔ مستقبل کا منظر نامہ

مالی سال 2024 کی طرف بڑھتے ہوئے، ملک کی معیشت ایک نئے مرحلے میں داخل ہوتی نظر آ رہی ہے۔ بورڈ کی حتمی منظوری کے منتظر، آئی ایم ایف نے 30 جون کو حکومت کے ساتھ 3 ارب ڈالر کے نیل آؤٹ کی عبوری منظوری دی، جس نے فوری دیوالیہ پن کو ٹال دیا۔ یہ معاہدہ بین الاقوامی ذخائر کو بہتر کرے گا اور دوسرے قرض دہندگان سے مزید فنڈنگ کو کھولے گا؛ جیسے کہ سعودی عرب سے 11 جولائی 2023 کو اعلان کردہ 2 ارب ڈالر کا قرضہ ملا۔ تاہم، حکومت کو آئی ایم ایف کے معاہدے کو محفوظ بنانے کے لیے بجٹ میں ترمیم کرنی پڑی، جس میں اخراجات میں کمی اور ٹیکسوں میں اضافہ شامل ہے۔

انتظامیہ مسلسل اقتصادی ترقیات کا جائزہ لے رہی ہے اور فنڈز کی تعیناتی اور قرض دینے کے حوالے سے ہوشیاری سے فیصلے کر رہی ہے تاکہ پورٹ فولیو کے معیار پر کوئی سمجھوتہ نہ ہو۔

۴۔ منافع کی تقسیم

بورڈ آف ڈائریکٹرز نے سال کے اختتام پر 30 جون 2024 کے لیے 12.50% (2023: 12.50%) کیش ڈیویڈنڈ کی منظوری دی ہے، یعنی ہر سرٹیفکیٹ کے لیے 1.25 روپے (1.25 روپے: 2023)۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ مضاربہ ضوابط کے مطابق، ہر مضاربہ ریزرو فنڈ بنا سکتا ہے جس میں بعد از ٹیکس منافع یا اس کا کوئی حصہ منتقل کیا جائے گا۔

بورڈ آف ڈائریکٹرز نے قانونی ریزرو کے لیے 40,266,104 روپے (20%) مختص کیے ہیں۔

۵۔ خارجی سالانہ آڈٹ

مضاربہ کے مالیاتی بیانات کو چارٹرڈ اکاؤنٹنٹس، بیکر ٹلی محمود ادریس قمر، کی جانب سے کسی بھی اعتراض کے بغیر آڈٹ کیا گیا ہے۔

۶۔ کارپوریٹ گورننس

مضاربہ کو پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز، 2013 (قواعد) کے ساتھ ساتھ ایس ای سی پی کی طرف سے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (سی سی جی) کی مختلف ضروریات کی تعمیل کرنا لازم ہے۔

قانونی آڈیٹرز سے بھی ضروری ہے کہ وہ بہترین طریقوں کے تعمیل کے بیان پر اپنی جائزہ رپورٹ جاری کریں، جو مالیاتی بیانات کے ساتھ شائع کی جاتی ہے۔

بورڈ آف ڈائریکٹرز نے **CCG** اور قواعد کا جائزہ لیا ہے اور تصدیق کی ہے کہ:

ڈائریکٹرز رپورٹ

- بورڈ نے کارپوریٹ گورننس کے متعلقہ اصولوں کی مسلسل تعمیل کی ہے۔
- مینجمنٹ کے تیار کردہ مالیاتی اسٹیٹمنٹس معاملات، آپریشن کے نتائج، کیش فلوا اور ایکویٹی میں رد و بدل کی درست تصویر پیش کرتے ہیں۔
- مناسب طور سے کھاتوں کی بکس رکھی گئی ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو استعمال کیا گیا ہے اور اکاؤنٹنگ تخمینوں کی بنیاد مناسب اور محفوظ اندازے ہیں۔
- اندرونی نگرانی نظام کا ڈیزائن مضبوط ہے اور اس کا موثر طور پر نفاذ کیا جا چکا ہے اور اس کی موثر نگرانی کی جاتی ہے۔
- چیرمین اور بورڈ کے دیگر ممبران کا انتخاب، ان کے انتخاب کی مدت اور ان کے معاونوں کی پالیسی کمپنی کے بہترین مفاد میں اور بہترین طریقوں کے مطابق ہے۔
- جناب حبیب اللہ خلیجی کے افسوسناک انتقال کی وجہ سے ایک آزاد ڈائریکٹر کی تقرری عمل میں ہے۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز جو پاکستان میں کمپنی پر لاگو ہوتے ہیں ان پر عملدرآمد کیا گیا اور ان پر عملدرآمد نہ ہونے کی صورت میں ان کو مناسب طور پر ظاہر کیا اور اس کی وضاحت کی گئی ہے۔
- 30 جون 2024 پر ٹیکسس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی دستوری ادائیگیاں نہیں ہیں ماسوائے ان کے جو مالیاتی اسٹیٹمنٹس میں ظاہر کیے گئے ہیں۔
- 30 جون 2024 تک ملازمین کے پراویڈنڈ فنڈز سے **Rs 14.558** ملین (2023 : Rs 10.608 ملین) کی سرمایہ کاری کی گئی ہے۔
- گذشتہ چھ سالوں کا اہم آپرٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- مضاربہ کمپنی کے چھ بورڈ میٹنگز سال کے دوران منعقد ہوئی ہیں۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے

ڈائریکٹرز کے نام
شرکت کی گئی میٹنگز کی تعداد

ڈائریکٹرز کے نام	میٹنگز میں شرکت کی تعداد
جناب وسیم مہدی سید	6
جناب کاظم حسین جتوئی	1
جناب اعجاز اختر انصاری	4
جناب سمیع الحق خلیجی	6
جناب کمال احمد	6
جناب عبدالرؤف چانڈیو	4
محترمہ نائلہ اسد شیخ	6

ڈائریکٹرز رپورٹ

مضاربہ کمپنی کی آڈٹ کمیٹی کی میٹنگز میں ہر رکن کی شرکت کی تفصیلات درج ذیل ہیں

ڈائریکٹرز کے نام	میٹنگز میں شرکت کی تعداد
جناب وسیم مہدی سید	1
جناب اعجاز اختر انصاری	2
جناب سمیع الحق خلیجی	2
جناب کمال احمد	2
جناب عبدالرؤف چانڈیو	2
محترمہ نائلہ اسد شیخ	2

سال کے دوران مضاربہ کمپنی کی دو ہیومن ریورس کمیٹی کی میٹنگز منعقد ہوئیں۔ ہر رکن کی شرکت کی تفصیلات درج ذیل ہیں

ڈائریکٹرز کے نام	میٹنگز میں شرکت کی تعداد
جناب وسیم مہدی سید	2
جناب عبدالرؤف چانڈیو	1
جناب سمیع الحق خلیجی	2

سال کے دوران مضاربہ کمپنی کی دورسک مینجمنٹ کمیٹی کی میٹنگز منعقد ہوئیں۔ ہر رکن کی شرکت کی تفصیلات درج ذیل ہیں:

ڈائریکٹرز کے نام	میٹنگز میں شرکت کی تعداد
جناب وسیم مہدی سید	2
جناب کمال احمد	1
محترمہ نائلہ اسد شیخ	2

سال کے دوران مضاربہ کمپنی کی ایک نامزدگی کمیٹی کی میٹنگ منعقد ہوئی۔ ہر رکن کی شرکت کی تفصیلات درج ذیل ہیں

ڈائریکٹرز کے نام	میٹنگز میں شرکت کی تعداد
جناب وسیم مہدی سید	1
جناب کمال احمد	1

بورڈ نے قواعد کے تحت ایک خریداری کمیٹی بھی قائم کی ہے۔ تاہم، قابل اطلاق قواعد کے مطابق، سال کے دوران اس کمیٹی کی کوئی میٹنگ نہیں بلائی گئی۔ سرٹیفکیٹ ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز، سی ای او، ایگزیکٹوز اور ان کے شوہر/بیوی اور نابالغ بچوں نے سال کے دوران مضاربہ کے سرٹیفکیٹس میں کوئی لین دین نہیں کیا۔

۷۔ بورڈ آف ڈائریکٹرز

بورڈ نے اس مدت کے دوران ڈائریکٹرز کے انتخابات میں جناب عبدالرؤف چانڈیو کو نان ایگزیکٹو ڈائریکٹر اور جناب اعجاز اختر انصاری کو آزاد ڈائریکٹر منتخب کیا۔ مزید برآں، سیکریٹری فنانس، حکومت سندھ کی پوسٹنگ کی منتقلی کے نتیجے میں، بورڈ نے جناب فیاض احمد جتوئی کو جناب کاظم حسین جتوئی کی جگہ نان ایگزیکٹو ڈائریکٹر کے طور پر منتخب کیا۔ اس مدت کے دوران، جناب اشفاق احمد نے ذاتی وجوہات کی بنا پر چیف ایگزیکٹو کے عہدے سے استعفیٰ دے دیا۔ بعد ازاں، بورڈ نے جناب عبدالرؤف چانڈیو کو سندھ مضاربہ مینجمنٹ لیویٹڈ کا نیا چیف ایگزیکٹو آفیسر / ایگزیکٹو ڈائریکٹر مقرر کیا اور بورڈ کمیٹیوں کو اسی کے مطابق دوبارہ تشکیل دیا۔ بورڈ نے جانے والے ڈائریکٹرز / سی ای او کی قیمتی خدمات کی تعریف کی اور بورڈ پر نئے ڈائریکٹرز / سی ای او کا خیر مقدم کیا۔

۸۔ اہم خطرات اور ان کا تدارک

خطروں سے نمٹنے کے لئے انتظامی گورننس بورڈ سے شروع ہوتی ہے اور ایک مضبوط انتظامی ڈھانچے، جدید معلومات اور خطرے کی درجہ بندی کے نظام اور اچھی طرح سے ترقی یافتہ خطرہ گورننس پالیسیوں کی حمایت سے فائدہ اٹھاتی ہے۔ بورڈ یقینی بناتا ہے کہ مضاربہ کو درپیش اہم خطرات کی تشخیص کی جائے اور انتظامیہ کی رہنمائی کرتے ہوئے خطرے کی برداشت کی سطح کا تعین کرتا ہے، جیسے کہ اسٹریٹجک رسک، کریڈٹ رسک، مارکیٹ رسک، اور لیکویڈیٹی رسک۔

۹۔ بورڈ کا ESG اور پائیداری رپورٹنگ کے حوالے سے بیان

سندھ مضاربہ نے ماحولیاتی، سماجی، اور گورننس (ESG) اصولوں اور پائیداری کے لیے اپنی وابستگی کو مزید مضبوط کیا ہے۔ ہمارے اسٹریٹجک مقاصد ان کے لیے طویل مدتی قیمت پیدا کرنے پر گہرائی سے جڑے ہیں، جبکہ ذمہ دار کاروباری طریقوں کو فروغ دینے کے لیے جو عالمی پائیداری کے معیار کے مطابق ہیں۔

ہماری ESG اور پائیداری کے لیے اپروچ جامع ہے، جو اخلاقی گورننس، سماجی ذمہ داری، اور ماحولیاتی دیکھ بھال کے عزم سے چلتی ہے۔ ہم نے ESG کی تشویشات کو اپنے بنیادی کاروباری حکمت عملیوں میں ضم کیا ہے، اس بات کو یقینی بناتے ہوئے کہ یہ اصول نہ صرف عمل درآمد ہوں بلکہ ہمارے فیصلوں کے عمل کا مرکز ہوں۔

یہ ترقیاتی عمل تازہ ترین ضوابط اور رہنما اصولوں پر مبنی ہے جو ESG، پائیداری، اور ماحولیاتی خطرے کے انتظام سے متعلق ہیں۔ ہمارے نقطہ نظر کی بنیاد شریعت کی قدریں ہیں، جو انصاف، شفافیت اور جوابدہی پر زور دیتی ہیں۔ ہم ESG کو اپنے تمام آپریشنز میں شامل کرنے کے لیے پرعزم ہیں، اس بات کو یقینی بناتے ہوئے کہ ہمارے بنیادی اقدار کے ساتھ ہم آہنگی اور ہمارے اسٹیک ہولڈرز کی توقعات کو پورا کریں۔

بورڈ ان مقاصد کو مزید آگے بڑھانے، ہمارے حکمت عملیوں کو اسٹیک ہولڈرز کی بدلتی ہوئی توقعات کے مطابق ڈھالنے اور وسیع تر کمیونٹی اور ماحول پر مثبت اثر ڈالنے کے لیے پرعزم ہے۔ ہم یقین رکھتے ہیں کہ ہمارے ESG اور پائیداری کے اقدامات نہ صرف ہمارے بنیادی اقدار کے مطابق ہیں بلکہ سندھ مضاربہ کو ذمہ دار اور پائیدار کاروباری طریقوں میں رہنما کے طور پر بھی مقام دیتے ہیں۔

۹.۱۔ ماحولیاتی اثرات کو کم کرنا

یہ ترجیح ذمہ دار وسائل کے انتظام، فضلہ میں کمی، اور پانی کے تحفظ پر مشتمل ہے۔ کم کاربن معیشت کی طرف منتقلی کی حمایت کے لیے جاری کوششوں کو تسلیم کرتے ہوئے، ہم مسلسل ڈیجیٹائزیشن، خاص طور پر کاغذ کے استعمال میں کمی اور ہمارے دفاتر میں بجلی کی بچت کے لیے پرعزم ہیں۔

۹.۲۔ کارپوریٹ سماجی ذمہ داری

مضاربہ اپنے کارپوریٹ سوشل ذمہ داریوں کے کردار کو شریعت کے اصولوں کے مطابق سماجی طور پر ذمہ دار اور اخلاقی طریقے سے کاروبار کرتے ہوئے، ماحول کی حفاظت کرتے ہوئے اور ان کمیونٹیز اور ثقافتوں کی حمایت کرتے ہوئے، جن کے ساتھ یہ کام کرتا ہے، یقینی بناتا ہے۔ مضاربہ اعلیٰ معیار کی دیانت داری اور کارپوریٹ گورننس کے طریقوں کو برقرار رکھنے کے لیے پرعزم ہے تاکہ اپنی روزانہ کی کارروائیوں میں ممتاز رہ سکے اور اپنے گورننس نظام میں اعتماد پیدا کر سکے۔ مضاربہ مسلسل اعتماد بنانے اور انسانی وقار اور حقوق کا احترام ظاہر کرنے کی کوشش کرتا ہے، تمام تعلقات میں ثقافتوں، رسم و رواج اور افراد اور گروپوں کی قدروں کا احترام شامل ہے۔

۱۰۔ جنس کے لحاظ سے تنخواہوں کا فرق

بورڈ نے SECP کے سرکلر نمبر 10، 2024، مورخہ 17 اپریل 2024 کے مطابق، سالانہ رپورٹ میں جنس کے لحاظ سے تنخواہوں کے فرق پر ایک بیان تیار کیا ہے جس کو اس رپورٹ میں شامل کیا ہے۔

۱۱۔ کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی نے مضاربہ کی طویل مدتی اور قلیل مدتی کریڈٹ ریٹنگ کو بالترتیب A+ اور A-1 کے ساتھ برقرار رکھا ہے، جس کے ساتھ مستحکم نقطہ نظر ہے۔

12۔ بیرونی آڈیٹرز

موجودہ اریٹارنگ آڈیٹرز، میسرز بیکر ٹلی، محمود، ادریس، قمر، چارٹرڈ اکاؤنٹنٹس، نے اپنی پانچ سالہ مدت کو بیرونی آڈیٹرز کے طور پر کامیابی کے ساتھ مکمل کر لیا ہے۔ قابل اطلاق قوانین کے مطابق، ہر عوامی شعبے کی کمپنی کو مالیاتی شعبے میں ہر پانچ سال بعد اپنے بیرونی آڈیٹرز کو تبدیل کرنا ہوتا ہے۔ بورڈ کی آڈٹ کمیٹی کی سفارش پر، بورڈ آف ڈائریکٹرز نے میسرز گرانٹ تھورٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس، کو 30 جون 2025 کو ختم ہونے والے سال کے لیے بیرونی آڈیٹرز کے طور پر مقرر کیا ہے، جو رجسٹرڈ مضاربہ کی منظوری سے مشروط ہے۔

۱۳۔ انتظامیہ / بورڈ کی طرف سے اعتراف

بورڈ ایس ای سی پی، ہمارے شریعہ مشیر، اور این بی ایف آئی اینڈ مضاربہ ایسوسی ایشن کا ان کی مسلسل رہنمائی اور تعاون کے لیے شکریہ ادا کرنا چاہتا ہے۔ بورڈ مضاربہ کے قابل قدر صارفین کے اعتماد اور تعاون کے لیے ان کا بھی شکریہ ادا کرنا چاہتا ہے۔ بورڈ مضاربہ کے ملازمین کی تعریف، لگن اور محنت کو بھی ریکارڈ کرنا چاہتا ہے جس کے بغیر اس طرح کی بہتر کارکردگی کا مظاہرہ کرنا ممکن نہیں تھا۔



نائلہ اسد شیخ

ڈائریکٹر



عبدالرؤف چانڈیو

چیف ایگزیکٹو

کراچی:

11 ستمبر 2024

Key Operating & Financial Data

	2024	2023	2022	2021	2020	2019
Balance Sheet						
Certificate capital	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000
Reserves	417,309,901	272,367,212	195,948,970	175,056,964	159,974,420	113,046,762
Total equity	1,867,309,901	1,722,367,212	1,645,948,970	1,625,056,964	1,609,974,420	1,063,046,762
Total Assets	1,938,202,289	1,778,233,492	1,684,584,728	1,657,153,740	1,706,170,652	1,639,272,831
Financing						
Portfolio	791,724,335	919,465,142	901,928,698	859,574,172	816,236,706	666,717,824
Non-performing loans	98,838,656	133,486,060	110,748,423	120,753,848	55,286,568	-
Provision (excluding general)	49,346,749	51,740,324	54,264,776	41,267,560	27,643,292	-
Current Assets	1,516,515,930	1,280,808,047	1,173,981,336	1,200,357,149	1,177,337,968	1,218,410,905
Current Liabilities	70,892,388	55,866,280	38,635,758	32,096,776	96,195,232	576,218,069
Total Liabilities	70,892,388	55,866,280	38,635,758	32,096,776	96,196,232	576,226,069
Profit & Loss						
Revenue (net of IJR dep & DM susp.)	407,340,786	279,664,809	167,021,948	138,244,547	188,071,755	125,016,560
Operating expenses	64,572,249	64,092,024	40,887,729	46,442,770	39,222,816	32,113,806
(Reversal) / Provision	(2,862,098)	(2,547,401)	13,259,015	13,513,618	28,150,551	118,098
Profit before management fee	346,316,807	219,363,097	113,522,169	78,624,804	124,111,038	93,359,412
Profit before tax	306,490,374	194,575,067	100,694,164	75,822,337	107,884,760	81,153,602
Profit after tax	201,330,520	130,410,860	66,313,222	75,822,337	107,884,760	81,153,602
Appropriations						
Profit distribution (%)	12.50%	12.50%	12.00%	10.00%	13.50%	13.50%
Profit distribution	56,250,000	56,250,000	54,000,000	45,000,000	60,750,000	60,750,000
Statutory Reserve	40,266,104	26,082,172	13,262,644	26,537,818	43,153,904	24,346,081
Financial Ratios						
Earning per Certificate	4.47	2.9	1.47	1.68	2.4	1.8
Net profit ratio before tax (%)	75.24%	69.57%	60.29%	54.85%	57.36%	64.91%
Net profit ratio after tax (%)	49.43%	46.63%	39.70%	54.85%	57.36%	64.91%
NPL ratio	12.48%	14.52%	12.28%	14.05%	6.77%	0.00%
NPL cover ratio	49.93%	38.76%	49.00%	34.17%	50.00%	0.00%
P/E Ratio	2.3	2.77	4.76	5.22	3.42	4.16
Breakup Value	19.27	16.05	14.35	13.89	13.55	12.51
Debt ratio (%)	3.66%	3.14%	2.29%	1.94%	5.64%	35.15%
Current ratio	21.39	22.93	30.39	37.4	12.24	2.11
Earning asset to total asset (%)	95.19%	93.52%	94.48%	92.08%	95.61%	98.02%
Return on asset (%)	10.83%	7.53%	3.97%	4.51%	6.45%	5.06%
Return on equity (%)	11.22%	7.74%	4.05%	4.69%	8.07%	7.81%
Debt Equity (%)	3.80%	3.24%	2.35%	1.98%	5.98%	54.21%

SINDH MODARABA

**GENDER PAY GAP STATEMENT UNDER SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN CIRCULAR 10 OF 2024
FOR THE YEAR ENDED JUNE 30, 2024**

In accordance with the Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024, the disclosure related to the gender pay gap for the year ended 30 June 2024 is provided below. The gender pay gap is calculated based on the mean and median hourly rates of pay for full-pay relevant employees.

Mean Gender Pay Gap: **10.44%**

Median Gender Pay Gap: **-1.65%**

Additional Data/Details:

Number of Male Employees	13
Number of Female Employees	2



Chief Executive Officer

On behalf of Board of Directors

Dated: 11 September 2024

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation,2019 & Public Sector Companies (Corporate Governance) Rules,2013

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations 2019 and Public Sector Companies (Corporate Governance) Rules 2013 (the Rules) for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of corporate governance for the year ended June 30, 2024.

The Board of Directors of Sindh Modaraba Management Limited – the Modaraba Management Company (the Management Company) is responsible for management of affairs of Sindh Modaraba (the Modaraba) The Management Company has complied with the provisions of the Rules in the following manner:

S. No.	Provision of the Rules	Rule no.	Y	N											
			Tick the relevant box												
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓												
2.	The Board has at least one-third of its total members as independent directors. At present the Board includes:	3(2)	✓												
	<table border="1"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of appointment</th> </tr> </thead> <tbody> <tr> <td>Independent Directors</td> <td>Waseem Mehdi Syed Ejaz Akhtar Ansari</td> <td>26 November 2020 23 October 2023</td> </tr> <tr> <td>Chief Executive Officer</td> <td>Ishfaque Ahmed</td> <td>05 September 2022</td> </tr> <tr> <td>Non-Executive Directors</td> <td>Kamal Ahmed Naila Asad Shaikh Abdul Rauf Chandio Fayaz Ahmed Jatoi Sami ul Haq Khilji</td> <td>15 August 2017 18 August 2023 23 October 2023 07 May 2024 30 May 2022</td> </tr> </tbody> </table>	Category	Names	Date of appointment	Independent Directors	Waseem Mehdi Syed Ejaz Akhtar Ansari	26 November 2020 23 October 2023	Chief Executive Officer	Ishfaque Ahmed	05 September 2022	Non-Executive Directors	Kamal Ahmed Naila Asad Shaikh Abdul Rauf Chandio Fayaz Ahmed Jatoi Sami ul Haq Khilji	15 August 2017 18 August 2023 23 October 2023 07 May 2024 30 May 2022		
Category	Names	Date of appointment													
Independent Directors	Waseem Mehdi Syed Ejaz Akhtar Ansari	26 November 2020 23 October 2023													
Chief Executive Officer	Ishfaque Ahmed	05 September 2022													
Non-Executive Directors	Kamal Ahmed Naila Asad Shaikh Abdul Rauf Chandio Fayaz Ahmed Jatoi Sami ul Haq Khilji	15 August 2017 18 August 2023 23 October 2023 07 May 2024 30 May 2022													
3	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓												
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓												
5.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	✓												
6.	The chairman has been elected by the Board of directors.	4(4)	✓												

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation,2019 & Public Sector Companies (Corporate Governance) Rules,2013

7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	✓	
8.	(a) The company has prepared a “Code of Conduct” to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company’s website. (www.sindhmodarabalttd.com) (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	✓	
11.	The Board has developed and implemented a policy on anti- corruption to minimize actual or perceived corruption in the company.	5(5)(b) (vi)	✓	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓	
13.	The Board has ensured compliance with the law as well as the company’s internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	✓	
14.	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✓	
15.	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation,2019 & Public Sector Companies (Corporate Governance) Rules,2013

16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)		N/A
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)		N/A
18.	a) The Board has met at least four times during the year. b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. c) The minutes of the meetings were appropriately recorded and circulated.	6(1)	✓	
		6(2)	✓	
		6(3)	✓	
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8 (2)	✓	
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	
21.	a) The Board has approved the statement of profit and loss and other comprehensive income for, and statement of financial position as at the end of, the first, second and third quarter of the year as well as the financial year end. b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors. c) The Board has placed the annual financial statements on the company's website.	10	✓	
			✓	
			✓	
22.	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11	✓	
23.	a) The Board has formed the requisite committees, as specified in the Rules. b) The committees were provided with written term of reference defining their duties, authority and composition. c) The minutes of the meetings of the committees were circulated to all the Board members. d) The committees were chaired by the following non-executive directors:	12	✓	
			✓	
			✓	
			✓	

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation,2019 & Public Sector Companies (Corporate Governance) Rules,2013

	Committee	Number of Members	Name of Chair			
	Audit Committee	3	Ejaz Akhtar Ansari			
	Risk Management Committee	3	Waseem Mehdi Syed			
	Human Resources Committee	3	Waseem Mehdi Syed			
	Procurement Committee	3	Fayaz Ahmed Jatoi			
	Nomination Committee	3	Waseem Mehdi Syed			
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.			13	✓	
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.			14	✓	
26.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.			16	✓	
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.			17	✓	
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.			18	✓	
29.	<p>a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.</p> <p>b) The annual report of the company contains criteria and details of remuneration of each director.</p>			19		N/A
30.	The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.			20	✓	

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation,2019 & Public Sector Companies (Corporate Governance) Rules,2013

31.	<p>The Board has formed an audit committee, with defined and written terms of reference, and having the following members:</p> <table border="1" data-bbox="264 409 1049 688"> <thead> <tr> <th data-bbox="264 409 532 478">Name of member</th> <th data-bbox="532 409 711 478">Category</th> <th data-bbox="711 409 1049 478">Professional background</th> </tr> </thead> <tbody> <tr> <td data-bbox="264 478 532 548">Ejaz Akhtar Ansari</td> <td data-bbox="532 478 711 548">Non executive</td> <td data-bbox="711 478 1049 548">Professional Banker</td> </tr> <tr> <td data-bbox="264 548 532 617">Abdul Rauf Chandio</td> <td data-bbox="532 548 711 617">Non executive</td> <td data-bbox="711 548 1049 617">Professional Banker</td> </tr> <tr> <td data-bbox="264 617 532 688">Sami ul Haq Khilji</td> <td data-bbox="532 617 711 688">Non executive</td> <td data-bbox="711 617 1049 688">Federal Govt. representative</td> </tr> </tbody> </table> <p>The chief executive and chairman of the Board are not members of the audit committee.</p>	Name of member	Category	Professional background	Ejaz Akhtar Ansari	Non executive	Professional Banker	Abdul Rauf Chandio	Non executive	Professional Banker	Sami ul Haq Khilji	Non executive	Federal Govt. representative	21 (1) and 21(2)	✓	
Name of member	Category	Professional background														
Ejaz Akhtar Ansari	Non executive	Professional Banker														
Abdul Rauf Chandio	Non executive	Professional Banker														
Sami ul Haq Khilji	Non executive	Federal Govt. representative														
32.	<p>a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.</p> <p>b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.</p> <p>c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.</p>	21(3)	✓ ✓ ✓													
33.	<p>a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.</p> <p>b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.</p> <p>c) The internal audit reports have been provided to the external auditors for their review.</p>	22	✓ ✓ ✓													
34.	<p>The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.</p>	23(4)	✓													
35.	<p>The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit Services.</p>	23(5)	✓													

Statement of Compliance with the Listed Companies (Coe of Corporate Governance) Regulation,2019 & Public Sector Companies (Coporate Governance) Rules,2013

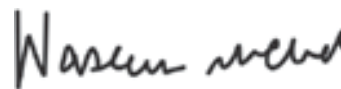
CERTAIN ADDITIONAL DISCLOSURES REQUIRED UNDER CCG

- All the directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF1 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
- The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Modaraba's certificates, was determined and intimated to directors, employees and stock exchange.
- Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
- The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company
- The Company has complied with the requirements relating to maintenance of register of persons having inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

(On behalf of the Board)



Abdul Rauf Chandio
CEO/Executive Director



Waseem Mehdi Syed
Chairman/Independent Director

Karachi:
11 September 2024

Shari'ah Advisor's Report



I have conducted the Shari'ah review of Sindh Modaraba managed by Sindh Modaraba Management Limited for the financial year ended June 2024 in accordance with the requirements of the **Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas** issued by SECP and report that except the observations as reported hereunder, in my opinion:

- i. The Modaraba has introduced a mechanism that has strengthened the Shari'ah compliance, in letter and spirit and the systems, procedures, and policies adopted by the Modaraba are in line with the Shari'ah principles;
- ii. During the year, the financings were made against Diminishing Musharaka and Morabaha, a Shariah-compliant mode of financing.
- iii. The agreement(s) entered into by the Modaraba during the period are Shari'ah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board of SECP and all the related conditions have been met;
- iv. To the best of my knowledge, information, and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan, specific AAOIFI Shariah Standards which have been adopted by SECP and the Shari'ah Compliance & Shari'ah Audit Regulations for Modarabas.
- v. The Modaraba does not have any deposit-raising product at the moment, therefore no profit-sharing ratios, profits, and charging of losses (if any) relating to any deposit-raising product apply.
- vi. No earnings have been realized from the sources or by means prohibited by Shari'ah.
- vii. All the assets financed by Sindh Modaraba are covered through Takaful and there is no coverage by insurance.

Shari'ah Advisor's Report

Notes

1. As of June 30, 2024, an amount of Rs. 3,124,130 has been realized as a charity payable on account of delay in payment by customers and Rs. 3,000,000/- was paid to the recognized charitable institutions.
2. During the year trainings on various Products of Modaraba were conducted by the Shariah Advisor for the management & staff of Modaraba. However, it is recommended that further training sessions be conducted on AAOIFI Shariah Standards related to the Modaraba sector.

Conclusion

In my opinion and to the best of my knowledge and information provided by the Modaraba, I am of the view that during the period overall business activities of the Modaraba are Shariah Compliant.

And Allah knows best.



Mufti Zeeshan Abdul Aziz
Shari'ah Advisor
Sindh Modaraba
Dated: 30-08-2024

Auditors' Review Report To The Members on The Statement of Compliance

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013 (both hereinafter referred to as 'Codes') prepared by the Board of Directors of Sindh Modaraba Management Limited (the Management Company) for the year ended June 30, 2024 to comply with the requirements of regulation 36 of Listed Companies (Code of Corporate Governance) Regulations, 2019 and the provisions of Public Sector Companies (Corporate Governance) Rules, 2013.

The responsibility for compliance with the Code and the Rules is that of the Board of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Code or the Rules. A review is limited primarily to inquiries of the Modaraba's and Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code and the Rules.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

Further, the Code and the Rules requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, for and on behalf of Modaraba, in all material respects, with the requirements contained in the Code and the Rules as applicable to the Modaraba for the year ended June 30, 2024.

Place : Karachi
Date : 23/09/2024
UDIN : CR202410151dVknRyLjw

Mehmood A. Razzak.
Engagement Partner:

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Auditors Report To The Certificate Holders

We have audited the annexed financial statements of SINDH MODARABA (the “Modaraba”), which comprise the statement of financial position as at June 30, 2024, and the statement of profit and loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss and comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba’s affairs as at June 30, 2024 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Modaraba and Sindh Modaraba Management Limited (Modaraba Company) in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

We have determined that there are no key audit matters to communicate in our report.

Information Other Than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Modaraba Company for the Financial Statements

Management of the Modaraba Company is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in

Auditors Report To The Certificate Holders

Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management of the Modaraba Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Modaraba Company is responsible for assessing the Modaraba's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Modaraba Company either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Modaraba Company are responsible for overseeing the Modaraba's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Company;
- Conclude on the appropriateness of the management of the Modaraba Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditors Report To The Certificate Holders

We communicate with the board of directors of the Modaraba Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In preparing the financial statements, management of the Modaraba Company is responsible for assessing the Modaraba's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Modaraba Company either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Modaraba Company are responsible for overseeing the Modaraba's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Company;
- Conclude on the appropriateness of the management of the Modaraba Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditors Report To The Certificate Holders

We communicate with the board of directors of the Modaraba Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors of the Modaraba Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors of the Modaraba Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are herefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980);
- b) the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account;
- c) business conducted, investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was de ducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Place : Karachi
Date : 23/09/2024
UDIN : AR2024101514VHpJ5wja

Mehmood A. Razzak.
Engagement Partner:

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Statement of Financial Position

As at June 30, 2024

	Note	2024 ----- Rupees -----	2023 -----
ASSETS			
Current assets			
Cash and bank balances	4	202,142,642	182,076,260
Short term investments	5	950,000,000	700,000,000
Advances, prepayments and other receivables	6	38,665,098	28,738,060
Current portion of Diminishing Musharaka	7	324,247,982	369,562,127
Current portion of long term loan	8	1,460,208	431,600
Total current assets		1,516,515,930	1,280,808,047
Non - current assets			
Diminishing Musharaka	7	414,665,176	494,229,740
Long term loan	8	5,085,621	1,222,862
Fixed assets - in own use	9	1,935,562	1,972,843
Total non - current assets		421,686,359	497,425,445
TOTAL ASSETS		1,938,202,289	1,778,233,492
LIABILITIES AND CERTIFICATE HOLDERS' EQUITY			
Current liabilities			
Creditors, accrued and other liabilities	10	61,509,524	44,381,187
Taxation - net	19	8,307,484	10,555,612
Profit distribution payable		1,075,380	929,481
TOTAL LIABILITIES		70,892,388	55,866,280
CERTIFICATE HOLDERS' EQUITY			
Authorized certificate capital	11	500,000,000	500,000,000
Issued, subscribed and paid-up certificate capital	11	450,000,000	450,000,000
Reserves	12	417,309,901	272,367,212
Long term loan	13	1,000,000,000	1,000,000,000
		1,867,309,901	1,722,367,212
TOTAL LIABILITIES AND EQUITY		1,938,202,289	1,778,233,492
Contingencies and commitments	14		

The annexed notes 1 to 32 form an integral part of these financial statements.

For Sindh Modaraba Management Limited (Management Company - Owned by Government of Sindh)



Chairman



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ----- Rupees -----	2023
Income from:			
- Diminishing Musharaka		198,029,767	162,281,756
- Murabaha		9,401,425	-
- Bank deposits		46,006,909	45,458,962
- Term deposit receipts		153,902,685	71,924,091
		407,340,786	279,664,809
Administrative and operating expenses	15	(64,572,249)	(64,092,024)
Reversal for doubtful receivables - net	16	2,862,098	2,547,401
		(61,710,151)	(61,544,623)
		345,630,635	218,120,186
Other income - net	17	686,172	1,242,911
		346,316,807	219,363,097
Modaraba Management Company's remuneration	18	(34,631,681)	(21,936,310)
Provision for Sindh Sales Tax on Management Company's remuneration		(5,194,752)	(2,851,720)
		-	-
		(39,826,433)	(24,788,030)
Profit before taxation		306,490,374	194,575,067
Taxation	19	(105,159,854)	(64,164,207)
Profit for the year		201,330,520	130,410,860
Other comprehensive income			
Other comprehensive (loss) / income for the year			
Actuarial (loss) / gain on defined benefit plan		(137,831)	7,382
Total comprehensive income		201,192,689	130,418,242
Earnings per certificate - basic and diluted	20	4.47	2.90

The annexed notes 1 to 32 form an integral part of these financial statements.

For Sindh Modaraba Management Limited (Management Company - Owned by Government of Sindh)

Wasim meher





Chairman

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	----- Rupees -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	306,490,374	194,575,067
Adjustments for non - cash and other items		
Depreciation on fixed assets - in own use	1,145,834	1,248,965
Amortization of intangible assets	24,374	77,664
Reversal for doubtful receivables - net	(2,862,098)	(2,547,401)
Income (reversal) / suspended in respect of diminishing musharaka	(4,542,088)	2,758,341
Income on bank deposits	(46,006,909)	(45,458,962)
Gain on disposal of fixed assets	-	(232,568)
Income on term deposit receipts	(153,902,685)	(71,924,091)
Provision for gratuity	1,252,372	1,048,658
Operating losses before working capital changes	(204,891,200)	(115,029,394)
Working capital changes		
Decrease / (increase) in current assets		
Advances, prepayments and other receivables	8,387,331	(7,796,928)
Diminishing Musharaka	121,054,286	(17,536,444)
Long term loan - net	(4,891,367)	1,534,104
	124,550,250	(23,799,268)
Increase in current liabilities		
Creditors, accrued and other liabilities	16,779,410	11,167,676
Working capital changes	141,329,660	(12,631,592)
Income received on term deposit receipts	143,816,598	71,617,242
Income received on bank deposits	49,007,236	42,999,749
Gratuity contribution paid	(1,041,276)	(1,097,429)
Taxes paid	(107,407,982)	(58,186,765)
Net cash generated from operating activities	327,303,410	122,246,878
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale proceeds from disposal of fixed assets	-	234,602
Purchase of tangible assets-owned	(1,132,927)	(722,878)
Net cash used in investing activities	(1,132,927)	(488,276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit distributed	(56,104,101)	(53,858,443)
Net cash used in financing activities	(56,104,101)	(53,858,443)
Net increase in cash and cash equivalents	270,066,382	67,900,159
Cash and cash equivalents at the beginning of the ye	882,076,260	814,176,101
Cash and cash equivalents at the end of the year	29 1,152,142,642	882,076,260

The annexed notes 1 to 32 form an integral part of these financial statements.

For Sindh Modaraba Management Limited (Management Company - Owned by Government of Sindh)



Chairman



Chief Executive Officer



Director



Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Issued, subscribed, and paid-up certificate capital	Reserves			Long term loan	Total equity and reserves
		Capital reserve	Revenue reserve	Total reserves		
		Statutory reserve	Unappropriat ed profit			
Rupees						
Balance as at July 01, 2022	450,000,000	134,334,148	61,614,822	195,948,970	1,000,000,000	1,645,948,970
Profit for the year	-	-	130,410,860	130,410,860	-	130,410,860
Other comprehensive income	-	-	7,382	7,382	-	7,382
Transfer to statutory reserve	-	26,082,172	(26,082,172)	-	-	-
Transaction with Certificate Holders						
Profit distribution for the year ended	-	-	(54,000,000)	(54,000,000)	-	(54,000,000)
Balance as at June 30, 2023	450,000,000	160,416,320	111,950,892	272,367,212	1,000,000,000	1,722,367,212
Profit for the year	-	-	201,330,520	201,330,520	-	201,330,520
Other comprehensive loss	-	-	(137,831)	(137,831)	-	(137,831)
Transfer to statutory reserve	-	40,266,104	(40,266,104)	-	-	-
Transaction with Certificate Holders						
Profit distribution for the year ended	-	-	(56,250,000)	(56,250,000)	-	(56,250,000)
Balance as at June 30, 2024	450,000,000	200,682,424	216,627,477	417,309,901	1,000,000,000	1,867,309,901

The annexed notes 1 to 32 form an integral part of these financial statements.

For Sindh Modaraba Management Limited (Management Company - Owned by Government of Sindh)



Chairman



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 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

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the 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, the Modaraba Companies and Modaraba Rules, 1981, Prudential Regulations for Modarabas and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever provisions of and directives issued under the Companies Act, 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Prudential Regulations for Modaraba and the Islamic Financial Accounting Standards (IFASs) differ from the IFRS Standards, the provision of and directives issues under the Companies Act, 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations for Modaraba and the Islamic Financial Accounting Standards (IFASs) have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for recognition of staff retirement benefits at present value based on actuarial valuation at the statement of financial position date.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Modaraba operates. The financial statements are presented in Pakistani Rupees, which is the Modaraba's functional and presentational currency. Figures have been rounded off to the nearest Rupee, unless stated otherwise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

2.4 Use of significant estimates and judgments

The preparation of 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 an on-going basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. The areas where various assumptions and estimates are significant to the Modaraba's financial statements or where judgment was exercised in the application of accounting policies are as follows:

- a) estimates of residual values, useful lives and depreciation methods of fixed assets in own use (note 3.3) and Ijarah assets (note 3.4);
- b) estimates of useful lives and amortization charge for its intangibles (note 3.3.2)
- c) certain actuarial assumptions have been adopted as disclosed in these financial statement for actuarial valuation of present value of defined benefit obligation (note 3.11);
- d) investments & loans, advances, prepayments and other receivables (note 3.1 and 3.6);
and
- e) provision for taxation (note 3.7).

2.5 New and amended standards and interpretations.

2.5.1 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

New standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on or after July 01, 2023 are considered not to be relevant or to have any significant effect on the Modaraba's financial reporting and operations.

		<u>Effective date</u>
IAS 1	Disclosure of accounting policies	January 01, 2023
IAS 8	Definition of accounting estimates	January 01, 2023
IAS 12	Deferred tax	January 01, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

2.5.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The new standard, certain amendments and interpretations that are mandatory for accounting periods beginning after January 01, 2024 are considered not to be relevant for the Modaraba's financial statements.

		<u>Effective date</u>
IAS 1	Classification of liabilities as current or non-current	January 01, 2024
IFRS 16	Sale and lease back transaction	January 01, 2024
IAS 21	Lack of exchangeability	January 01, 2025

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies adopted and applied in the preparation of these financial statements as set out below. These policies have been consistently applied to all years presented unless other wise stated.

3.1 Financial instruments

3.1.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Modaraba becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

"Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. "

A financial liability is derecognized when it is extinguished, discharged, cancelled or has expired.

3.1.2 Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and profit on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

After initial recognition, these are measured at amortized cost using the effective profit rate method. Discounting is omitted where the effect of discounting is immaterial. The Modaraba's cash and cash equivalents and short term investments fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and profit are accounted for at FVTPL. All financial assets are classified and measured at fair value through profit or loss unless the Modaraba makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income.

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

Financial assets at fair value through other comprehensive income (FVTOCI)

"The Modaraba accounts for financial assets at FVOCI if the assets meet the following conditions:"

- "they are held under a business model whose objective it is "hold to collect and sell"; and"
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and profit on the principal amount outstanding.

3.1.3 Equity instruments

At initial recognition, the Modaraba may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of this standard that is not held for trading.

The Modaraba subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Where the Modaraba's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement profit or loss as applicable.

Dividends from such investments continue to be recognized in the statement of profit and loss as other income when the Modaraba's right to receive payments is established.

Any gains or losses on derecognition of financial instruments that is measured at fair value shall be recognized in the statement of profit and loss unless it is an investment in an equity instrument and the Modaraba has elected to present gains and losses on that investment in the statement of comprehensive income.

3.1.4 Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVTOCI that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Modaraba first identifying a credit loss event. Instead the Modaraba considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

"In applying this forward-looking approach, a distinction is made between:"

- "financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and"
 - "financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')."
- " Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date."

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second and third category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3.1.5 Classification and subsequent measurement of financial liabilities

Financial liabilities comprise trade and other payables, amount due to a related party and borrowings.

"Financial liabilities are measured subsequently at amortized cost using the effective profit rate method. Discounting is omitted if the impact is immaterial."

3.1.6 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liabilities simultaneously.

3.2 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortized cost. These include balances with banks in deposit and current accounts, short term investment and stamps in hand.

3.3 Fixed assets - In own use

3.3.1 Tangible assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amounts or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Modaraba and the cost of the items can be measured reliably.

All other repairs and maintenance expenses are charged to the statement of profit and loss as and when incurred. Depreciation on all fixed assets is charged to income on a straight - line basis in accordance with the specified rates.

The useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged on additions from the month the asset is available for use and on disposals upto the month preceding the month of disposal.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amounts. These are recorded in the statement of profit and loss in the period in which these arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3.3.2 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent costs are included in the assets' carrying amounts or recognized as separate assets, as appropriate, only where it is probable that the future economic benefits associated with the assets will flow to the Modaraba and the cost of the items can be measured reliably.

Amortization is charged to income using the straight line method in accordance with the specified rates. The useful lives and amortization method are reviewed and adjusted, as appropriate, at each reporting date. Amortization is charged from the month the asset is available for use while in the case of assets disposed of, it is charged till the month preceding the month of disposal.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any.

Gain or loss on disposal of intangible assets, if any, is taken to the statement of profit and loss in the period in which these arise.

3.3.3 Capital work-in-progress

Capital work-in-progress, if any, is stated at cost less accumulated impairment losses, if any, and represents expenditure on fixed assets in the course of installation and advances for capital expenditure. Transfers are made to the relevant category of tangible / intangible assets as and when the assets are available for intended use.

3.4 Ijarah assets given to customers under agreement

Assets leased out under Ijarah are recorded as Ijarah assets and are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Depreciation is charged to income by applying the straight line method whereby the cost of an asset less salvage value is written off over the lease term, which is considered to be the estimated useful life of the asset.

- Muj`ir (lessors) presents the assets subject to Ijarah in their statement of financial position according to the nature of the asset, distinguished from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognized as expenses.
- Initial direct costs incurred specifically to earn revenues from Ijarah are recognized as an expense in the statement of profit and loss in the period in which they are incurred.

3.5 Murabaha Finance

Funds disbursed for purchase of goods are recorded as 'Advance for Murabaha'. On culmination of Murabaha i.e. sale of goods to customers, Murabaha financings are recorded at the deferred

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

sale price. Goods Purchased but remaining unsold at the statement of financial position date are recorded as inventories. Profit on Murabaha Financings is recognized on accrual basis. Profit on Murabaha transactions for the period from the date of disbursement to the date of culmination of Murabaha is recognized immediately upon the later date. Profit unearned at statement of financial position date is deferred and recorded as deferred murabaha income. Financing are stated net of specific and general Provisions against non- performing financings, if any, which are charged to the statement of profit and loss.

3.6 Loans, advances, prepayments and other receivables

These are stated at cost less estimates made for doubtful receivables based on a review of all outstanding amounts at the reporting date. Balances considered bad and irrecoverable are written off when identified.

3.7 Taxation Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any.

Deferred

Deferred tax is recognized using the statement of financial position liability method, on all temporary differences arising between the tax bases and carrying amounts of assets and liabilities appearing in the financial statements. Deferred tax liability is recognized for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.8 Impairment of non-financial assets

The carrying amounts of the Modaraba's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. Impairment loss determined as the difference between carrying value and recoverable amount being higher of asset's fair value less cost to sell and value in use. If such an indication exists, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss. The resulting impairment loss is recognized in the statement of profit and loss.

3.9 Creditors, accrued and other liabilities

These are carried at amortized cost, which is the fair value of the consideration to be paid in the future for goods and services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3.10 Provisions

Provisions are recognized when the Modaraba has a present, legal or constructive obligation as a result of past obligating events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provision is maintained as per the regulatory requirement or 0.5% of the ijarah rental receivables, murabaha finance and diminishing musharaka, whichever is higher. Such provision is charged to statement of profit or loss.

3.11 Staff retirement benefits

Defined contribution plan - employees provident fund

The Modaraba operates a recognized provident fund for all eligible employees and equal contributions by the employer and employee to the provident fund are made at the rate of 10% of the basic salaries of employees.

Defined benefit plan - employees gratuity fund

The Modaraba operates a gratuity fund for all eligible employees who have completed the minimum three years of service. The fund is administered by the trustee nominated under the Trust Deed. The contributions to the Fund are made in accordance with the actuarial valuation using Projected Unit Credit Method. Actuarial gains and losses arising at each valuation date are recognized immediately.

3.12 Revenue recognition

The revenue recognition of the Modaraba is based on the following policies:

- For Ijarah arrangements, Ijarah rentals are recognized as income on accrual basis, as and when rentals become due. In case of Ijarah arrangements with staggered rentals, the income is recognized on a straight line basis over the Ijarah term.
- Income in respect of non-performing Ijarah finance is held in suspense account, where necessary, in accordance with the requirements of the Prudential Regulations for Modarabas issued by the SECP.
- Documentation charges, front end fees and other Ijarah related income are taken to the statement of profit and loss on an accrual basis.
- Profit on Diminishing Musharaka arrangements is recognized under the effective mark-up rate method based on the amount outstanding.
- Mark-up / return on deposits / investments is recognized on accrual basis using the effective profit rate method.
- Other income is recognized on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3.13 Proposed profit distribution to certificate holders

Dividends declared made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared.

3.14 Earnings per certificate

Basic earnings per certificate is calculated by dividing the profit after taxation for the period by the weighted average number of certificates outstanding during the period. Diluted earnings per certificate is determined by adjusting the profit or loss attributable to ordinary certificate holders by taking into account the conversion of any dilutive potential ordinary certificates.

3.15 Foreign currency transactions

Transactions in foreign currencies are converted into Pakistani Rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rate of exchange prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the statement of profit and loss.

3.16 Segment reporting

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.

3.17 Related party transactions

All transactions with related party are priced on arm's length basis. Prices of these transactions are determined on the basis of admissible valuation methods.

3.18 Dividend income

Dividend income is recognized when the Modaraba's right to receive dividend is established.

3.19 Ijarah rental receivable

These are stated at amount recoverable net of provision (if any).

3.20 Compensated absences

The Modaraba makes provision in the financial statements for its liability towards compensated absences based on the leaves accumulated upto the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
4. CASH AND BANK BALANCES	Note	----- Rupees -----	
Stamp papers in hand		78,200	62,600
Balances with banks:			
- on deposit accounts	4.1	200,860,973	178,235,009
- on current accounts	4.2	1,203,469	3,778,654
		<u>202,142,642</u>	<u>182,076,260</u>

4.1 These carry profit at rates ranging from 6.75% to 18.80% per annum (2023: 4.25% to 18.50% per annum). This includes a balance of Rs. 1.16 million (2023: Rs. 9.66 million) held with Sindh Bank Limited - Islamic Banking Unit, a related party.

4.2 This includes a balance of Rs. 1.20 million (2023: Rs. 3.76 million) held with Sindh Bank Limited - Islamic Banking Unit, a related party.

		2024	2023
5. SHORT TERM INVESTMENTS	Note	----- Rupees -----	
	5.1	<u>950,000,000</u>	<u>700,000,000</u>
Term deposit receipts			

5.1 This includes investment of Rs. 550 million in Term Deposit Receipts for a period of 3 months maturity at a mark-up rate of 19.00% per annum and Rs. 400 million for a period of 3 months maturity at a mark-up rate of 20.50% per annum (June 2023: Rs.700 million for a period of 3 months maturity at a mark-up rate of 19.50% per annum) in Soneri Bank Limited - Islamic Banking.

		2024	2023
6. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES	Note	----- Rupees -----	
Advances	6.1	26,000	8,461,900
Prepayments		1,289,844	1,241,275
Accrued income from bank deposits	6.2	4,753,604	7,753,931
Accrued income from term deposit receipts		13,077,868	2,991,781
Accrued income from Diminishing Musharaka	6.3	19,517,782	8,289,173
		<u>38,665,098</u>	<u>28,738,060</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

- 6.1 This includes Nil balance (2023: Rs. 8.45 million) against advance to vendors in respect of the acquisition of assets under the Diminishing Musharaka arrangement for onward delivery to the lessee (customer).
- 6.2 This includes accrued income of Rs. 13,123 (2023: Rs. 813,626) on bank deposits held with Sindh Bank Limited - Islamic Banking Unit, related party.

6.3 Accrued income from Diminishing Musharaka	2024	2023
	----- Rupees -----	
Receivable	34,861,964	28,175,443
Less:	(15,344,182)	(19,886,270)
	<u>19,517,782</u>	<u>8,289,173</u>

7. DIMINISHING MUSHARAKA	2024	2023
	Note	----- Rupees -----
Receivables - secured	7.1	791,724,335
Less: Current portion		919,465,142
Less: Provision in respect of diminishing musharaka	7.2	(324,247,982)
		(369,562,127)
		(52,811,177)
Non-current portion		<u>414,665,176</u>
		<u>494,229,740</u>

7.1 This represents finance provided to Individual and Corporate clients under Diminishing Musharaka arrangements for periods ranging 3 to 20 years (2023: 3 to 20 years) which is secured against mortgage of property, lien on title documents and charge on assets etc.

7.2 This includes a general provision of Rs. 3.46 million (2023: Rs. 3.93 million) made at the rate of 0.5% (2023: 0.5%) on diminishing musharaka receivables respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

7.2.1 Movement in provision in respect of Diminishing Musharakah

	2024			2023		
	General	Specific	Total	General	Specific	Total
----- Rupees -----						
Opening	3,932,951	51,740,324	55,673,275	3,955,900	54,264,776	58,220,676
Charge for the year	-	20,284,201	20,284,201	-	-	-
Reversal during the year	(467,401)	(22,678,898)	(23,146,299)	(22,949)	(2,524,452)	(2,547,401)
Closing	3,465,550	49,345,627	52,811,177	3,932,951	51,740,324	55,673,275

		2024	2023
8. LONG TERM LOAN	Note	----- Rupees -----	
Long term loan - considered good	8.1	6,545,829	1,654,462
Less: Current portion of long term loan		(1,460,208)	(431,600)
		5,085,621	1,222,862

8.1 This includes a car loan of Rs. 4 million provided to Mr. Adnan Shakeel - CFO & Co. Secretary (2023: 1.65 million), related party under the Monetization Policy approved by the Board.

		2024	2023
9. FIXED ASSETS - In own use	Note	----- Rupees -----	
Tangible assets	9.1	1,932,780	1,945,687
Intangible assets	9.2	2,782	27,156
		1,935,562	1,972,843

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

9.1 TANGIBLE ASSETS

	Furniture and fittings	Office equipment	Vehicles	Computer & accessories	Total
----- Rupees -----					
As at June 30, 2022					
Cost	1,536,245	3,292,536	1,354,275	3,803,925	9,986,981
Accumulated depreciation	(949,158)	(2,948,229)	(808,110)	(2,807,676)	(7,513,173)
Net book value	587,087	344,307	546,165	996,249	2,473,808
Net carrying value basis					
Year ended June 30, 2023					
Opening net book value	587,087	344,307	546,165	996,249	2,473,808
Additions - at cost	28,972	272,040	-	421,866	722,878
Disposal					
Cost	-	(591,336)	-	(1,210,995)	(1,802,331)
Accumulated depreciation	-	589,314	-	1,210,983	1,800,297
	-	(2,022)	-	(12)	(2,034)
Depreciation charge	(156,034)	(219,470)	(262,152)	(611,309)	(1,248,965)
Closing net book value	460,025	394,855	284,013	806,794	1,945,687
Gross carrying value basis					
As at June 30, 2023					
Cost	1,565,217	2,973,240	1,354,275	3,014,796	8,907,528
Accumulated depreciation	(1,105,192)	(2,578,385)	(1,070,262)	(2,208,002)	(6,961,841)
Net book value	460,025	394,855	284,013	806,794	1,945,687
Net carrying value basis					
Year ended June 30, 2024					
Opening net book value	460,025	394,855	284,013	806,794	1,945,687
Additions - at cost	-	681,637	-	451,290	1,132,927
Disposal					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
	-	-	-	-	-
Depreciation charge	(156,516)	(212,495)	(262,152)	(514,671)	(1,145,834)
Closing net book value	303,509	863,997	21,861	743,413	1,932,780

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Gross carrying value basis

As at June 30, 2024

Cost	1,565,217	3,654,877	1,354,275	3,466,086	10,040,455
Accumulated depreciation	(1,261,708)	(2,790,880)	(1,332,414)	(2,722,673)	(8,107,675)

Net book value	303,509	863,997	21,861	743,413	1,932,780
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Depreciation (% per annum)	10%	20%	20%	33.33%	
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9.2 INTANGIBLE ASSETS

Website	Almanac software	Software licenses	Total
----- Rupees -----			

As at June 30, 2022

Cost	37,647	800,000	1,274,335	2,111,982
Accumulated amortization	(37,646)	(799,999)	(1,169,517)	(2,007,162)

Net book value	1	1	104,818	104,820
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Net carrying value basis

Year ended June 30, 2023

Opening net book value	1	1	104,818	104,820
Additions - at cost	-	-	-	-
Amortization charge	-	-	(77,664)	(77,664)

Closing net book value	1	1	27,154	27,156
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Gross carrying value basis

As at June 30, 2023

Cost	37,647	800,000	1,274,335	2,111,982
Accumulated amortization	(37,646)	(799,999)	(1,247,181)	(2,084,826)

Net book value	1	1	27,154	27,156
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Net carrying value basis

Year ended June 30, 2024

Opening net book value	1	1	27,154	27,156
Additions - at cost	-	-	-	-
Amortization charge	-	-	(24,374)	(24,374)

Closing net book value	1	1	2,780	2,782
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Gross carrying value basis

As at June 30, 2024

Cost	37,647	800,000	1,274,335	2,111,982
Accumulated amortization	(37,646)	(799,999)	(1,271,555)	(2,109,200)
Net book value	1	1	2,780	2,782
Amortization (% per annum)	33.33%	33.33%	33.33%	

		2024	2023
10. "CREDITORS, ACCRUED AND OTHER LIABILITIES "	Note	----- Rupees -----	-----
Creditors		6,441	6,441
"Modaraba management company's remuneration payable - related party"		34,631,681	21,936,310
Accrued expenses	10.1	11,373,336	9,616,653
Provision for Sindh Sales Tax on management company's remuneration		5,194,752	2,851,720
Payable to gratuity fund	10.2	1,390,203	1,041,276
Other liabilities	10.3	8,913,111	8,928,787
		<u>61,509,524</u>	<u>44,381,187</u>

10.1 These includes Rs. 54,000 (2023: Rs. 50,000) for branch rent payable to Sindh Bank Limited, related party.

		2024	2023
	Note	----- Rupees -----	-----
10.2 Payable to gratuity fund	10.2.1	<u>1,390,203</u>	<u>1,041,276</u>

10.2.1 Reconciliation of balance due to defined benefit plan

Present value of defined benefit obligation	6,020,800	4,561,051
Less: Fair value of plan assets	(4,630,597)	(3,519,775)
Liability as per statement of financial position	<u>1,390,203</u>	<u>1,041,276</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
10.2.2 Movement in the present value of defined benefit obligation		
	----- Rupees -----	
Opening balance	4,561,051	3,254,728
Current service cost	1,170,371	974,582
Cost on defined benefit obligation	666,666	439,388
Benefit paid	(656,508)	-
Remeasurements charged to other comprehensive income		
- Actuarial loss from changes in financial assumptions	(14,129)	13,340
- Experience adjustments	293,349	(120,987)
	279,220	(107,647)
Present value of defined benefit obligation	<u>6,020,800</u>	<u>4,561,051</u>
10.2.3 Changes in fair value of plan assets		
Fair value of plan assets	3,519,775	2,157,299
Contributions	1,041,276	1,097,429
Expected income on plan assets	584,665	365,312
Benefit paid	(656,508)	0
Return on plan assets / (charges), excluding expected income	141,389	100,265
Fair value of plan assets	<u>46,30,597</u>	<u>3,519,775</u>
10.2.4 Expense recognized in the statement of profit and loss		
Current service cost	1,170,371	974,582
Cost on defined benefit obligation	666,666	439,388
Expected income on plan assets	(584,665)	(365,312)
Expense recognized in the statement of profit and loss	<u>1,252,372</u>	<u>1,048,658</u>
10.2.5 Total remeasurement chargeable in the statement of comprehensive income		
Remeasurement of plan obligation:		
Actuarial (loss) / gain from changes in financial assumptions	(14,129)	13,340
Experience adjustments	293,349	(120,987)
	279,220	(107,647)
Less: Return on plan assets, excluding expected income	(141,389)	100,265
Remeasurement of actuarial (gains) / losses on defined benefit liability	<u>137,831</u>	<u>(7,382)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
10.2.6 Changes in net liability		
Liability as per statement of financial position	1,041,276	1,097,429
Expenses to be charged to the statement of profit and loss	1,252,372	1,048,658
Remeasurement chargeable in the statement of comprehensive income	137,831	(7,382)
Contributions	(1,041,276)	(1,097,429)
	<u>1,390,203</u>	<u>1,041,276</u>
Significant actuarial assumptions	2024	2023
	----- Percentage -----	
Discount rate used for interest cost in the statement of profit and loss	15.75%	13.50%
Discount rate used for year end obligation	14.00%	15.75%
Salary increase used for year end obligation	-	N/A
Salary increase FY 2023	N/A	15.75%
Salary increase FY 2024	14.00%	15.75%
Salary increase FY 2025	14.00%	15.75%
Salary increase FY 2026	14.00%	15.75%
Salary increase FY 2027	14.00%	15.75%
Salary increase FY 2028	14.00%	15.75%
Salary increase FY 2029	14.00%	15.75%
Salary increase FY 2030 onwards	1-Jul-24	1-Jul-23
Net salary is increased at		
Mortality rates	SLIC	SLIC
	(2001-05)-1	(2001-05)-1
The mortality rates are provided by the State Life Insurance Corporation of Pakistan (SLIC).		
	2024	2023
Withdrawal rates	Age-based	Age-based
	(per	(per
	appendix)	appendix)
Retirement assumption	Age 60	Age 60
	2024	2023
	----- Rupees -----	
Estimated expenses to be charged to the statement of profit and loss:		
Current services cost	1,274,381	1,170,371
Cost on defined benefit obligation	827,668	704,586
Expected income on plan asset	(705,929)	(627,007)
	<u>1,396,120</u>	<u>1,247,950</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
Plan assets comprise of		
Cash and / or deposits	<u>100%</u>	<u>100%</u>
Year end sensitivity (+/- 100bps) on defined benefit obligation		
Discount rate +100 bps	5,308,568	4,066,015
Discount rate - 100 bps	6,863,172	5,147,880
Salary increase +100 bps	6,863,888	5,148,725
Salary increase - 100 bps	5,295,189	4,056,528

Expected benefit payments for the next 10 years and beyond

FY 2024	-	174,980
FY 2025	217,775	822,609
FY 2026	275,116	257,380
FY 2027	309,723	294,836
FY 2028	353,746	337,299
FY 2029	397,715	384,823
FY 2030	450,525	442,923
FY 2031	2,122,869	2,188,983
FY 2032	551,715	557,313
FY 2033	631,588	646,976
FY 2034	736,550	308,651,035
FY 2035 onwards	254,560,718	-

The average duration of the defined benefit obligation is 13 years 12 years

10.3 This also includes charity payable amounting to Rs. 124,130 (2023: Rs. 2,816,769). The reconciliation is as follows:

	2024	2023
	----- Rupees -----	
	Note	
Opening balance	2,816,769	551,406
Additions during the year	307,361	3,665,363
Less: Paid to recognized charitable institutions	10.3.1 (3,000,000)	(1,400,000)
Closing balance	<u>124,130</u>	<u>2,816,769</u>

10.3.1 This represents charity paid to recognized charitable institution.

11. CERTIFICATE CAPITAL

11.1 Authorized certificate capital

2024	2023		2024	2023
			----- Rupees -----	
<u>50,000,000</u>	<u>50,000,000</u>	Modaraba certificates of Rs. 10 each	<u>500,000,000</u>	<u>500,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

11.2 Issued, subscribed and paid - up certificate capital

<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>
<u>Number of certificates</u>		Modaraba certificates of Rs. 10 each fully paid in cash	<u>----- Rupees -----</u>	
<u>45,000,000</u>	<u>45,000,000</u>		<u>450,000,000</u>	<u>450,000,000</u>

11.3 As at June 30, 2024, Sindh Modaraba Management Limited (Management Company) holds 42,446,000 i.e. 94.33% (2023: 42,446,000 i.e. 94.33%) certificates of the Modaraba.

	<u>2024</u>	<u>2023</u>
12. RESERVES	<u>----- Rupees -----</u>	
Capital		
Statutory reserve	12.1 200,682,424	160,416,320
Revenue		
Unappropriated profit	216,627,477	111,950,892
	<u>417,309,901</u>	<u>272,367,212</u>

12.1 The statutory reserve represents profit set aside by the Modaraba to comply with the Modaraba Regulations issued by the SECP.

During the year, the Modaraba has transferred an amount of Rs. 40,266,104 (2023: Rs. 26,082,172) which represents 20% (2023: 20%) of the net profit after tax for the year.

	<u>2024</u>	<u>2023</u>
13. LONG TERM LOAN	<u>----- Rupees -----</u>	
	13.1 1,000,000,000	<u>1,000,000,000</u>

13.1 This represents interest free loan provided by the Management Company (related party) to the Modaraba. The loan is sub-ordinated to senior debt and is repayable at the discretion of Modaraba. The Modaraba has the option to issue modaraba certificates in future against this loan, subject to necessary regulatory approvals.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

14. CONTINGENCIES AND COMMITMENTS

14.1 CONTINGENCIES

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

15. ADMINISTRATIVE AND OPERATING EXPENSES	Note	2024	2023
		----- Rupees -----	-----
Salaries, allowances and other benefits	15.1 & 15.6	43,517,318	35,631,174
Legal and professional charges	15.2	2,770,123	1,750,796
Repairs and maintenance		1,491,955	1,357,541
Utility services		1,689,915	1,463,862
Takaful - owned assets		189,395	158,445
Takaful - diminishing musharaka		704,437	869,103
Postage, courier and telegraphs		288,279	170,982
Generator sharing and fuel charges	15.3	1,181,179	1,273,414
Entertainment		435,991	291,907
Advertisement and publications		215,769	135,312
Staff orientation and training		29,900	10,250
Rent, rates and taxes	15.4	828,016	800,016
Registration and subscription fee		1,230,570	1,187,766
Travelling and conveyance		7,124,322	5,997,638
Security services		600,000	600,000
Printing, stationery and photocopy		564,579	564,098
Auditors' remuneration	15.5	340,394	334,636
Depreciation expense - tangible assets	9.1	1,145,834	1,248,965
Amortization expense - intangible assets	9.2	24,374	77,664
Donation	15.7	-	9,997,500
Miscellaneous		199,899	170,955
		<u>64,572,249</u>	<u>64,092,024</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15.1 This includes an amount of Rs. 1,443,812 (2023: Rs. 1,101,845) charged to the provident fund and a provision for gratuity of Rs. 1,252,372 (2023: Rs. 1,048,658).

	Unaudited 2024	Audited 2023
	----- Rupees -----	
15.1.1 Defined contribution plan		
Size of the fund (total assets)	14,777,484	10,691,818
Cost of investment made	14,558,037	10,607,930
Fair value of investment made	14,558,037	10,607,930
	----- Percentage -----	
Percentage of investment made	<u>99%</u>	<u>99%</u>

Break up of Investment at cost

	<u>2024</u>		<u>2023</u>	
	Rupees	Percentage	Rupees	Percentage
	<u>14,558,037</u>	<u>99%</u>	<u>10,607,930</u>	<u>99%</u>

15.2 This includes an amount of Rs. 502,000 (2023: Rs. 432,000) charged to Shariah Advisor as compensation for his service.

15.3 This includes an amount of Rs. 1,080,000 (2023: Rs. 1,080,000) against sharing of expenses with Sindh Insurance Limited - related party.

15.4 This includes an amount of Rs. 574,000 (2023: Rs. 600,000) branch rent to Sindh Bank Limited - related party.

	2024	2023
	----- Rupees -----	
15.5 Auditors' remuneration		
Audit fee	178,632	178,632
Half yearly review fee	53,724	53,724
Special certification	47,009	47,009
Other services	20,000	20,000
Sindh sales tax	25,214	25,214
Out of pocket expenses	15,815	15,815
	<u>340,394</u>	<u>340,394</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
15.6 The remuneration paid to key management personnel		
	----- Rupees -----	
Basic salary	7,672,888	5,971,061
House rent	3,452,800	2,686,978
Other allowances	1,534,578	1,010,898
Bonuses	2,136,036	1,938,412
Provident fund	517,611	517,611
Other benefits	5,140,107	3,453,094
	<u>20,454,020</u>	<u>15,578,054</u>

15.7 This represents Rs. nil donation (2023: Rs. 9.99 million) paid to the Provincial Disaster Management Authority (PDMA) - Government of Sindh (GoS)

16. REVERSAL FOR DOUBTFUL RECEIVABLES - NET	2024	2023
	Note	----- Rupees -----
Reversal against Diminishing Musharaka	2,862,098	2,547,401
	<u>2,862,098</u>	<u>2,547,401</u>

17. OTHER INCOME - NET

Documentation and processing fee	363,000	442,336
Gain on disposal of fixed assets	-	232,568
Others	323,172	568,007
	<u>686,172</u>	<u>1,242,911</u>

18. "MODARABA MANAGEMENT COMPANY'S REMUNERATION "

18.1	<u>34,631,681</u>	<u>21,936,310</u>
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18.1 The Modaraba Management Company is entitled to remuneration under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of annual profits of the Modaraba computed in the prescribed manner. The remuneration for the year ended June 30, 2024, has been recognized at 10% of the profit for the year before charging such remuneration and taxation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
19. TAXATION - Net	----- Rupees -----	-----
	Note	
Opening balance	10,555,612	4,578,170
Provision for taxation:		
- Current year	105,580,200	64,201,697
- Prior year	(420,346)	(37,490)
	105,159,854	64,164,207
Advance tax deducted / paid	(107,407,982)	(58,186,765)
Closing balance	8,307,484	10,555,612

19.1 The provision for current tax is based on normal income tax charges as per the relevant sections of the Income Tax Ordinance, 2001.

19.2 Deferred tax asset amounting to Rs. 7.82 million has not been accounted for in these financial statements and company believe that they may not be able to utilize the deferred tax asset in full.

20. EARNINGS PER CERTIFICATE - BASIC AND DILUTED

20.1 Basic

Basic earnings per certificate is calculated by dividing the net profit after taxation for the year by the weighted average number of certificates outstanding during the year as follows:

	2024	2023
Profit for the year after taxation (Rupees)	201,330,520	130,410,860
Weighted average number of certificates (Numbers)	45,000,000	45,000,000
Earnings per certificate (Rupees)	4.47	2.90

20.2 Diluted

Diluted earnings per certificate has not been presented as the Modaraba does not have any convertible instruments in issue as at June 30, 2024 which would have any effect on the earnings per certificate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

21. NUMBER OF EMPLOYEES	2024	2023
	----- NUMBER -----	
Total numbers of employees at year end	<u>15</u>	<u>15</u>
Average number of employees	<u>15</u>	<u>15</u>

22. 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 otherwise than disclosed else where in these financial statement are as follows:

22.1 TRANSACTIONS FOR THE YEAR	2024	2023
	Note	----- Rupees -----
Sindh Bank Limited - associated company		
Income from deposits	434,934	30,991,020
Income from term deposit receipt	-	39,726,021
Branch rent paid	624,000	600,000
	<u>1,058,934</u>	<u>71,317,041</u>
Sindh Modaraba Management Limited - management company		
Modaraba management company's remuneration paid	21,936,310	11,352,217
Dividend paid / distributed	53,057,500	50,935,200
	<u>74,993,810</u>	<u>62,287,417</u>
Sindh Insurance Limited - associated company		
Takaful paid	2,312,972	1,892,951
Sharing of expenses paid	1,080,000	983,128
	<u>3,392,972</u>	<u>2,876,079</u>
Key Management Personnel		
Salaries, allowances and benefits paid	15.6	<u>20,454,020</u>
		<u>15,578,054</u>
Sindh Modaraba Employees Provident Fund - employee fund		
Contribution paid (both employer's and employee's contribution)	2,887,624	<u>2,191,418</u>
Sindh Modaraba Employees Gratuity Fund - employee fund		
Contribution paid	1,041,276	<u>1,097,429</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

23. FINANCIAL INSTRUMENTS BY CATEGORY

	2024	2023
Financial assets as per the statement of financial position		
	----- Rupees -----	
At amortized cost		
- Current assets	202,142,642	182,076,260
- Cash and bank balances	950,000,000	700,000,000
- Short term investments	37,375,254	27,496,785
- Advances and other receivables	324,247,982	369,562,127
- Current portion of diminishing musharaka	1,460,208	431,600
- Current portion of long term loan	1,515,226,086	1,279,566,772
Non-current assets		
- Long term portion of diminishing musharaka	414,665,176	494,229,740
- Long term loan	5,085,621	1,222,862
	419,750,797	495,452,602
	<u>1,934,976,883</u>	<u>1,775,019,374</u>
Financial liabilities as per the statement of financial position		
At amortized cost		
Current liabilities		
- Creditors, accrued and other liabilities	61,509,524	44,381,187
- Profit distribution payable	1,075,380	929,481
	<u>62,584,904</u>	<u>45,310,668</u>

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The activities of the Modaraba is exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Board of Directors of the Management Company has the overall responsibility for the establishment and oversight of the Modaraba's risk management framework.

24.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risks: currency risk, profit rate risk and other price risk.

24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist in foreign currencies. As at June 30, 2024, Modaraba has no financial assets and liabilities in foreign currencies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

24.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market profit rates. The Modaraba has adopted appropriate policies to minimise its exposure to this risk.

24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As on June 30, 2024, the Modaraba did not hold any instruments which exposes it to price risk.

24.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk generally emanates from balances with banks, Ijarah rentals receivable, Investments and Diminishing Musharaka arrangements, deposits and other receivables.

The maximum exposure to credit risk at the end of the reporting period without taking into account any collateral held or other credit enhancement amounts are as follows:

	2024	2023
	----- Rupees -----	
Cash and bank balances	202,142,642	182,076,260
Short term investments	950,000,000	700,000,000
Diminishing Musharaka	738,913,158	863,791,867
Advances and other receivables	37,375,254	27,496,785
Long term loan	6,545,829	1,654,462
	<u>1,934,976,883</u>	<u>1,775,019,374</u>

As at June 30, 2024, there were no financial assets which were pledged as collateral for liabilities or contingent liabilities of the Modaraba.

24.2.1 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect groups of counterparties whose aggregate credit exposure is significant in relation to the Modaraba's total credit exposure. Concentrations of credit risk indicate the relative sensitivity of the Modaraba's performance to developments affecting a particular industry.

The Modaraba manages credit risks and its concentration through diversification of activities to avoid undue concentration of risk with individuals, groups or specific industry segments. For this purpose, the Modaraba has established exposure limits for individuals and industrial sectors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

24.2.2 Details of the sector analysis of gross investment portfolio is as follows:

Sectors	2024		2023	
	Rupees	%	Rupees	%
Sugar	96,458,321	12.18	63,972,855	6.96
Oil & Gas - Oil Marketing	9,870,000	1.25	11,280,000	1.23
Security services	15,125,720	1.91	23,106,380	2.51
Other services	5,015,890	0.63	62,054,013	6.75
Individual	46,960,986	5.93	45,420,169	4.94
Brokerage	-	-	74,682	0.01
Transport	43,813,807	5.53	57,392,505	6.24
Metal & Steel	2,085,416	0.26	2,275,000	0.25
Construction	98,736,444	12.47	177,162,502	19.27
Pharmaceutical	-	-	12,920,625	1.41
Poultry, Poultry feed & hatchery	47,795,187	6.04	51,206,590	5.57
Chemical & Allied (Other)	97,485,342	12.31	35,441,402	3.85
Textile	39,961,633	5.05	62,756,501	6.83
Food & Beverages	43,750,000	5.53	56,250,000	6.12
Energy	35,000,000	4.42	42,200,000	4.59
Health	148,385,417	18.74	197,020,834	21.43
Others	61,280,172	7.74	18,931,084	2.06
	791,724,335	100	919,465,142	100

24.2.3 Management of Credit Risk

The Modaraba's policy is to enter into financial contracts in accordance with the internal risk management policies and the requirements of the Prudential Regulations (PRs) for Modarabas issued by the SECP. The Modaraba seeks to manage its credit risk exposure through diversification of its Ijarah and Diminishing Musharaka arrangements to avoid undue concentration of risks with individuals or groups of customers in specific locations or businesses.

The credit quality of Modaraba's financial assets with banks is assessed with reference to external credit ratings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Credit risk ratings	Rating	2024	2023
		-----Rupees-----	
Bank balances - Sindh Bank Limited	AA- / A-1+	2,359,273	13,425,183
Bank balances - Meezan Bank Limited	AAA / A-1+	18,925	767
Bank balances - MCB Islamic Bank Limited	A+ / A-1	838	-
Bank balances - Bank Al-Habib Limited	AAA / A-1+	-	14,036
Bank balances - NRSP Micro Finance Bank Limited	A- / A-2	19,435	17,642
Bank balances - Soneri Bank Limited	AA- / A1+	199,654,780	92,511,625
Bank balances - Al-Baraka Bank Pakistan Limited	A+ / A-1	6,763	76,000,000
TDRs - Soneri Bank Limited	AA- / A1+	950,000,000	700,000,000
Bank balances - Habib Metropolitan Bank Limited	AA+ / A-1+	1,053	21,226
		<u>1,152,061,067</u>	<u>881,990,479</u>

24.3 Liquidity risk

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Modaraba will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. The maturity profile of Modaraba's financial assets and liabilities based on the contractual maturities is as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

2024						
Profit bearing			Non - profit bearing			Total
Maturity upto 1 year	Maturity after 1 year and upto 5 years	Sub Total	Maturity upto 1 year	Maturity after 1 year and upto 5 years	Sub Total	
----- Rupees -----						
Maturities of assets and liabilities						
Financial assets						
Cash and bank balances	200,860,973	-	200,860,973	1,281,669	-	1,281,669
Short term investments	950,000,000	-	950,000,000	-	-	950,000,000
Diminishing Musharaka	324,247,982	414,665,176	738,913,158	-	-	738,913,158
Long term loan	-	-	-	1,460,208	5,085,621	6,545,829
Advances and other receivables	-	-	-	37,375,254	-	37,375,254
	1,475,108,955	414,665,176	1,889,774,131	40,117,131	5,085,621	45,202,752
						1,934,976,883
Financial liabilities						
Creditors, accrued and other liabilities	-	-	-	61,509,524	-	61,509,524
Profit distribution payable	-	-	-	1,075,380	-	1,075,380
				62,584,904		62,584,904
						62,584,904
2023						
Profit bearing			Non - profit bearing			Total
Maturity upto 1 year	Maturity after 1 year and upto 5 years	Sub Total	Maturity upto 1 year	Maturity after 1 year and upto 5 years	Sub Total	
----- Rupees -----						
Maturities of assets and liabilities						
Financial assets						
Cash and bank balances	178,235,009	-	178,235,009	3,841,251	-	3,841,251
Short term investments	700,000,000	-	700,000,000	-	-	700,000,000
Diminishing Musharaka	369,562,127	494,229,740	863,791,867	-	-	863,791,867
Long term loan	-	-	-	431,600	1,222,862	1,654,462
Advances and other receivables	-	-	-	27,496,785	-	27,496,785
	1,247,797,136	494,229,740	1,742,026,876	31,769,636	1,222,862	32,992,498
						1,775,019,374
Financial liabilities						
Creditors, accrued and other liabilities	-	-	-	44,381,187	-	44,381,187
Profit distribution payable	-	-	-	929,481	-	929,481
				45,310,668		45,310,668
						45,310,668

25. CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Modaraba defines as net profit for the year divided by total Certificate holders' equity. The Board of Directors also monitors the level of dividend to ordinary certificate holders.

The Modaraba is not subject to externally imposed capital requirements.

The Modaraba finances its operations through equity and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. There is no borrowing made by the Modaraba as at the statement of financial position date, therefore, no gearing ratio is calculated.

26. 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.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

International Financial Reporting Standard (IFRS) 13, 'Fair value measurements' 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);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the assets or liability that are not based on observable market data (i.e., unobservable inputs) (level 3).

As at June 30, 2024, there were no financial instruments which were measured at fair values in the financial statements.

27. 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 investment in entities incorporated in Pakistan.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 -----Rupees-----	2023
29. CASH AND CASH EQUIVALENT			
Cash and bank balances	4	202,142,642	182,076,260
Short term investments	5	950,000,000	700,000,000
		<u>1,152,142,642</u>	<u>882,076,260</u>

30. CORRESPONDING FIGURES

Prior year's figures have been reclassified for the purpose of better presentation and comparison where considered necessary.

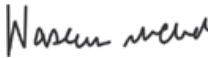



31. DATE OF AUTHORISATION

These financial statements were authorized for issue on **11 September 2024** by the Board of Directors of the Management Company.

32. GENERAL

The figures have been rounded off to the nearest rupees

For Sindh Modaraba Management Limited (Management Company - Owned by Government of Sindh)

 _____ Chairman	 _____ Chief Executive Officer	 _____ Director	 _____ Chief Financial Officer
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Pattern of Certificate Holding

As At June 30,2024

Number of Certificate Holders	Certificate Holding		Total Certificate Held
	From	To	
265	1	- 100	2,146
425	101	- 500	209,870
53	501	- 1000	51,628
62	1001	- 5000	161,651
18	5001	- 10000	135,499
5	10001	- 15000	63,340
8	15001	- 20000	147,501
4	20001	- 25000	91,335
1	25001	- 30000	30,000
2	30001	- 35000	64,850
3	35001	- 40000	114,000
1	40001	- 45000	44,500
1	45001	- 50000	50,000
2	50001	- 55000	106,782
1	60001	- 65000	65,000
1	65001	- 70000	68,000
1	70001	- 75000	75,000
2	75001	- 80000	153,898
1	145001	- 150000	150,000
1	195001	- 200000	196,000
1	245001	- 250000	249,000
1	320001	325000	324,000
1	42445001	42450000	42,446,000
860			45,000,000

Pattern of Certificate Holding

As At June 30,2024

<u>Categories Of Certificate Holders</u>	<u>Certificates Held</u>	<u>Percentage</u>
(i) Government;		NIL
(ii) Associated Companies, Undertakings and Related Parties (name wise details);		
Sindh Modaraba Management Ltd.	42,446,000	
	42,446,000	94.32
(iii) Mutual Funds;		NIL
(iv) Directors, Chief Executive, and their spouse and minor children (name wise)		
Ishfaque Ahmed (Ex-CEO)	500	
Tahoorah Ishfaque - Spouse (Ex-CEO)	500	
Abdul Rauf Chandio - Director	500	
Ruby Rauf Chandio - Spouse (Director)	500	
Rifa Rauf Chandio - Minor child (Director)	500	
	2,500	0.01
(v) Executives;		NIL
Faraz Uz Zafar	2,000	
	2,000	0.004
(vi) Public Sector Companies and corporations;		NIL
(vii) Banks, Development Finance Institutions, Non-Banking Finance		NIL
Hafiz Limited	33,000	
	33,000	0.07
Individual		
Local - Individuals	2,393,000	
	2,516,500	5.59
Grand Total:	45,000,000	100

Shareholders holding five percent or more voting rights in the Public Sector Company

	<u>Certificates Held</u>	<u>Percentage</u>
Sindh Modaraba Management Ltd.	42,446,000	94.32

Notice of Annual Review Meeting

Notice is hereby given that the 10th Annual Review Meeting of certificate holders of Sindh Modaraba will be held on 25 October 2024 at 10:00 A.M. at 602, Progressive Centre, 30-A, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi to review the performance of the Modaraba for the year ended 30 June 2024 in terms of clause 20 of the Prudential Regulations for Modaraba issued vide Circular number 4/2004 by Registrar Modaraba Companies and Modarabas.

The Board of Directors of Sindh Modaraba has approved a final cash dividend of 12.50% (Rs.1.25 Per certificate) for the year ended June 30, 2024

Weblink and QR Code:

<https://sindhmodarabalt.com/page-financial-reports>



Karachi
04 October 2024

M. Adnan Shakeel
Company Secretary

Note:

1. The Modaraba Certificate transfer book shall remain closed from 18 October 2024 to 25 October 2024 (both days inclusive) to determine the names of Certificate Holders entitled to receive dividends and to attend the Annual Review Meeting. Transfers received in order at the registrar's office of the Modaraba up to the close of the business on 17 October 2024 will be treated in time for the entitlement of profit distribution and to attend Annual Review Meeting.
2. The certificate holders are advised to notify the registrar of Sindh Modaraba, of any change in their addresses.
3. CDC certificate holders desiring to attend the meeting are requested to bring their original CNIC, Account, and Participant's ID number, for identification purposes.
4. Since the members/certificate holders of the Modaraba have approved the transmission/circulation of the annual audited financial statements via QR-enabled code and Weblink in its last Annual Review Meeting, the Modaraba has provided above the QR code and Weblink to facilitate its members/certificate holders.

اطلاع برائے سالانہ جائزہ اجلاس اور کیش ڈیویڈنڈ کا اعلان

بزریہ ہذا اطلاع دی جاتی ہے کہ رجسٹرڈ مزاربہ کمپنیز اور مزاربہ کی جانب سے سرکلر ۲۰۰۴/۴ اور پروڈیٹل ریگولیشن کے شق ۲۰ کی شرائط کے تحت، ۳۰ جون ۲۰۲۴ء کو ختم ہونے والے سال کیلئے مزاربہ کی کارگزاری کے جائزہ کیلئے سندھ مزاربہ کے سرٹیفکیٹ ہولڈرز کا دسواں سالانہ جائزہ اجلاس ۲۵ اکتوبر ۲۰۲۴ء کو صبح ۱۰:۰۰ بجے کمرہ نمبر ۶۰۲ چھٹی منزل، پروگریسیو سینٹر، ۳۰-اے، بلاک نمبر ۶ شارع فیصل، کراچی میں منعقد ہوگا۔

مزاربہ کے بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۴ء کو ختم ہونے والے سال کیلئے %۱۲.۵۰ (فی سرٹیفکیٹ روپیہ ۲۵ پیسے) کی شرح سے حتمی کیش ڈیویڈنڈ منظور کیا ہے۔

<https://sindhmodarabalttd.com/page-financial-reports>



کراچی
۲۰ اکتوبر ۲۰۲۴ء

محمد عدنان شکیل
کمپنی سیکریٹری

نوٹ:

- ۱- سرٹیفکیٹس ٹرانسفر بکس ۱۸، اکتوبر ۲۰۲۴ء سے ۲۵ اکتوبر ۲۰۲۴ء تک (بشمول دونوں ایام) بند رہیں گی تاکہ اجلاس میں شرکت اور ڈیویڈنڈ کے حقدار کا تعین ہو سکے۔
- ۲- سرٹیفکیٹ منتقلی کے لئے ۱۷ اکتوبر ۲۰۲۴ء کو کاروباری اوقات ختم ہونے سے پہلے تک سندھ مزاربہ کے رجسٹر آف فیس میں موصول ہونے والی تمام درخواست سالانہ جائزہ اجلاس میں شرکت اور ڈیویڈنڈ کی تقسیم کیلئے بروقت تصدیق کی جائیں گی۔
- ۳- سرٹیفکیٹ ہولڈرز سے درخواست سے کہ اگر ان کے ایڈریس میں کوئی تبدیلی ہو تو رجسٹر کو آگاہ کریں۔
- ۴- سی ڈی سی سرٹیفکیٹ ہولڈرز جو اجلاس میں شرکت کرنا چاہتے ہیں، اپنے ساتھ اصل شناختی کارڈ، اکاؤنٹ نمبر (آئی بی اے این) اور پارٹیسپنٹ آئی ڈی نمبر لازمی لائیں۔
- ۵- چونکہ مزاربہ کے ارکان/سرٹیفکیٹ ہولڈرز نے پچھلے سالانہ جائزہ اجلاس میں منظوری دی تھی کہ سالانہ آڈٹ شدہ مالیاتی بیانات کی ترسیل/گردش کیو آر کوڈ اور ویب لنک کے ذریعے کی جائے، اس لیے مزاربہ نے اپنے ارکان/سرٹیفکیٹ ہولڈرز کی سہولت کے لیے اوپر کیو آر کوڈ اور ویب لنک فراہم کیا ہے۔

SINDH MODARABA **Products**

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

SINDH MODARABA

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