

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO

SINDH MODARABA

Quarterly Report  
March 31, 2016



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

أَلَمْ نَجْعَلِ الْأَرْضَ مِهَادًا  
وَالْجِبَالَ أَوْتَادًا  
وَوَخَلَقْنَاكُمْ أَزْوَاجًا

Have We not made the earth as a wide expanse

And the mountains as pegs?

And (have We not) created you in pairs,

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## Vision & Mission Statements

### Vision

Our vision is to be one of the leading Islamic Financial Institution within Modaraba sector by offering Shari'ah compliant solutions for an optimal satisfaction of customers

### Mission

The basic aim of Sindh Modaraba is to seek Allah's blessing for transformation of our business dealings in accordance with the principles enshrined in the Islamic Shari'ah. And to develop an Islamic Institution by implementing Allah's will in the line with the practices of His Prophet (P.B.U.H.) by meeting its stated objectives built on Trust, Integrity, Innovation and good governance for meeting expectation of its stakeholders.

## Corporate Information

### Board of Directors

Mr. Muhammad Bilal Shaikh	-Chairman	-Non-Executive Director
Mr. Muhammad Sohail Khan Rajput		-Non-Executive Director
Mr. Muhammad Naimuddin Farooqui		-Non-Executive Director
Syed Shahnawaz Nadir Shah		-Non-Executive Director
Mr. Muhammad Shahid Murtaza		-Independent Director
Mr. Asif Haider Mirza		-Independent Director
Mr. Moin Mohajir		-Independent Director
Mr. Javed Iqbal		-Chief Executive

### CFO & Company Secretary

Mr. Zulfiqar Ali

### Audit Committee

Mr. Muhammad Shahid Murtaza	-Chairman
Mr. Muhammad Naimuddin Farooqui	-Member
Syed Shahnawaz Nadir Shah	-Member
Mr. Moin Mohajir	-Member

### Human Resource Committee

Mr. Muhammad Bilal Shaikh	-Chairman
Mr. Moin Mohajir	-Member
Mr. Asif Haider Mirza	-Member
Mr. Javed Iqbal	-Member

### Registered/Head Office

1st Floor, Imperial Court,  
Dr. Ziauddin Ahmed Road  
Karachi

Tel : (92-21) 35640708-9

web : [www.sindhmodarabalttd.com](http://www.sindhmodarabalttd.com)

Email : [info@sindhmodarabalttd.com](mailto:info@sindhmodarabalttd.com)

### Bankers

Sindh Bank Limited-Islamic Banking (Saadat)

### Auditors

Grant Thornton Anjum Rahman  
Chartered Accountants

### Shariah Advisor

Mufti Zeeshan Abdul Aziz

### Legal Advisor

Mohsin Tayebaly & Co.

### Share Registrar

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

Tel: (92-21) 34391316

## Directors' Review

The Board of Directors of Sindh Modaraba Management Limited, Management Company of Sindh Modaraba is pleased to present the un-audited Financial Statements of Sindh Modaraba for the nine months period ended March 31, 2016.

## Operating Results

During the period under review, the Modaraba earned profit of Rs. 10.95 million an increase of Rs.3.53 million over the figure reported in our last published accounts of Dec-2015. Total disbursement of Rs. 161 million was made during the quarter ended March 31, 2016 bringing the total financing assets to Rs.427 million. Operating costs were kept under strict control and a general provision @ 0.5% was created against ljarah rentals and diminishing musharaka receivables.

## Future Prospects

The management will continue its policy of carefully building a high quality financing portfolio which shall serve as a strong base for its future expansion. To expand its outreach to the Customers, Modaraba is establishing its first branch in Lahore, which shall become operational w.e.f. 1st May-2016. We are hopeful of achieving even better results in the remaining part of current financial year.

## Acknowledgment

On behalf of the Board of Directors, I extend many thanks to all stake holders' i.e. sponsors, shareholders, regulators, customers and employees for the guidance, trust and hard work that have enabled to establish Sindh Modaraba for achieving these results. We assure them of continued adherence to prudent practices and providing customized products and services to the customers.

On behalf of Board

Karachi:  
April 26, 2016

**Javed Iqbal**  
Chief Executive

## Condensed Interim Balance Sheet

As at March 31, 2016

		March 31, 2016	June 30, 2015
		<u>Un-audited</u>	<u>Audited</u>
Note	-----Rupees-----		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	4	62,892,238	309,603,524
Ijarah rental receivables	5	4,615,398	730,517
Advances, prepayments and other receivables	6	6,539,999	3,064,496
Current portion of Diminishing Musharaka	7	39,376,526	10,737,273
Current portion of long term loan		<u>324,000</u>	<u>324,000</u>
<b>Total current assets</b>		<b>113,748,161</b>	<b>324,459,810</b>
<b>Non - current assets</b>			
Long term Diminishing Musharaka	7	164,946,064	106,474,545
Ijarah assets	8	222,995,210	46,013,040
Long term loan		945,000	1,188,000
Fixed assets - in own use	9	3,630,482	274,655
<b>Total non - current assets</b>		<u>392,516,756</u>	<u>153,950,240</u>
<b>TOTAL ASSETS</b>		<u><b>506,264,917</b></u>	<u><b>478,410,050</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Creditors, accrued and other liabilities	10	14,069,529	9,491,879
Profit distribution payable		<u>9,012</u>	<u>-</u>
		<b>14,078,541</b>	<b>9,491,879</b>
<b>Non - current liabilities</b>			
Long term security deposit		<u>28,844,699</u>	<u>9,326,968</u>
<b>TOTAL LIABILITIES</b>		<u><b>42,923,240</b></u>	<u><b>18,818,847</b></u>
<b>CERTIFICATE HOLDERS' EQUITY</b>			
<b>Certificate capital</b>			
<b>Authorised certificate capital</b>			
50,000,000 certificates of Rs. 10 each		<u>500,000,000</u>	<u>500,000,000</u>
(June 30, 2015: 50,000,000 certificates of Rs. 10 each)			
Issued, subscribed, and paid - up certificate capital		<u>450,000,000</u>	<u>450,000,000</u>
Unappropriated profit		<u>11,423,436</u>	<u>7,672,962</u>
Statutory reserve		<u>1,918,241</u>	<u>1,918,241</u>
<b>TOTAL EQUITY</b>		<u><b>463,341,677</b></u>	<u><b>459,591,203</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>506,264,917</b></u>	<u><b>478,410,050</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11		

The annexed notes from 1 to 15 form an integral part of these financial statements.

For Sindh Modaraba Management Limited  
(Management Company)



Chairman



Chief Executive



Director

## Condensed Interim Profit and Loss Account

For the Nine Months Period Ended March 31, 2016

		For the nine months ended March 31, 2016	Feb 09, 2015 to March 31, 2015	For the quarter ended March 31, 2016	Feb 09, 2015 to March 31, 2015
		Un-audited			
	Note	-----Rupees-----			
<b>Income from:</b>					
- Diminishing Musharaka		9,661,327	331,130	3,786,211	331,130
- Ijarah		37,432,703	-	17,097,947	-
- Bank deposits		10,840,169	13,209,555	2,457,021	13,209,555
		<u>57,934,199</u>	<u>13,540,685</u>	<u>23,341,179</u>	<u>13,540,685</u>
Administrative and operating expenses	12	(12,295,250)	(1,169,572)	(4,387,734)	(1,169,572)
Preliminary expenses - net		-	(7,189,552)	-	(7,189,552)
Depreciation - Ijarah assets	8	(32,239,857)	-	(14,616,993)	-
Provision in respect of diminishing musharaka	7	(1,021,613)	-	(355,678)	-
Provision on ijarah rental receivable	5	(23,069)	-	(14,848)	-
		<u>(45,579,789)</u>	<u>(8,359,124)</u>	<u>(19,375,253)</u>	<u>(8,359,124)</u>
		<u>12,354,410</u>	<u>5,181,561</u>	<u>3,965,926</u>	<u>5,181,561</u>
Other income		257,277	30,000	105,500	30,000
		<u>12,611,687</u>	<u>5,211,561</u>	<u>4,071,426</u>	<u>5,211,561</u>
Management Company's remuneration		(1,261,169)	(521,156)	(407,143)	(521,156)
Services sales tax on the Management Company's remuneration		(176,564)	(83,385)	(57,000)	(83,385)
Workers' welfare fund		(223,480)	(92,140)	(72,146)	(92,140)
<b>Profit for the period before taxation</b>		<u>10,950,474</u>	<u>4,514,880</u>	<u>3,535,137</u>	<u>4,514,880</u>
Taxation	13	-	-	-	-
<b>Profit for the period after taxation</b>		<u>10,950,474</u>	<u>4,514,880</u>	<u>3,535,137</u>	<u>4,514,880</u>
<b>Earnings per certificate - basic and diluted</b>		<u>0.24</u>	<u>0.10</u>	<u>0.08</u>	<u>0.10</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

For Sindh Modaraba Management Limited  
(Management Company)



Chairman



Chief Executive



Director

## Condensed Interim Statement of Comprehensive Income

For the Nine Months Period Ended March 31, 2016

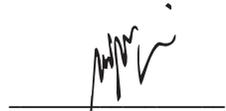
	For the nine months period ended March 31, 2016	Feb 09, 2015 to March 31, 2015	For the quarter ended March 31, 2016	Feb 09, 2015 to March 31, 2015
	Un-audited			
	-----Rupees-----			
<b>Profit for the period</b>	<b>10,950,474</b>	4,514,880	<b>3,535,137</b>	4,514,880
Other comprehensive income for the period				
- items that may be reclassified to profit and loss	-	-	-	-
- items that will not be reclassified to profit and loss account subsequently	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>10,950,474</u></b>	<u>4,514,880</u>	<b><u>3,535,137</u></b>	<u>4,514,880</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

For Sindh Modaraba Management Limited  
(Management Company)


  
 \_\_\_\_\_  
 Chairman


  
 \_\_\_\_\_  
 Chief Executive


  
 \_\_\_\_\_  
 Director

## Condensed Interim Cash Flow Statement

For the Nine Months Period Ended March 31, 2016

		For the nine months period ended March 31, 2016	Feb 11, 2015 to March 31, 2015
		Un-audited	
	Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period before taxation		10,950,474	4,514,880
<b>Adjustments for non - cash and other items</b>			
Depreciation - Ijarah assets	8	32,239,857	-
Depreciation - Fixed assets - in own use	9.1 & 9.2	495,102	1,350
Income on bank deposits		(10,840,169)	-
Provision in respect of diminishing musharaka		1,021,613	-
Provision for ijarah rental receivable		23,069	-
		<b>22,939,472</b>	<b>1,350</b>
<b>Working capital changes</b>			
Increase in advances, prepayments and other receivables		(4,867,124)	(3,433,041)
Increase in Ijarah rental receivables		(3,907,950)	-
Increase in Diminishing Musharaka		(88,132,385)	(85,000,000)
Decrease / (Increase) in long term loan		243,000	(1,593,000)
Increase in creditors, accrued and other liabilities		4,577,650	8,039,107
Increase in long term security deposit		19,517,731	-
		<b>(72,569,078)</b>	<b>(81,986,934)</b>
Income received on bank deposits		12,231,790	-
<b>Net cash used in operations</b>		<b>(26,447,342)</b>	<b>(77,470,704)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Ijarah assets	8	(209,222,027)	-
Purchase of fixed assets - in own use	9.1	(3,325,497)	(118,517)
Purchase of intangible	9.2	(525,432)	-
<b>Net cash used in investing activities</b>		<b>(213,072,956)</b>	<b>(118,517)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of certificate capital		-	450,000,000
Dividend paid		(7,190,988)	-
<b>Net cash (used in) / generated from financing activities</b>		<b>(7,190,988)</b>	<b>450,000,000</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(246,711,286)</b>	<b>372,410,779</b>
Cash and cash equivalents at the beginning of the period		309,603,524	-
<b>Cash and cash equivalents at the end of the period</b>		<b>62,892,238</b>	<b>372,410,779</b>

The annexed notes from 1 to 15 form an integral part of these financial statements.

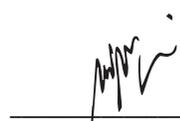
For Sindh Modaraba Management Limited  
(Management Company)



Chairman



Chief Executive



Director

## Condensed Interim Statement of Changes in Equity

For the Nine Months Period Ended March 31, 2016

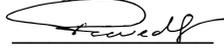
	Issued, subscribed, and paid - up certificate capital	Unappropriated profit	Statutory reserve	Total equity
<b>Audited</b>				
-----Rupees-----				
Issue of certificates	450,000,000	-	-	450,000,000
Total comprehensive income for the period	-	9,591,203	-	9,591,203
Transfer to statutory reserve	-	(1,918,241)	1,918,241	-
Balance as at June 30, 2015	<u>450,000,000</u>	<u>7,672,962</u>	<u>1,918,241</u>	<u>459,591,203</u>
<b>Un-audited</b>				
Balance as at June 30, 2015	<b>450,000,000</b>	<b>7,672,962</b>	<b>1,918,241</b>	<b>459,591,203</b>
Total comprehensive income for the period	-	<b>10,950,474</b>	-	<b>10,950,474</b>
<b>Transaction with Owner</b>				
Profit distribution @ Rs. 0.16 per certificate	-	<b>(7,200,000)</b>	-	<b>(7,200,000)</b>
Balance as at March 31, 2016	<u><b>450,000,000</b></u>	<u><b>11,423,436</b></u>	<u><b>1,918,241</b></u>	<u><b>463,341,677</b></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

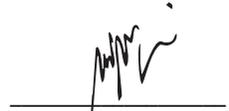
For Sindh Modaraba Management Limited  
(Management Company)



Chairman



Chief Executive



Director

## Notes to the Condensed Interim Financial Statements

For the Nine Months Period Ended March 31, 2016

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Sindh Modaraba (the Modaraba) has been floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Sindh Modaraba Management Limited (the Management Company), which is a wholly owned subsidiary of Government of Sindh. The registered office of the Modaraba is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial statements of the Modaraba for the nine months period ended March 31, 2016 have been prepared by the management in accordance with the International Accounting Standard (IAS)-34 "Interim Financial Reporting" and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case the requirements of the Ordinance and the Rules differ with the requirements of IFRS, the requirements of the Ordinance or the Rules shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34; 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2015.

#### 2.2 Basis of measurement

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

#### 2.3 Functional and presentation currency

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

#### 2.4 Use of significant estimates and judgments

The preparation of condensed interim financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments

## Notes to the Condensed Interim Financial Statements

For the Nine Months Period Ended March 31, 2016

and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on on-going basis.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Modaraba for the year ended 30 June 2015 except below mentioned change in accounting estimates:

#### 3.1 Provision against receivables

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

		<b>March 31, 2016</b>	<b>June 30, 2015</b>
		<b>Un-audited</b>	<b>Audited</b>
	Note	-----Rupees-----	
<b>4 CASH AND BANK BALANCES</b>			
Cash in hand		<b>20,000</b>	-
Stamp paper in hand		<b>64,400</b>	10,050
Balances with banks			
-on deposit accounts	4.1	<b>62,781,443</b>	309,573,474
-on current accounts		<b>26,395</b>	<b>20,000</b>
		<b>62,892,238</b>	<b>309,603,524</b>

4.1 These represent balances held with Sindh Bank Limited - Islamic Banking Unit, related party. These carry profit at the rates of 6.1% per annum (June 30, 2015: 7.1% per annum).

### 5 IJARAH RENTAL RECEIVABLES

Ijarah rental receivables		<b>4,638,467</b>	730,517
Less: provision for ijarah renatal receivable	5.1	<b>(23,069)</b>	-
		<b>4,615,398</b>	<b>730,517</b>

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

## Notes to the Condensed Interim Financial Statements

For the Nine Months Period Ended March 31, 2016

		<b>March 31, 2016</b>	<b>June 30, 2015</b>
		<u>Un-audited</u>	<u>Audited</u>
<b>Note</b>	<b>-----Rupees-----</b>		
<b>6</b>	<b>ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>		
	Advances	3,565,304	214,309
	Prepayments	782,134	127,640
	Accrued income from bank deposits	425,294	1,816,915
	Accrued income from Diminishing Musharaka	1,622,005	845,882
	Other receivables	145,262	59,750
		<u>6,539,999</u>	<u>3,064,496</u>
<b>7</b>	<b>DIMINISHING MUSHARAKA</b>		
	Receivables - secured	7.1 205,344,203	117,211,818
	Less: current portion of diminishing musharaka	(39,376,526)	(10,737,273)
	Less: provision in respect of diminishing musharaka	7.2 (1,021,613)	-
	Long term portion of diminishing musharaka	<u>164,946,064</u>	<u>106,474,545</u>

7.1 This represents the finance provided under Diminishing Musharaka arrangements for a period upto five years.

7.2 This represents general provision made at the rate of 0.5% on diminishing musharaka receivables.

## 8 IJARAH ASSETS

Amount in Rupees

Particulars	Cost			Depreciation			WDV as at March 31, 2016
	As at June 30, 2015	Additions	As at March 31, 2016	As at June 30, 2015	Charge for the period	As at March 31, 2016	
	<u>Un-audited</u>						
Plant and machinery	46,634,838	141,585,787	188,220,625	621,798	17,912,393	18,534,191	169,686,434
Vehicles	-	67,636,240	67,636,240	-	14,327,464	14,327,464	53,308,776
	<u>46,634,838</u>	<u>209,222,027</u>	<u>255,856,865</u>	<u>621,798</u>	<u>32,239,857</u>	<u>32,861,655</u>	<u>222,995,210</u>
June 30, 2015	-	46,634,838	46,634,838	-	621,798	621,798	46,013,040

## 9 FIXED ASSETS - in own use

		<b>March 31, 2016</b>	<b>June 30, 2015</b>
		<u>Un-audited</u>	<u>Audited</u>
<b>Note</b>	<b>-----Rupees-----</b>		
Property and Equipment	9.1	3,163,426	274,655
Intangible assets	9.2	467,056	-
		<u>3,630,482</u>	<u>274,655</u>

## Notes to the Condensed Interim Financial Statements

For the Nine Months Period Ended March 31, 2016

### 9.1 Property and Equipment

Particulars	Cost			Depreciation			Depreciation rate	
	As at June 30, 2015	Additions	As at March 31, 2016	As at June 30, 2015	Charge for the period	As at March 31, 2016		WDV as at March 31, 2016
Un-audited								
Furniture and fixtures	95,017	1,134,848	1,229,865	3,313	63,870	67,183	1,162,682	10%
Vehicles	43,500	-	43,500	3,625	6,525	10,150	33,350	20%
Office equipment	-	1,324,474	1,324,474	-	148,672	148,672	1,175,802	20%
Computer and accessories	156,084	866,175	1,022,259	13,008	217,659	230,667	791,592	33.33%
<b>Total</b>	<b>294,601</b>	<b>3,325,497</b>	<b>3,620,098</b>	<b>19,946</b>	<b>436,726</b>	<b>456,672</b>	<b>3,163,426</b>	
June 30, 2015	-	294,601	294,601	-	19,946	19,946	274,655	

	March 31, 2016	June 30, 2015
	Un-audited	Audited
-----Rupees-----		

### 9.2 Intangible assets

Opening net book value	-	-
Additions during the year	525,432	-
Amortization for the year	(58,376)	-
Closing net book value	<u>467,056</u>	<u>-</u>

#### As at date

Cost	525,432	-
Accumulated amortization	(58,376)	-
Net book value	<u>467,056</u>	<u>-</u>
Annual rates of amortization	33.33%	-

### 10 CREDITORS, ACCRUED AND OTHER LIABILITIES

Preliminary expenses payable to the Management Company	7,189,552	7,189,552
Management company remuneration payable	2,368,289	1,107,120
Sindh sales tax payable on management fee	353,703	177,139
Payable to Management company against purchase of fixed assets	2,116,225	-
Creditors and other liabilities	1,324,327	459,591
Accrued expenses	717,433	558,477
	<u>14,069,529</u>	<u>9,491,879</u>

## Notes to the Condensed Interim Financial Statements

For the Nine Months Period Ended March 31, 2016

### 11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at the balance sheet date (June 30, 2015: Nil)

	For the nine months period ended March 31, 2016	Feb 09, 2015 to March 31, 2015
	Un-audited	
Note	-----Rupees-----	

### 12 ADMINISTRATIVE AND OPERATING EXPENSES

Salaries, allowances and other benefits	7,885,185	881,628
Legal and professional charges	973,095	106,950
Repair and maintenance	347,864	22,870
Utility services	483,138	10,267
Registration and subscription fee	379,338	24,625
Travelling and conveyance	40,231	45,600
Security services	256,491	26,934
Printing, stationery and photocopy	316,024	813
Auditors' remuneration	122,550	-
Depreciation expense - fixed assets	9.1 & 9.2 495,102	1,350
Insurance	159,185	330
Miscellaneous	837,047	48,205
	<u>12,295,250</u>	<u>1,169,572</u>

### 13 TAXATION

As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes at least 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. The Modaraba intends to continue to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation to statutory reserves for the year ending June 30, 2016. Accordingly, no provision in respect of current and deferred taxation has been made in these condensed interim financial statements.

### 14 RELATED PARTY BALANCES AND TRANSACTIONS

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

The details of related party transactions and balances as at March 31, 2016 are as follows:

## Notes to the Condensed Interim Financial Statements

For the Nine Months Period Ended March 31, 2016

	Note	March 31, 2016	June 30, 2015
		Un-audited	Audited
<b>Balances as at period end</b>			
<b>Sindh Bank Limited</b>			
Bank deposits	4	62,781,443	309,573,474
Accrued income from bank deposits	6	425,294	1,816,915
<b>Sindh Modaraba Management Limited</b>			
Management Company fee payable	10	2,368,289	1,107,120
Preliminary expenses payable	10	7,189,552	7,189,552
Payable for purchase of fixed assets	10	2,116,225	-
<b>Key Management Personnel</b>			
Salaries, allowances and other benefits		-	106,061
Long term loan		1,269,000	1,512,000
<b>Sindh Insurance Limited</b>			
Insurance premium payable		1,519	
Sharing of expenses payable		109,215	-
<b>Staff Provident Fund</b>			
Contribution payable		-	136,628
		For the nine months period ended March 31, 2016	Feb 09, 2015 to March 31, 2015
		Un-audited	
<b>Transactions for the period</b>			
<b>Sindh Bank Limited</b>			
Income from deposits		9,559,445	13,209,555
<b>Sindh Modaraba Management Limited</b>			
Purchase of fixed assets	10	2,116,225	-
Management Company remuneration		1,261,169	739,084
<b>Sindh Insurance Limited</b>			
Insurance premium paid		295,355	286,105
Sharing of expenses		327,645	218,430
<b>Key Management Personnel</b>			
Salaries, allowances and benefits paid		2,936,753	2,016,202
<b>Staff Provident Fund</b>			
Contribution paid		618,494	413,218

### 15 DATE OF AUTHORISATION

These financial statements were authorised for issue on April 26, 2016 by the Board of Directors of the Management Company.



Chairman

For Sindh Modaraba Management Limited  
(Management Company)



Chief Executive



Director

## SINDH MODARABA

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