

Our Vision

To be a leading investment company, governed by shareholder returns and managed in line with the highest ethical standards.

Our Commitment

We will maintain financial discipline and adhere to professional and moral codes. In the operation of the company, we will comply with all rules and regulations set down by the supervisory authorities.



Company Information

Board of directors	Mr. Muzaffar Ali Shah Bukhari	Chairman
	Mr. Nasir Ali Shah Bukhari	Chief Executive Officer
	Syeda Mubashara Bukhari	Director
	Syed Liaquat Ali	Director
	Syed Waseem ul Haq Haqqi	Director
	Mr. Irshad Ali Shaban Ali Kassim	Director
	Ms. Sophie Lui	Director

Chief financial officer Mr. Muhammad Aamir Ahmadani

Company secretary Mr. Zia-ul-Haq

Auditors M/s. Ernst & Young Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Legal advisor Mohsin Tayebaly & Co.

Audit committee	Syed Waseem ul Haq Haqqi	Chairman
	Mr. Muzaffar Ali Shah Bukhari	Member
	Syed Liaquat Ali	Member

Bankers KASB Bank Limited
Soneri Bank Limited

Registered office and Head office 90-91 Razia Shariff Plaza, Blue Area, Islamabad - 44000
Tel : (051) 2826181-82
Fax : (051) 2826184
Email : info@sigmacorporation.com.pk
Website : www.sigmacorporation.com.pk

Principal office Sigma House 8-C, Block 6, P.E.C.H.S., Off Shahrah-e-Faisal, Karachi.
Tel : (021) 34557233-4, 34544850-1
Fax : (021) 34544439

Share department THK Associates (Pvt.) Limited
Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road,
Karachi, 75530 P.O. Box No. 8533
UAN # : (92-21) 111-000-322
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DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

On behalf of the Directors of Sigma Corporation Limited (the Company), I am pleased to present the review report for the 3rd quarter ended March 31, 2013 along with the condensed interim financial statements.

Summarized financial performance of the Company for the 3rd quarter ended March 31, 2013 was as follows:

	Rs. in million
Profit before taxation	4.260
Taxation	<u>0.212</u>
Profit after taxation	<u>4.472</u>
Earnings per share	<u>0.15</u>

The Board of Directors of the Company has approved a Scheme of Amalgamation through which KASB Finance (Private) Limited will merge with and in to the Company. KASB Finance Limited is an investment holding company of the KASB Group. A petition has been filed with Islamabad High Court for approval of the proposed merger. Further, the Company has also applied to the Securities & Exchange Commission of Pakistan for approval of change of its name from Sigma Corporation Limited to KASB Corporation Limited. Subsequent to the implementation of the above actions and approvals, the Company will become the listed Holding Company of the KASB Group.

The Board recognizes and appreciates the support of regulatory authorities, investors, the management and other staff members of the Company.

For and on behalf of the Board of Directors.

Date: April 25, 2013.
Karachi




Muzaffar Ali Shah Bukhari
Chairman



**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2013**

	Note	March 31, 2013 (Un-Audited)	June 30, 2012 (Audited)
		----- Rupees -----	
ASSETS			
Current assets			
Cash and bank balances	4	35,727,598	69,894,289
Investments	5	274,957,014	253,443,952
Short term loans	6	21,500,000	-
Prepayments and other receivables		1,767,155	3,202,719
Taxation - net		<u>696,540</u>	-
Total current assets		<u>334,648,306</u>	<u>326,540,960</u>
Non-current assets			
Property and equipment		<u>62,516,069</u>	<u>63,131,847</u>
Long term deposits		<u>232,200</u>	<u>232,200</u>
Total non-current assets		<u>62,748,269</u>	<u>63,364,047</u>
TOTAL ASSETS		<u>397,396,575</u>	<u>389,905,007</u>
LIABILITIES			
Current liabilities			
Taxation - net		<u>-</u>	<u>10,809,607</u>
Accrued expenses and other liabilities		<u>3,836,053</u>	<u>2,764,315</u>
Total current liabilities		<u>3,836,053</u>	<u>13,573,922</u>
Non-current liabilities			
Deferred tax liability - net		<u>6,317,129</u>	<u>6,262,902</u>
TOTAL LIABILITIES		<u>10,153,183</u>	<u>19,836,824</u>
NET ASSETS		<u>387,243,393</u>	<u>370,068,183</u>
REPRESENTED BY			
Issued, subscribed and paid-up share capital		<u>300,000,000</u>	<u>300,000,000</u>
Accumulated profit		<u>42,273,582</u>	<u>24,942,144</u>
		<u>342,273,582</u>	<u>324,942,144</u>
Surplus on revaluation of Property and equipment - net of deferred tax		<u>44,969,810</u>	<u>45,126,039</u>
		<u>387,243,393</u>	<u>370,068,183</u>
Contingencies	7		

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



 Chief Executive Officer



 Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	Nine Months Ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Note	----- Rupees -----			
INCOME				
Continuing operations				
Mark-up on bank deposits and short term loans	4,684,465	1,938,386	1,379,797	991,105
Returns on investments	12,154,069	14,016,496	8,052,547	1,674,562
Other operating income	2,542,179	1,361,514	495,000	482,142
	<u>19,380,714</u>	<u>17,316,396</u>	<u>9,927,345</u>	<u>3,147,809</u>
EXPENSES				
Administrative and operating expenses	8,078,869	8,366,956	3,300,527	1,968,124
Financial charges	3,424	144,570	705	1,870
	<u>8,082,293</u>	<u>8,511,526</u>	<u>3,301,232</u>	<u>1,969,994</u>
Operating Income	<u>11,298,421</u>	<u>8,804,870</u>	<u>6,626,113</u>	<u>1,177,815</u>
Unrealised gain / (loss) on revaluation of held-for-trading investments	6,966,787	-	(2,365,982)	9,852,656
Profit before taxation	<u>18,265,208</u>	<u>8,804,870</u>	<u>4,260,131</u>	<u>11,030,471</u>
Taxation				
Current	915,027	3,136,199	(231,349)	3,041,862
Prior	120,742	467,324	-	-
Deferred	54,230	(6,204)	19,624	18,009
	<u>1,089,999</u>	<u>3,597,319</u>	<u>(211,725)</u>	<u>3,059,871</u>
Profit from continuing perations	<u>17,175,209</u>	<u>5,207,551</u>	<u>4,471,856</u>	<u>7,970,600</u>
Discontinued Operation				
Income from discontinued operation - net of tax	-	4,589,422	-	3,572,427
Net profit for the period	<u>17,175,209</u>	<u>9,796,973</u>	<u>4,471,856</u>	<u>11,543,027</u>
Earning per share - basic and diluted				
From continuing operations	0.57	0.17	0.15	0.27
From discontinued operation	-	0.15	-	0.12
Total	<u>0.57</u>	<u>0.33</u>	<u>0.15</u>	<u>0.38</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

	Nine Months Ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	----- Rupees -----			
Profit for the period	17,175,209	9,796,973	4,471,856	11,543,027
Other comprehensive income				
Surplus on revaluation of investments - net	-	1,510,774	-	398,702
Total comprehensive income for the period	<u>17,175,209</u>	<u>11,307,747</u>	<u>4,471,856</u>	<u>11,941,729</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	March 31, 2013	March 31, 2012
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation		
From continuing operations	18,265,208	8,804,870
From discontinued operation	-	5,353,202
	<u>18,265,208</u>	<u>14,158,072</u>
Non-cash adjustments to reconcile income before tax to net cash flows		
Depreciation	615,778	1,342,480
Amortization	-	110,726
Amortization of premium	-	(164,149)
Financial charges	3,424	144,570
Gain on sale of fixed assets	-	(10,944)
Net (gain) / loss on remeasurement of investments	(6,966,787)	-
Net gain from transaction of marketable securities	(7,738,331)	669,713
Dividend income	-	(483,168)
	<u>4,179,291</u>	<u>15,767,300</u>
Working capital adjustments:		
(Increase) / decrease in current assets		
Net investment in finance lease	-	64,549,049
Lease key money deposits	-	(22,130,415)
Prepayments and other receivables	1,435,563	2,602,123
	<u>1,435,563</u>	<u>45,020,757</u>
Decrease in current liabilities		
Accrued expenses and other liabilities	1,071,738	(289,906)
	<u>6,686,592</u>	<u>60,498,151</u>
Financial charges paid	(3,424)	(231,943)
Taxes paid	(12,541,916)	(11,896,250)
	<u>(12,545,340)</u>	<u>(12,128,193)</u>
Net cash (used in) / generated from operating activities	(5,858,748)	48,369,958
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(1,739,000)
Purchase of investments	(591,506,748)	(735,126,585)
Sale proceeds on disposal of investments	584,698,806	716,086,054
Short term loans - net	(21,500,000)	-
Sale proceeds on disposal of property and equipment	-	356,000
Dividend income	-	483,168
Net cash generated from / (used in) investing activities	(28,307,942)	(19,940,363)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	(15,000,000)
Net cash flows used in financing activities	-	(15,000,000)
Net (decrease) / Increase in cash and cash equivalent	(34,166,690)	13,429,596
Cash and cash equivalents at beginning of the period	69,894,289	3,317,015
Cash and cash equivalents at end of the period	<u>35,727,598</u>	<u>16,746,611</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	Share Capital	Statutory Reserves	Unappropriated Profit / (loss)	Surplus / (Deficit) on re-valuation of investment	Total
	------(Rupees)-----				
Balance as at June 30, 2011	300,000,000	67,424,141	(32,900,391)	(1,510,774)	333,012,976
Profit for the period ended March 31, 2012	-	-	9,796,973	-	9,796,973
Other comprehensive income	-	-	-	1,510,774	1,510,774
Total comprehensive income for the period	-	-	9,796,973	1,510,774	11,307,747
Final dividend for the year ended June 30, 2011	-	-	(15,000,000)	-	(15,000,000)
	300,000,000	67,424,141	(38,103,418)	-	329,320,723
Transfer from surplus on revaluation of property and equipment - net of tax	-	-	156,229	-	156,229
Balance as at March 31, 2012	300,000,000	67,424,141	(37,947,189)	-	329,476,952
Balance as at June 30, 2012	300,000,000	-	24,942,144	-	324,942,144
Profit for the period ended March 31, 2013	-	-	17,175,209	-	17,175,209
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	17,175,209	-	17,175,209
Transfer from surplus on revaluation of property and equipment - net of tax	-	-	156,229	-	156,229
Balance as at March 31, 2013	300,000,000	-	42,273,582	-	342,273,582

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

1. LEGAL STATUS AND OPERATIONS

- 1.1 The Company was incorporated in Pakistan on April 11, 1996 as a Public Limited Company and received certificate of commencement of business on January 27, 1997 and is listed on the Karachi Stock Exchange since 1997. The registered office of the Company is situated at 90-91 Razia Sharif Plaza, Blue area, Islamabad.
- 1.2 During the previous year, the majority shareholders of the Company entered into an agreement with KASB Finance (Private) Limited [KFPL] according to which KFPL acquired 29,996,406 ordinary shares of the Company, representing 99.99% of the issued and paid up capital of the Company. Accordingly, KFPL has become the holding company of the Company effective September 26, 2012.
- 1.3 On May 31, 2012, the Securities and Exchange Commission of Pakistan (SECP) has de-registered the Company as a Non-banking Finance Company (NBFC) and revoked its license to carry on leasing business vide letter NLA/PRDD/SCD/Sigma/2012-704 on June 22, 2012. The SECP has issued certificate of change of name of the Company from "Sigma Leasing Corporation Limited" to "Sigma Corporation Limited". Accordingly, necessary amendments have also been made in the memorandum and articles of association of the Company. Pursuant to the said discontinuation of leasing business in the previous year, the Company's core business is now to undertake portfolio investment management and investment in other financial instruments.
- 1.4 During the period, the Board of Directors of the Company has approved in principal the proposed merger of the Company with and into KFPL subject to completion of requisite legal and regulatory requirements. For this purpose, a scheme of amalgamation (the Scheme) has also been approved by the Board of Directors of the Company in their meeting held on October 31, 2012 and a share swap ratio of 0.83 shares of the Company against 1 share of KFPL has been proposed based on the net assets value of the Company and KFPL. As per the proposed Scheme, the entire undertaking and business inclusive of all assets, properties, rights, liabilities and dues of KFPL will be transferred to and assumed by the Company. The Company will continue as a going concern and KFPL upon amalgamation will cease to exist without winding-up. The amalgamation is expected to lead to an increased asset base and size of the merged entity.
- 1.5 The Company along with KFPL has filed a petition in the Honorable High Court of Islamabad for the approval of the above referred scheme. Further, an application for change of name of the Company as "KASB Corporation Limited" is also submitted to the SECP.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting", as applicable in Pakistan.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2012.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year.

	Note	March 31, 2013 (Un-Audited)	June 30, 2012 (Audited)
----- Rupees -----			
4. CASH AND BANK BALANCES			
In hand		3,811	8,982
In current accounts		18,992	11,381
Term deposit receipts	4.1	25,000,000	-
In savings accounts	4.2	10,704,796	69,873,926
		<u>35,727,598</u>	<u>69,894,289</u>

4.1 This represents Term Deposit receipts carrying rate of return of 9.20% per annum and maturing in May 2013.

4.2 Rate of return on savings accounts ranges from 6% to 10.15% (June 30, 2012: 6.0% to 10.5 %).

5. INVESTMENTS

At fair value through profit or loss	5.1	224,957,014	10,093,952
Available-for-sale (Government securities)	5.2	-	243,350,000
Held-to-maturity	5.3	50,000,000	-
		<u>274,957,014</u>	<u>253,443,952</u>

5.1 At fair value through profit or loss (held for trading)

March 31, 2013 (Un-Audited)	June 30, 2012 (Audited)	Mutual Funds (related parties)	Rupees			
-----Number of units-----			March 31, 2013 (Un-Audited)		June 30, 2012 (Audited)	
			Cost	Market Value	Cost	Market Value
-	96,598.7577	KASB Cash Fund	-	-	10,000,000	10,093,952
2,040,216.6162	-	KASB Islamic Income Opportunity Fund	202,185,309	207,093,412	-	-
235,255.7167	-	KASB Income Opportunity Fund	15,710,965	17,863,602	-	-
			<u>217,896,274</u>	<u>224,957,014</u>	<u>10,000,000</u>	<u>10,093,952</u>

5.2 Government securities (Market treasury bills) were matured during the period.

5.3 This represents certificates of Musharaka issued by KASB Modaraba (related party). These certificates carries mark-up at the rate of 10% per annum and will mature in April 2013.

	Note	March 31, 2013 (Un-Audited)	June 30, 2012 (Audited)
6. SHORT TERM LOANS - Unsecured			
KASB Funds Limited (related party)	6.1	11,500,000	-
KASB Invest Private Limited (related party)	6.2	10,000,000	-
		<u>21,500,000</u>	<u>-</u>

6.1 During the period, the Company entered into a loan agreement with KASB Funds Limited [KFL], whereby, the Company has provided an unsecured loan to KFL of Rs. 11.5 million. The loan carries mark-up at the rate of KIBOR plus 2.5% repayable on monthly basis. The loan is repayable by December 2013.

6.2 During the period, the Company entered into a loan agreement with KASB Invest Private Limited [KIPL], whereby, the Company has provided an unsecured loan to KIPL of Rs. 15 million. The loan carries mark-up at the rate of KIBOR plus 2.5% (with a cap of 12%) repayable on monthly basis. The loan is repayable by December 2013.

7. CONTINGENCIES

7.1 In 2008, an assessment order was issued in respect of the tax year 2004 which raised an additional tax demand for Rs. 23.5 million on account of capital gain, tax gain on termination of lease and disallowance of initial depreciation on property and machinery. The Company filed an appeal with the Appellate Tribunal Inland Revenue of Pakistan (ATIR) who deleted all the matters on May 09, 2011 except for the taxability of the capital gain on sale of listed securities which was remanded back to the taxation officer. The tax impact of capital gain amounts to Rs. 0.888 million.

- 7.2 The tax authorities have issued order / notice to leasing companies for the payment of Federal Excise Duty (FED) on their interest /mark-up income and classified lease finance facility as "Non-funded Banking Service". Therefore, leasing companies are not considered exempt from FED exemption available under Rule 40A of the Federal Excise Rules 2005. The Company filed a petition before Sindh High Court challenging the letter dated January 23, 2012 (at the time when the leasing license of the Company was not revoked) issued by the Assistant Commissioner Inland Revenue calling upon the Company to make payment of alleged outstanding demand of FED amounting to Rs. 22.84 million till January 30, 2012. During the period, the Commissioner Inland Revenue (Appeals) dismissed the appeal filed by the Company through its order dated November 30, 2012 and the Company had filed an appeal to Appellate Tribunal Inland Revenue on February 22, 2013. As per the Company's tax advisor, based on the available facts and legal aspects of the case, favorable outcome is anticipated and hence no provision is required to be made in these condensed interim financial statements.

Nine Months Ended (Un-Audited)		Quarter Ended (Un-Audited)	
March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012

----- Rupees -----

8. RETURN ON INVESTMENTS

Net gain / (loss) on sale of investments	7,738,331	(669,713)	6,819,669	(1,932,448)
Mark-up / interest on:				
- Pakistan Investment Bonds	-	1,865,321	-	188,842
- Market Treasury Bills	333,118	12,337,720	-	3,418,168
- Musharaka certificates	3,782,879	-	1,232,878	-
- Sukuks	299,741	-	-	-
	4,415,738	14,203,041	1,232,878	3,607,010
Dividend income	-	483,168	-	-
	<u>12,154,069</u>	<u>14,016,496</u>	<u>8,052,547</u>	<u>1,674,562</u>

9. TRANSACTIONS WITH RELATED PARTIES

- 9.1 Related parties of the Company comprise companies with common directorship, group companies, staff retirement fund, directors and key management personnel. The following are the details of balances and transactions with related parties as at and during the nine months period ended March 31, 2013.

	March 31, 2013 (Un-Audited)	June 30, 2012 (Audited)
9.2 Balances	----- Rupees -----	
Bank balances	10,659,206	-
Certificates of Musharaka	50,000,000	-
Short term loans	21,500,000	-
Investments	217,896,274	-

	Nine Months Ended	
	March 31, 2013 (Un-Audited)	March 31, 2012 (Un-Audited)
9.3 Transactions	----- Rupees -----	
Mark-up received on deposits and short term loans	3,265,250	-
Return received on investments	10,589,702	-
Upfront fee received	72,179	-
Financial charges paid	1,200	-
Brokerage commission paid	10,356	-
Contribution paid to employees provident fund	104,663	233,639

	Nine Months Ended (Un-Audited)		Quarter Ended (Un-Audited)	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
10. DISCONTINUED OPERATION	----- Rupees -----			

Results from discontinued operation

Finance lease	-	10,357,985	-	3,123,266
Net expenses related to lease	-	(5,004,783)	-	(1,952,779)
Profit before taxation from discontinued operation	-	5,353,202	-	1,170,487
Taxation - deferred	-	(763,780)	-	2,401,940
Net profit from discontinued operation - net of tax	-	<u>4,589,422</u>	-	<u>3,572,427</u>

11. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on April 25, 2013.

12. GENERAL

12.1 The figures of the corresponding period have been re-arranged and re-classified wherever necessary for the purpose of better presentation and comparison. However, there are no material re-classifications to report.

12.2 Figure have been rounded off to the nearest rupee.



Chief Executive Officer



Director