Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Private) Limited.

ANNUAL REPORT 2025

www.trustmodaraba.com

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CORPORATE INFORMATION

MODARABA COMPANY
AL-ZAMIN MODARABA MANAGEMENT (PRIVATE) LIMITED

BOARD OF DIRECTORS

Mr. Mian Sheikh Arshad Farooq	Chairman
Mr. Basheer Ahmed Chowdry	Chief Executive
*Mr. Syed Shahnawaz Ahmed Rizvi	Director
Mr. Syed Etrat Hussain Rizvi	Director
Mr. Mohammad Yasin	Director
Mr. Muhammad Sami Ullah	Director
Dr. Mrs. Namoos Baqsar	Director

*Subsequent to the year end, the Board lost one of its prominent member, Mr Shahnawaz A. Rizvi who expired on 9th September, 2025.

MANAGEMENT

Mr. Basheer Ahmed Chowdry	Chief Executive
Ms. Hamida Aqeel	Chief Operating Officer/Company Secretary

AUDIT COMMITTEE

Mr. Syed Etrat Hussain Rizvi	Chairman
Mr. Mian Sheikh Arshad Farooq	Member
Mr. Muhammad Sami Ullah	Member
Mr. Mohammad Yasin	Member
Ms. Hamida Aqeel	Secretary to the committee

HUMAN RESOURCE COMMITTEE

Mr. Muhammad Yasin	Chairman
Mr. Syed Etrat Hussain Rizvi	Member
Dr. Mrs. Namoos Baqsar	Member
Mr. Basheer Ahmed Chowdry	Member
Ms. Hamida Aqeel	Secretary to the committee

INTERNAL AUDITORS
UHY Hassan Naeem & Co.
Chartered Accountants

AUDITORS OF THE MODARABA
Grant Thornton Anjum Rahman.
Chartered Accountants

BANKER
Meezan Bank Limited

LEGAL ADVISORS
Holscott International
S&B Durrani Law Assoicates

REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS
104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi-75600
Telephone: 021-35876651, 35876652, 35873373, 35873369, 35867102
Fax: 021-35870408 Web: trustmodaraba.com
Email: info@trustmodaraba.com

REGIONAL OFFICE
320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore
Telephone: 042-35941957-8 Fax: 042 35866513

REGISTRARS
Hameed Majeed Associates (Private) Limited
1st Floor, H.M. House, 7-Bank Square, Lahore Telephone: 042- 37235081-2 Fax: 042-37358817

MISSION STATEMENT

Trust Modaraba aims to evolve and practice exemplary standards of integrity and proficiency by achieving balanced growth, building quality investment portfolio, maintaining high standards of efficiency and providing good return to its certificate holders. Trust Modaraba shall endeavor to maintain a comprehensive edge in the industry and contribute effectively in promotion of Islamic Financial Regime. It shall adopt a management culture based on participation, motivation and accountability to achieve professional and personal excellence and growth of human resource.

Trust Modaraba shall achieve a balanced texture of being a prudent and progressive organization with a sound image in the market place.

NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given that the Annual Review Meeting of Trust Modaraba to review the performance of the Modaraba for the year ended June 30, 2025, will be held on Wednesday, October 22, 2025 at 09:30 am at NBFI & Modaraba Association of Pakistan, 602, Progressive Centre, 30-A, Block-6, PECHS, Shahrah-e-Faisal, Karachi-75400.

The certificate transfer books of the Modaraba will remain closed from Wednesday, October 15, 2025, to Wednesday, October 22, 2025 (both days inclusive).

Karachi.
September 24, 2025

HAMIDA AQEEL
Company Secretary

REVIEW REPORT BY THE CHAIRMAN

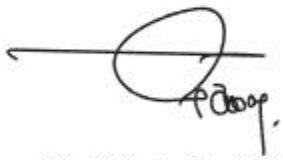
It is a pleasure to present a review of the year ended on 30th June, 2025 highlighting the performance of the Modaraba and the role of the Board of Directors in all strategic matters for the benefit of all the stakeholders.

Performance of the Modaraba for the year 2024-25 remained successful even under the challenging circumstances particularly emanating from continuous decline in policy benchmark rates since June, 2024. The resilience shown to overcome these challenges and achieve satisfactory results demonstrate inherent strength of the organization.

The Board of Directors comprises of highly qualified professionals having diverse experience of industry and financial sector.

It is with profound sadness and heavy heart that I report the passing of our dear Board member Mr. Shahnawaz Rizvi on 10th September, 2025. He was a valued and respected member of our Board and contributed significantly to the growth of the organization. His insightful perspective and unwavering support will be deeply missed by all of us on the Board and within the organization as well. Our thoughts and prayers are for him and his family.

The Board played an effective role in all the strategic matters including oversight in relation to recently introduced environmental, social and governance matters. The Board of Directors comprised of highly qualified professionals having rich experience of industry and financial sector. The Directors through the Board and its Committees fully participated in the meetings and provided their valuable input in the decision making process of the Board and its Committees. The Board is fully cognizant of the evolving regulatory landscape and shall endeavour to attain highest level of compliance.



24th September, 2025

Mian Sheikh Arshad Farooq
CHAIRMAN

DIRECTORS' REPORT

The Board of Directors of Al-Zamin Modaraba Management (Private) Limited, the management company of Trust Modaraba is pleased to present to the certificate holders, the Directors' Report together with the annual audited financial statements of the Modaraba for the year ended on 30th June, 2025.

ECONOMIC REVIEW

After enduring a series of prolonged and unprecedented shocks, Pakistan's economy showed encouraging signs of recovery in the FY 2024-25 with GDP expanding by 2.7%. Decisive measures to establish key macro economic fundamentals, stabilize exchange rate and curb inflation proved instrumental in fiscal consolidation and building momentum for long term sustainable growth.

Inflation declined sharply and was reported at 10.73%% down from 27% in the preceding year. As a consequence, State Bank launched a monetary easing cycle, reducing the policy rate by 1,100 basis points during the year. This reduction helped lower debt servicing obligations, boost economic activity thus creating a positive impact on the economic revival. Supported by improved macro economic activity and a favourable external environment, the country managed to maintain growth across all major sectors, albeit unevenly.

The Pakistan Stock Exchange sustained its bullish trend in the FY25 with the index moving up to over 125,000 points making it one of the world's top performing equity markets once again. The increase is attributed to strong corporate earnings, decline in policy rates and inflation, successful first review of IMF-EFF program, all of which bolstered investor's confidence. Credit ratings saw noticeable upgrade with Fitch Ratings enhancing credit ratings to B- (B minus) with a 'Stable' outlook.

Having achieved a positive turnaround in economic fundamentals, key challenge for the country remains transforming these gains into sustainable growth and solid fiscal discipline. Pakistan will need to implement well calibrated reforms as outlined in its five years' economic blue print, whilst navigating elevated risks including those associated with an uncertain geo-economic environment, rising global trade tariffs, heavy exposure to climate change and high domestic and external financing needs.

PERFORMANCE REVIEW:

It is encouraging to report that the financial year 2024-25, in line with the previous year concluded on a positive note witnessing satisfactory operating performance based on sound business portfolio and enhanced operating efficiencies. Challenges to the profitability in view of sharp reduction in benchmark policy rates by almost 11% during the year were well responded by carefully designed business plan to ensure optimum returns on investments.

A snapshot of comparative key operating data is noted hereunder.

(Amount in Rupees)

FINANCIAL YEAR	2024 - 25	2023 - 24
Total Income	72,575,660	61,904,581
Profit before Mgt Fee & Tax	26,863,543	29,561,017
Management Fee	2,686,354	2,956,102
Tax	4,908,653	4,841,691
Profit after tax	18,390,098	20,854,519
EPC	0.62	0,71
Total Equity	348,755,947	345,265,849
Total Assets	401,963,224	414,351,428
ROE	5.27%	6.04%

It is a pleasure to report that total income from all business segments registered an increase of 17% over the previous year increasing from Rs.61.9 million to Rs.72.6 million. Despite sharp decline in policy rates, this growth in profits is also attributed to the management's policy of capping of minimum lending rates to hedge against the declining policy rates. In line with the business plan approved for the year, Diminishing Musharakah mode of financing constituted major segment contributing 70% to the revenue. Opportunities for trading in the stock market were fully capitalized as result of which income of Rs.5.4 million was realized by way of capital gain and dividends. Other income of Rs.5.3 million was also achieved which interalia, comprised of gain on sale of Ijarah assets, documentation charges and profit on bank deposits. Financing portfolio of your Modaraba remained well diversified across various sectors concentrating mainly on vehicle financing by way of Diminishing Musharakah mode as a result of which risk profile of the Modaraba improved considerably, requiring minimum provision (Rs.124,447) to be recorded for doubtful receivables. Improvement in stock market index appreciated market value of the equity portfolio by Rs.1.9 million as at 30th June, 2025, which was reflected as unrealized gain in the profit & loss account. Operating expenses (excluding deprecation) increased by 18% due to increase in costs across the board and sharing of office rent with the management company. After accounting for all the expenses and provisions, your Modaraba achieved pre-tax profit of Rs.26.9 million for the year under consideration as against Rs.29.5 million of the previous year. Profit after tax stood at Rs.18.40 million translating into EPC of Rs.0.62.

Disbursement during the year under consideration amounted to Rs. 215 million after thorough due diligence of the clients. Focus mainly remained on vehicle financing, a niche segment underserved by the banks due to regulatory cap on the maximum financing amounts. Financing exposure remained diversified across various sectors to clients having satisfactory credit history and financial standing. SME exposure remained selective. Disbursements accounted for 55% to individuals, followed by 27% to corporate sector and 18% to SMEs. Due to improvement in the risk profile of the financing portfolio, infection ratio improved significantly and no new client was added in the NPL portfolio.

Balance sheet footing stood at Rs.402 million with an equity of Rs.349 million as at 30th June, 2025. The balance sheet reflects minimal leverage, with the equity base strengthening supported by improved profitability.

DIVIDEND

The Board of Directors, after careful consideration of the relevant circumstances and future business requirements, has decided to pass over the dividend for the year under review.

CREDIT RATING:

It is a pleasure to report that VIS Credit Rating Company has re-affirmed entity ratings of Trust Modaraba at BBB+/A-2. Outlook on the assigned ratings is 'Stable'. Long term ratings of BBB+ reflect adequate credit quality, protection factors are reasonable and sufficient. Short term rating of A-2 signifies sound entity fundamentals and good certainty of timely payments.

The ratings reflect debt free structure of Trust Modaraba, adequate liquidity profile and improved profitability metrics particularly from its musharakah financing portfolio. It is also acknowledged that the Modaraba's capitalization remains strong with an increasing equity base funded through retained earnings.

FUTURE OUTLOOK:

Though Pakistan's economy is stabilizing, the challenges for sustained growth still persist in the medium term. In line with the downward trend of inflation, the policy rates may further be slashed by the government reducing returns on the financing portfolio.

Consistent policy implementation is thus crucial for building resilience and enabling sustained growth. The current floods have wreaked havoc and will have multi dimensional impact over the economy and

businesses. The period ahead has yet to experience after shocks of the flood posing challenges for the financial sector too.

Keeping in view the emerging financial and economic landscape, your Modaraba will keep its focus on the existing business model building upon internal efficiencies and professional excellence. Your management will continue to focus on quality improvements, productivity & cost control to improve competitiveness and enhanced profitability.

GOVERNANCE FRAMEWORK:

Trust Modaraba has put in place sound governance framework which ensures corporate diversity, strategic direction, clear objectives, well defined policies and sound internal control systems.

Trust Modaraba has a formal process of evaluation of the performance of the Board of Directors and its committees. The evaluation is carried out once a year. To undertake the evaluation process, comprehensive proformas are circulated to the members for their input. The responses are compiled and results shared in the Board meeting for collective feedback of the members on the areas requiring further improvements.

The Board of Directors meets at least once in every quarter to review the financial performance of the Modaraba and deliberate on significant operational and strategic matters in line with the goals and objectives set for the organization.

COMPOSITION OF THE BOARD AND MEETINGS:

The Board of Directors consists of qualified individuals possessing knowledge, experience, and skills in various professions which adds diversity to the Board and plays a crucial role in deciding effective corporate policy and strategic direction.

Subsequent to the year end, there has been a change in the composition of the Board of Directors as the Board lost one of its prominent member, Mr. Shahnawaz Rizvi who left for eternal abode on 9th September, 2024, after prolonged illness. May Allah rest his soul in peace!

Being a well qualified and highly experienced professional, Mr. Shahnawaz Rizvi contributed significantly to the growth of the Modaraba and his professional guidance in the board matters will be profoundly missed.

Sad demise of Mr. Rizvi has created a casual vacancy in the board which will be filled in as per the regulatory requirements.

Composition of the current Board of Directors, as at reporting date is thus, as under:

NAME	CATEGORY
Mr. Mian Sheikh Arshad Farooq (Chairman)	Non Executive Director
Mr. Basheer A. Chowdry (CEO)	Executive Director
Mr. Etrat Hussain Rizvi	Independent Director
Mr. Muhammad Sami Ullah	Independent Director
Mr. Mohammad Yasin	Independent Director
Ms. Dr. Namoos Baqar	Non Executive Female Director

Four meetings of the Board of Directors were held during the year and the attendance of each director was as under:

NAME	MEETINGS ATTENDED
Mr. Mian Sheikh Arshad Farooq (Chairman)	Four
Mr. Basheer A. Chowdry (CEO)	Four
Ms. Dr. Namoos Baqar	Four
Mr. Etrat Hussain Rizvi	Four
Mr. Mohammad Yasin	Four
Mr. Muhammad Sami Ullah	Four
Mr. S. Shahnawaz Rizvi	Nil

All the Directors duly comply with the requirements of the Code of Corporate Governance pertaining to the Director's Certification.

As per the Board's Remuneration Policy, Chairman, non -executive directors and independent directors are entitled only for the fee for attending the meetings which is paid by the Management Company.

AUDIT COMMITTEE & INTERNAL CONTROL SYSTEM:

The Management of your Modaraba believes in good corporate governance implemented through a well-defined system of check and balances. The Board of Directors have established a sound system of internal controls which is effectively implemented at all levels within the Modaraba.

The Board has constituted Audit Committee in compliance of the requirements of the Code of Corporate Governance which comprised of four (4) members including the Chairman of the Committee who is an independent director. Four meetings of the Audit Committee were held during the year which were attended by the members as follows:

NAME		MEETINGS ATTENDED
Mr. Etrat Hussain Rizvi	(Chairman)	Four
Mr. Arshad Farooq	(Member)	Three
Mr. Muhammad Samiullah	(Member)	Four
Mr. Muhammad Yasin	(Member)	Four

The Audit Committee meets once in every quarter to review annual and interim financial statements of the Modaraba prior to their approval by the Board. The Audit Committee also focuses on compliance with applicable accounting standards, any change in the accounting policies and practices, all related party transactions and also significant adjustments resulting from audit.

Internal Audit functions are entrusted to an independent firm of Chartered Accountants. Internal audit reports and compliance matrix are presented by the internal auditors to the Audit Committee on a quarterly basis according to annual audit plan approved by the Committee. A full time senior staff member of the Modaraba is also designated as Head of Internal Audit to coordinate between internal audit firm and the Board.

HUMAN RESOURCE & REMUNERATION COMMITTEE:

The Board has constituted Human Resource and Remuneration Committee to deliberate on the key issues of human resource management policies. The Committee comprises of the following members:

- Mr Muhammad Yasin — Chairman
- Mr Etrat Hussain Rizvi — Member
- Mrs. Dr. Namoos Baquar — Member
- Mr. Basheer A. Chowdry — Member
- Mrs. Hamida Aqeel — Secretary

One meeting of the Human Resource Committee was held during the year with full attendance of the members.

ASSURANCE REPORT ON COMPLIANCE WITH SHARIAH REGULATIONS, 2023

In terms of shariah Governance Regulations, 2023, external Shariah Audit of Trust Modaraba's financial arrangements, contracts and transactions with Shariah principles was conducted by a qualified team of external auditors comprising of assurance practitioners and independent Shariah scholar. The report confirms that the Modaraba's financial arrangements, contracts and transactions for the year ended June, 2025 are in compliance with the Shariah principles, in all material respects.

SHARIAH ADVISOR REPORT

Well known Shariah scholar, Mr. Mufti Zubair Usmani has been appointed as Shariah advisor of Trust Modaraba. His guidance is sought on operational and compliance matters as and when required to ensure adherence to the Shariah guidelines on operational matters. The Internal Audit functions also verifies shariah compliance of the business transactions undertaken by the Modaraba according to the prescribed standards. Report issued by the Shariah Advisor is placed in the financial statements of the Modaraba.

AUDITORS:

On the recommendations of the Audit Committee and approval of the Board, the present auditor M/s Grant Thornton Anjum Rahman, Chartered Accountants being eligible to act as the auditors have been re-appointed as external auditors of Trust Modaraba for the year 2025-26 subject to the approval of the Registrar Modaraba.

PATTERN OF CERTIFICATE HOLDING:

Pattern of certificate holding as at 30th June, 2025 is attached. No trade in the certificates of the Modaraba was carried out by the Directors, CEO, CFO, Company Secretary and their spouses during the year.

VALUE OF THE FUNDS INVESTMENT:

The Modaraba operates a contributory provident fund for all its permanent employees. Equal monthly contributions are made, both by the Modaraba and employees to the fund @10% of the basic salary. Based on latest accounts of the fund, the value of its investments works out to be Rs.9,705,492 as at 30th June, 2025.

EARNINGS PER CERTIFICATE:

Earnings per certificate of your Modaraba worked out to Rs.0.62 for the year ended on 30th June, 2025.

ACKNOWLEDGEMENTS:

The Board wishes to place on record its appreciations for the support and guidance provided by the Registrar Modaraba and Securities and Exchange Commission of Pakistan. The Board also acknowledges the hard work and commitment of the executives and staff members. Finally, the Board extends its gratitude to the certificate-holders for their unwavering support to the Modaraba.





24th September, 2025.

CHIEF EXECUTIVE

DIRECTOR

ڈائریکٹرز کی رپورٹ

الضامن مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز، ٹرسٹ مضاربہ کی انتظامی کمپنی کو 30 جون، 2025 کو ختم ہونے والے سال کے لئے مضاربہ کے سالانہ آڈٹ شدہ مالی بیانات کے ساتھ سرٹیفکیٹ ہولڈرز، ڈائریکٹرز کی رپورٹ پیش کرنے پر خوشی ہے ۔

اقتصادی جائزہ

طویل اور بے مثال جھٹکے برداشت کرنے کے بعد، پاکستان کی معیشت نے مالی سال 2024-25 میں بحالی کے حوصلہ افزا آثار دکھائے جس میں جی ڈی پی میں 2.7 فیصد اضافہ ہوا ۔ کلیدی میکرو اقتصادی بنیادی اصولوں کو قائم کرنے، زر مبادلہ کی شرح کو مستحکم کرنے اور افراط زر کو روکنے کے لئے فیصلہ کن اقدامات مالی استحکام اور طویل مدتی پائیدار ترقی کے لئے رفتار پیدا کرنے میں اہم ثابت ہوئے ۔

افراط زر میں تیزی سے کمی واقع ہوئی اور پچھلے سال%% کے 27 فیصد سے 10.73 کی کمی واقع ہوئی ۔ نتیجے کے طور پر، اسٹیٹ بینک نے مالی نرمی کا چکر شروع کیا، جس سے پالیسی کی شرح میں سال کے دوران 1,100 بیس پوائنٹس کی کمی واقع ہوئی ۔ اس کمی نے قرض کی خدمت کی ذمہ داریوں کو کم کرنے میں مدد کی، معاشی سرگرمی کو فروغ دیا اور اس طرح معاشی بحالی پر مثبت اثر پیدا کیا ۔ بہتر میکرو اقتصادی سرگرمی اور ایک سازگار بیرونی ماحول کی مدد سے، ملک تمام بڑے شعبوں میں ترقی کو برقرار رکھنے میں کامیاب رہا، اگرچہ غیر مساوی طور پر ۔

پاکستان اسٹاک ایکسچینج نے مالی سال 25 میں اپنے تیزی کے رجحان کو برقرار رکھا اور انڈیکس 125,000 پوائنٹس سے زیادہ بڑھ گیا جس نے اسے ایک بار پھر دنیا کی اعلی کارکردگی کا مظاہرہ کرنے والی ایکویٹی مارکیٹوں میں سے ایک بنا دیا ۔ یہ اضافہ مضبوط کارپوریٹ آمدنی، پالیسی کی شرحوں میں کمی اور افراط زر، آئی ایم ایف- ای ایف ایف پروگرام کا کامیاب پہلا جائزہ لینے سے منسوب ہے، ان سب سے سرمایہ کاروں کے اعتماد کو تقویت ملی ہے ۔ کریڈٹ ریٹنگز میں نمایاں اپ گریڈ دیکھا گیا جس میں Fitch ریٹنگز نے 'مستحکم' آؤٹ لک کے ساتھ کریڈٹ ریٹنگز کو B - (B مائنس) تک بڑھا دیا ۔

معاشی بنیادی اصولوں میں مثبت تبدیلی حاصل کرنے کے بعد، ملک کے لئے اہم چیلنج ان فوائد کو پائیدار ترقی اور ٹھوس مالی نظم و ضبط میں تبدیل کرنا جاری رکھے ہوئے ہے ۔ پاکستان کو اپنے پانچ سالوں کے معاشی بلیو پرنٹ میں بیان کردہ اچھی طرح سے کیلیبریٹڈ اصلاحات کو نافذ کرنے کی ضرورت ہوگی، جبکہ غیر یقینی جیو اکنامک ماحول سے وابستہ خطرات، بڑھتے ہوئے عالمی تجارتی محصولات، آب و ہوا کی تبدیلی کے لئے بھاری نمائش اور اعلی گھریلو اور بیرونی فنانسنگ کی ضروریات سمیت اعلی خطرات کو نیویگیٹ کرتے ہوئے ۔

کارکردگی کا جائزہ:

یہ رپورٹ کرنا حوصلہ افزا ہے کہ مالی سال 2024-25، پچھلے سال کے مطابق ایک مثبت نوٹ پر اختتام پذیر ہوا جس میں کاروباری پورٹ فولیو اور بہتر آپریٹنگ استعداد کار کی بنیاد پر اطمینان بخش آپریٹنگ کارکردگی کا مشاہدہ کیا گیا ۔ سال کے دوران بینچ مارک پالیسی کی شرحوں میں تقریبا 11 ٪ کی تیزی سے کمی کے پیش نظر منافع کو درپیش چیلنجوں کا احتیاط سے ڈیزائن کردہ کاروباری منصوبے کے ذریعہ اچھی طرح سے جواب دیا گیا تاکہ سرمایہ کاری پر زیادہ سے زیادہ منافع کو یقینی بنایا جاسکے ۔

یہاں تقابلی کلیدی آپریٹنگ ڈیٹا کا ایک سنیپ شاٹ نوٹ کیا گیا ہے ۔

(روپے میں رقم)

مالی امور	2024-25	2023-24
کل آمدنی	72,575,660	61,904,581
Mgt فیس اور ٹیکس سے پہلے منافع	26,863,543	29,561,017
انتظامیہ	2,686,354	2,956,102
09	4,908,653	4,841,691
ٹیکس کے بعد منافع	18,390,098	20,854,519
EPC	0.62	0.71
کل ایکویٹی	348,755,947	345,265,849
کل اثاثے	401,963,224	414,351,428
ROE	5.27%	6.04

یہ بتاتے ہوئے خوشی ہو رہی ہے کہ تمام کاروباری طبقات کی کل آمدنی میں پچھلے سال کے مقابلے میں 17 فیصد اضافہ ہوا ہے جو 61.9 ملین روپے سے بڑھ کر 72.6 ملین روپے ہو گیا ہے ۔ پالیسی کی شرحوں میں تیزی سے کمی کے باوجود، منافع میں یہ اضافہ انتظامیہ کی کم از کم قرضے کی

شرحوں کو کم کرنے کی پالیسی سے بھی منسوب ہے تاکہ پالیسی کی شرحوں میں کمی کو روکا جا سکے ۔ سال کے لئے منظور شدہ کاروباری منصوبے کے مطابق، مالی اعانت کے کم ہوتے ہوئے مشارکہ موڈ نے اہم طبقہ تشکیل دیا جو محصول میں 70 فیصد حصہ ڈالتا ہے ۔ اسٹاک مارکیٹ میں تجارت کے مواقع کو مکمل طور پر سرمائے سے حاصل کیا گیا جس کے نتیجے میں 5.4 ملین روپے کی آمدنی کو سرمائے کے حصول اور منافع کے ذریعے حاصل کیا گیا ۔ 5.3 ملین روپے کی دیگر آمدنی بھی حاصل کی گئی جس میں اجارہ اثاثوں کی فروخت پر منافع، دستاویزات کے چارجز اور بینک ڈپازٹس پر منافع شامل ہیں ۔ آپ کے موڈارابا کا فنانسنگ پورٹ فولیو مختلف شعبوں میں اچھی طرح سے متنوع رہا جس میں بنیادی طور پر گاڑیوں کی مالی اعانت پر توجہ مرکوز کی گئی جس کے نتیجے میں موڈارابا کے رسک پروفائل میں کافی بہتری آئی، جس کے لئے مشکوک وصولیوں کے لئے کم از کم فراہمی (124،447 روپے) ریکارڈ کرنے کی ضرورت ہے ۔ اسٹاک مارکیٹ انڈیکس میں بہتری نے 30 جون، 2025 تک ایکویٹی پورٹ فولیو کی مارکیٹ ویلیو کو 1.9 ملین روپے کی تعریف کی، جو منافع اور نقصان کے اکاونٹ میں غیر حقیقی فائدہ کے طور پر ظاہر ہوا تھا ۔ بورڈ بھر میں اخراجات میں اضافے اور انتظامی کمپنی کے ساتھ دفتری کرایہ کے اشتراک کی وجہ سے آپریٹنگ اخراجات (فرسودگی کو چھوڑ کر) میں 18% اضافہ ہوا ۔ تمام اخراجات اور دفعات کا حساب کتاب کرنے کے بعد، آپ کے موڈربا نے زیر غور سال کے لئے 26.9 ملین روپے کا ٹیکس سے پہلے کا منافع حاصل کیا جبکہ پچھلے سال کے 29.5 ملین روپے تھا ۔ ٹیکس کے بعد منافع Rs.18.40 ملین تھا جس کا ترجمہ Rs.0.62 کے EPC میں کیا گیا ۔

زیر غور سال کے دوران ادائیگی کی رقم کلاننٹس کی بھرپور مستعدی کے بعد 215 ملین ۔ زیادہ سے زیادہ مالی اعانت کی رقم پر ریگولیٹری حد کی وجہ سے بنیادی طور پر وہیکل فنانسنگ پر توجہ مرکوز رہی، جو بینکوں کے ذریعہ زیر خدمت ایک طاق طبقہ ہے ۔ اطمینان بخش کریڈٹ ہسٹری اور مالی حیثیت رکھنے والے مؤکلوں کے لئے مختلف شعبوں میں فنانسنگ کی نمائش متنوع رہی ۔ ایس ایم ای کی نمائش منتخب رہی ۔ افراد کو 55 فیصد، اس کے بعد کارپوریٹ سیکٹر کو 27 فیصد اور ایس ایم ایز کو 18 فیصد ادائیگی کی گئی ۔ فنانسنگ پورٹ فولیو کے رسک پروفائل میں بہتری کی وجہ سے، انفیکشن کا تناسب نمایاں طور پر بہتر ہوا اور این پی ایل پورٹ فولیو میں کوئی نیا کلاننٹ شامل نہیں کیا گیا ۔

بیلنس شیٹ کی سطح 30 جون، 2025 تک 349 ملین روپے کی ایکویٹی کے ساتھ 402 ملین روپے تھی ۔ بیلنس شیٹ کم سے کم بیعانہ کی عکاسی کرتی ہے، جس میں ایکویٹی بیس کو مضبوط بنانے میں بہتر منافع کی مدد ملتی ہے ۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے متعلقہ حالات اور مستقبل کے کاروباری تقاضوں پر محتاط غور کرنے کے بعد، فیصلہ کیا ہے کہ زیر جائزہ سال کے لئے کسی بھی منافع کی سفارش نہیں کی جائے گی ۔

کریڈٹ کی درجہ بندی:

یہ بتاتے ہوئے خوشی ہو رہی ہے کہ VIS کریڈٹ ریٹنگ کمپنی نے A-2 / BBB+ پر Trust Modaraba کی ادارے کی درجہ بندی کی دوبارہ تصدیق کی ہے ۔ تفویض کردہ درجہ بندیوں پر آؤٹ لک 'مستحکم' ہے ۔ BBB+ کی طویل مدتی درجہ بندیاں کریڈٹ کے مناسب معیار کی عکاسی کرتی ہیں، تحفظ کے عوامل معقول اور کافی ہیں ۔ A-2 کی قلیل مدتی درجہ بندی درست ادارے کے بنیادی اصولوں اور بروقت ادائیگیوں کے اچھے یقین کی نشاندہی کرتی ہے ۔

درجہ بندیاں ٹرسٹ موڈربا کے قرض سے پاک ڈھانچے، مناسب لیکویڈیٹی پروفائل اور خاص طور پر اس کے مشارکہ فنانسنگ پورٹ فولیو سے بہتر منافع بخش میٹرکس کی عکاسی کرتی ہیں ۔ یہ بھی تسلیم کیا جاتا ہے کہ برقرار رکھی گئی کمائیوں کے ذریعے فنڈ کی گئی بڑھتی ہوئی ایکویٹی بیس کے ساتھ موڈارابا کا سرمایہ مضبوط رہتا ہے ۔

مستقبل کا نقطہ نظر:

اگرچہ پاکستان کی معیشت مستحکم ہو رہی ہے، لیکن درمیانی مدت میں پائیدار ترقی کے لئے چیلنجز اب بھی برقرار ہیں ۔ افراط زر کے نیچے کے رجحان کے مطابق، حکومت کی طرف سے فنانسنگ پورٹ فولیو پر واپسی کو کم کرنے کے لئے پالیسی کی شرحوں میں مزید کمی کی جا سکتی ہے.

لچک پیدا کرنے اور مستقل ترقی کو قابل بنانے کے لئے مستقل پالیسی کا نفاذ اس طرح اہم ہے ۔ موجودہ سیلاب نے تباہی مچا دی ہے اور اس کا معیشت اور کاروباروں پر کثیر جہتی اثر پڑے گا ۔ سیلاب کے جھٹکوں کے بعد آنے والی مدت کا تجربہ ابھی باقی ہے جس سے مالیاتی شعبے کو بھی چیلنجز درپیش ہیں ۔

ابھرتے ہوئے مالی اور معاشی منظر نامے کو مدنظر رکھتے ہوئے، آپ کا موڈارابا داخلی استعداد اور پیشہ ورانہ عمدگی کے لحاظ سے موجودہ کاروباری ماڈل کی تعمیر پر اپنی توجہ مرکوز رکھے گا ۔ آپ کی انتظامیہ مسابقت اور بہتر منافع کو بہتر بنانے کے لیے معیار میں بہتری، پیداواری صلاحیت اور لاگت پر قابو پانے پر توجہ مرکوز کرتی رہے گی ۔

خطرات سے نبٹنے کا ڈھانچہ

ٹرسٹ موڈارابا نے ٹھوس گورننس فریم ورک نافذ کیا ہے جو کارپوریٹ تنوع، اسٹریٹجک سمت، واضح مقاصد، اچھی طرح سے بیان کردہ پالیسیاں اور ٹھوس اندرونی کنٹرول سسٹم کو یقینی بناتا ہے ۔

ٹرسٹ موڈربا کے پاس بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کی تشخیص کا باضابطہ عمل ہے ۔ تشخیص سال میں ایک بار کی جاتی ہے ۔ تشخیص کے عمل کو شروع کرنے کے لئے، اراکین کو ان کے ان پٹ کے لئے جامع پروفارمز گردش کیے جاتے ہیں ۔ جوابات مرتب کیے جاتے ہیں اور مزید بہتری کی ضرورت والے علاقوں پر اراکین کے اجتماعی تاثرات کے لئے بورڈ کے اجلاس میں نتائج شیئر کیے جاتے ہیں ۔

بورڈ آف ڈائریکٹرز کا اجلاس ہر سہ ماہی میں کم از کم ایک بار ہوتا ہے تاکہ مودارابا کی مالی کارکردگی کا جائزہ لیا جا سکے اور تنظیم کے لئے مقرر کردہ اہداف اور مقاصد کے مطابق اہم آپریشنل اور اسٹریٹجک امور پر غور کیا جا سکے ۔

بورڈ کی تشکیل اور میٹنگز:

بورڈ آف ڈائریکٹرز مختلف پیشوں میں علم، تجربہ اور مہارت رکھنے والے اہل افراد پر مشتمل ہوتا ہے جو بورڈ میں تنوع کا اضافہ کرتا ہے اور مؤثر کارپوریٹ پالیسی اور اسٹریٹجک سمت کا فیصلہ کرنے میں اہم کردار ادا کرتا ہے ۔

سال کے اختتام کے بعد، بورڈ آف ڈائریکٹرز کی تشکیل میں تبدیلی آئی ہے کیونکہ بورڈ نے اپنے ایک ممتاز ممبر جناب شاہنواز رضوی کو کھو دیا ہے جو طویل علالت کے بعد 9ستمبر، 2024 کو ابدی رہائش کے لئے روانہ ہوئے تھے ۔ اللہ ان کی روح کو سکون دے!

ایک اچھی طرح سے اہل اور انتہائی تجربہ کار پیشہ ور ہونے کے ناطے، جناب شاہنواز رضوی نے موڈرابا کی ترقی میں نمایاں کردار ادا کیا اور بورڈ کے معاملات میں ان کی پیشہ ورانہ رہنمائی کو گہری یاد کیا جائے گا ۔

جناب رضوی کی افسوسناک موت نے بورڈ میں ایک آرام دہ اور پرسکون خالی جگہ پیدا کردی ہے جسے ریگولیٹری تقاضوں کے مطابق پُر کیا جائے گا ۔

موجودہ بورڈ آف ڈائریکٹرز کی تشکیل، جیسا کہ رپورٹنگ کی تاریخ میں اس طرح ہے، مندرجہ ذیل ہے:

زمرہ	
جناب میاں شیخ ارشد فاروق (چیئرمین)	نان ایگزیکٹو ڈائریکٹر
جناب بشیر اے چوہدری (سی ای او)	ایگزیکٹو ڈائریکٹر
جناب اطراف حسین رضوی	آزاد ڈائریکٹر
جناب محمد سمیع اللہ	آزاد ڈائریکٹر
جناب محمد یاسین	آزاد ڈائریکٹر
محترمہ ڈاکٹر نموس باقر	نان ایگزیکٹو خاتون ڈائریکٹر

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل تھی:

نام کی میٹنگز میں شرکت کی	
جناب میاں شیخ ارشد فاروق (چیئرمین)	فور
جناب بشیر اے چوہدری (سی ای او)	فور
محترمہ ڈاکٹر نموس باقر	فور
جناب عطاء حسین رضوی	فور
جناب محمد یاسین	فور
جناب محمد سمیع اللہ	فور
جناب ایس شاہنواز رضوی	نیل

تمام ڈائریکٹرز ڈائریکٹر کے سرٹیفیکیشن سے متعلق کارپوریٹ گورننس کوڈ کے تقاضوں کی مناسب طریقے سے تعمیل کرتے ہیں ۔

بورڈ کی معاوضہ پالیسی کے مطابق، چیئرمین، نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز صرف ان میٹنگز میں شرکت کے لیے فیس کے حقدار ہیں جو مینجمنٹ کمپنی ادا کرتی ہے ۔

آڈٹ کمیٹی اور اندرونی کنٹرول سسٹم:

آپ کے موڈارابا کا انتظام اچھی کارپوریٹ گورننس پر یقین رکھتا ہے جسے چیک اینڈ بیلنس کے ایک اچھی طرح سے متعین نظام کے ذریعے نافذ کیا جاتا ہے ۔ بورڈ آف ڈائریکٹرز نے اندرونی کنٹرولز کا ایک اچھا نظام قائم کیا ہے جو موڈارابا کے اندر تمام سطحوں پر مؤثر طریقے سے نافذ کیا جاتا ہے ۔

بورڈ نے کوڈ آف کارپوریٹ گورننس کے تقاضوں کی تعمیل میں آڈٹ کمیٹی تشکیل دی ہے جس میں کمیٹی کے چیئرمین سمیت چار (4) ممبران شامل ہیں جو ایک آزاد ڈائریکٹر ہیں ۔ سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے جن میں اراکین نے مندرجہ ذیل شرکت کی:

نام کی میٹنگز میں شرکت کی		
جناب اطہر حسین رضوی	(چیئرمین)	فور
جناب ارشد فاروق	(ممبر)	تین
جناب محمد سمیع اللہ	(ممبر)	چار
جناب محمد یاسین	(ممبر)	فور

بورڈ کی منظوری سے قبل موڈارابا کے سالانہ اور عبوری مالی بیانات کا جائزہ لینے کے لئے ہر سہ ماہی میں ایک بار آڈٹ کمیٹی کا اجلاس ہوتا ہے ۔ آڈٹ کمیٹی قابل اطلاق اکاؤنٹنگ معیارات، اکاؤنٹنگ پالیسیوں اور طریقوں میں کسی بھی تبدیلی، تمام متعلقہ پارٹی ٹرانزیکشنز اور آڈٹ کے نتیجے میں اہم ایڈجسٹمنٹ پر بھی توجہ مرکوز کرتی ہے ۔

اندرونی آڈٹ کے افعال چارٹرڈ اکاؤنٹنٹس کی ایک آزاد فرم کو سونپے جاتے ہیں ۔ کمیٹی کی جانب سے منظور شدہ سالانہ آڈٹ پلان کے مطابق انٹرنل آڈیٹرز کی جانب سے انٹرنل آڈٹ رپورٹس اور کمپلائنس میٹرکس کو سہ ماہی بنیادوں پر آڈٹ کمیٹی کے سامنے پیش کیا جاتا ہے ۔ موڈارابا کے کل وقتی سینئر اسٹاف ممبر کو داخلی آڈٹ فرم اور بورڈ کے مابین ہم آہنگی پیدا کرنے کے لئے بیڈ آف انٹرنل آڈٹ کے طور پر بھی نامزد کیا جاتا ہے ۔

انسانی وسائل اور معاوضہ کمیٹی:

بورڈ نے انسانی وسائل کے انتظام کی پالیسیوں کے اہم مسائل پر غور کرنے کے لئے انسانی وسائل اور معاوضہ کمیٹی تشکیل دی ہے ۔ کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے:

جناب محمد یاسین	چیئرمین
جناب اطہر حسین رضوی	ممبر
محترمہ ڈاکٹر نموس باقر	ممبر
جناب بشیر اے چوہدری	ممبر
محترمہ حمیدہ عقیل	سیکرٹری

سال کے دوران ہیومن ریسورس کمیٹی کا ایک اجلاس اراکین کی مکمل حاضری کے ساتھ منعقد ہوا ۔

شرعی ضوابط، 2023 کی تعمیل پر یقین دہانی کی رپورٹ

شریعت گورننس ریگولیشنز، 2023 کے لحاظ سے، ٹرسٹ موڈربا کے مالی انتظامات، معاہدوں اور شریعت کے اصولوں کے ساتھ لین دین کا بیرونی شریعت آڈٹ بیرونی آڈیٹروں کی ایک اہل ٹیم نے کیا تھا جس میں یقین دہانی کے پریکٹیشنرز اور آزاد شریعت اسکالر شامل تھے ۔ رپورٹ اس بات کی تصدیق کرتی ہے کہ جون، 2025 کو ختم ہونے والے سال کے لئے مودارابا کے مالی انتظامات، معاہدے اور لین دین تمام مادی لحاظ سے شرعی اصولوں کے مطابق ہیں ۔

مشیر شریعت کی رپورٹ

معروف شرعی اسکالر، جناب مفتی زبیر عثمانی کو ٹرسٹ موڈربا کے شرعی مشیر کے طور پر مقرر کیا گیا ہے ۔ آپریشنل اور تعمیل کے معاملات پر جب بھی ضرورت ہو اس کی رہنمائی طلب کی جاتی ہے تاکہ آپریشنل معاملات پر شرعی ہدایات پر عمل کو یقینی بنایا جا سکے ۔ اندرونی آڈٹ کے افعال طے شدہ معیارات کے مطابق موڈربا کے ذریعہ کئے گئے کاروباری لین دین کی شرعی تعمیل کی بھی تصدیق کرتے ہیں ۔ مشیر شریعت کی طرف سے جاری کردہ رپورٹ مضاربہ کے مالی بیانات میں رکھی گئی ہے ۔

آڈیٹرز:

آڈٹ کمیٹی کی سفارشات اور بورڈ کی منظوری پر، موجودہ آڈیٹر میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس آڈیٹرز کے طور پر کام کرنے کے اہل ہونے کے ناطے رجسٹرار موڈارابا کی منظوری سے مشروط سال 2025-26 کے لئے ٹرسٹ موڈارابا کے بیرونی آڈیٹرز کے طور پر دوبارہ تقرر کیا گیا ہے ۔

سرٹیفکیٹ ہولڈنگ کا نمونہ:

30 جون، 2025 تک سرٹیفکیٹ رکھنے کا پیٹرن منسلک ہے ۔ سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے شریک حیات کے ذریعہ موڈارابا کے سرٹیفکیٹس میں کوئی تجارت نہیں کی گئی ۔

فنڈز کی سرمایہ کاری کی قدر:

موڈارابا اپنے تمام مستقل ملازمین کے لئے ایک شراکت دار پرووِیڈنٹ فنڈ چلاتا ہے ۔ Modaraba اور ملازمین دونوں کی طرف سے بنیادی تنخواہ کے 10 ٪ کی شرح سے فنڈ میں مساوی ماہانہ شراکت کی جاتی ہے ۔ فنڈ کے تازہ ترین اکاونٹس کی بنیاد پر، اس کی سرمایہ کاری کی قیمت 30ویں، 2025 تک 9،705،492 روپے ہے ۔

فی سرٹیفکیٹ کمائیاں:

30 جون، 2025 کو ختم ہونے والے سال کے لیے آپ کے Modaraba کے فی سرٹیفکیٹ کی کمائیاں 0.62 روپے ہو گئیں ۔

اعترافات

بورڈ رجسٹرار موڈربا اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعہ فراہم کردہ تعاون اور رہنمائی کے لئے اپنی تعریفیں ریکارڈ پر رکھنا چاہتا ہے ۔ بورڈ ایگزیکٹوز اور عملے کے ممبروں کی محنت اور عزم کو بھی تسلیم کرتا ہے ۔ آخر میں، بورڈ سرٹیفکیٹ رکھنے والوں کا شکریہ ادا کرتا ہے کہ انہوں نے Modaraba کی غیر متزلزل حمایت کی ۔

24 ستمبر، 2025۔

چیف ایگزیکٹو

ڈائریکٹر

Key Operating & Financial Data for the last Six Years

(Rupees in Thousands)

	2025	2024	2023	2022	2021	2020
Balance Sheet						
Total assets	**401,963**	**414,351**	**388,757**	415,588	378,810	357,503
Ijara Financing	**72,234**	**146,943**	**190,294**	190,179	184,059	196,778
Morabaha financing	**72,819**	**73,218**	**92,182**	130,179	132,768	118,167
Diminishing Musharaka/Musharaka financing	**228,534**	**188,061**	**93,790**	28,168	27,685	32,562
Assets own use	**25,101**	**23,897**	**16,346**	15,794	13,126	11,971
Current Assets	**192,392**	**176,255**	**173,100**	222,175	223,814	220,395
Current Liabilities	**33,749**	**41,569**	**26,913**	44,745	33,092	26,024
Total Liabilities	**53,207**	**72,958**	**68,752**	94,538	63,199	50,638
Paid-up Capital	**298,000**	**298,000**	**298,000**	298,000	298,000	298,000
Reserves	**50,756**	**47,266**	**28,506**	28,580	17,614	8,865
Net Equity	**348,756**	**341,394**	**320,005**	321,051	315,612	306,865
Income Statement						
Income	**74,365**	**68,479**	**38,433**	58,316	45,463	33,713
Operating expenses	**47,502**	**38,918**	**37,284**	43,476	36,446	30,504
Profit/(Loss) before management fee	**26,864**	**29,561**	**1,149**	14,840	9,017	3,209
Profit/(Loss) after taxation	**18,390**	**20,855**	**(73)**	11,365	6,606	1,732
Earning/(Loss) per certificate	**0.617**	**0.712**	-	0.38	0.22	0.06

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019.

Trust Modaraba managed by Al-Zamin Modaraba Management (Private) Limited

The Modaraba Company has complied with the requirements of the Regulations in the following manner:

1. Total number of the directors were seven as per the following composition:
   a) Male Six (6)
   b) Female One (1)

2. The composition of the Board was as follows:

Type of Directors	Names
Executive	Mr. Basheer A. Chowdry (CEO)
Non-Executive	Mr. Shiekh Arshad Farooq (Chairman)
Non-Executive	*Mr. Syed Shahnawaz Rizvi
Independent Director	Mr. Etrat Hussain Rizvi
Independent Director	Mr. Muhammad Yasin
Independent Director	Mr. Muhammad Samiullah

FEMALE DIRECTOR

Non-Executive	Dr. Mrs. Namoos Baquar

**Subsequent to the year end, the Board lost one of its prominent member, Mr Shahnawaz A. Rizvi who expired on 9th September, 2025. A vacancy has thus been created which shall be filled in as per the regulatory requirements.*

3. The Directors have confirmed that none of them is serving as a director on more than seven companies including this company.

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall business strategy and significant policies of the company. The Board has ensured that complete record of the particulars of the significant policies along with their date of approval or updating is maintained by the company.

6. All the powers of the Board have been duly exercised and decisions on matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and Regulations.

7. The meetings of the Board were presided over by the Chairman and in his absence by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these regulations.

9. Five directors of the Modaraba Company have already obtained directors training certification and two are exempt from the requirements by virtue of their experience as prescribed by the listing regulations of the Pakistan Stock Exchange.

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of the members given below:

Audit Committee

Mr. Syed Etrat Hussain Rizvi	Chairman
Mr. Sheikh Arshad Farooq	Member
Mr. Muhammad Sami Ullah	Member
Mr. Muhammad Yasin	Member

HR and Remuneration Committee

Mr. Muhammad Yasin	Chairman
Mr. Syed Etrat Hussain Rizvi	Member
Dr. Mrs. Namoos Baquar	Member
Mr. Basheer A. Chowdry	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committees were as per the following:

Audit Committee	Quarterly
HR & Remuneration Committee	Annually

15. The Board has outsourced internal audit function to a firm of Chartered Accountants who are considered qualified and experienced for the purpose and are conversant with the policies and procedures of the company. A senior staff member of the Modaraba is also designated as head of internal audit to coordinate between internal auditor and the Board.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive and chief financial officer, head of internal audit, company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act and regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. The requirements introduced by the SECP through a recent notification dated 12th June, 2024, regarding Environmental, Social and Governance (ESG) matters shall be implemented in due course.

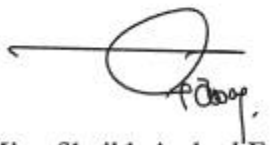
19. We confirm that all the requirements of regulations 3,6,7,8, 27,32,33 and 36 of the Regulations have been duly complied with.

20. Explanation for non-compliance of non-mandatory requirements other than the regulations noted above;

Non Mandatory Requirements	Regulation no	Explanation
Formal policy on ESG matters related to health and safety, sustainability, corporate social responsibility and other matters of social welfare.	10(4)-xiv	At the moment Board provides an oversight on the ESG matters. This was particularly discussed in the recent board meeting and a formal policy would be placed in the forthcoming board meeting.

Compliance with the requirements related to governance and oversight of sustainability risks and opportunities, including DE & I policies, formation of a committee and periodic monitoring of sustainability related strategies.	10(A)	The board is fully cognizant of the requirements and at the moment provides an oversight on these matters. The requirements recently introduced by SECP through notification dated 12th June, 2024 shall be complied with during the year.
Orientation program for the Board of Directors	18	The orientation session for Board to apprise them on the latest developments in the role of Board of directors shall be conducted in the forthcoming Board meeting to be held in October 2025.
Companies are encouraged to arrange trainings under Directors' training program.	19(i) & (ii)	Company Secretary being the only female executive has acquired directors training certification in July 2020. The Modaraba will continue assess the further training needs and its suitability for the staff members in consideration with the requirements of CCG.
Nomination Committee & Risk Management Committee	29 & 30	The Board effectively discharges the responsibilities of the nomination committee and effectively monitors and assesses the requirements with respect to any changes needed on the Board committees. The Board itself and also through its audit committee reviews the risks facing the Modaraba to ensure that a sound risk management and internal control system is put in place.
Posting of significant accounting policies on company's website	35	Key elements of Whistle Blowing Policy, Health & Safety Policy, Code of Conduct have been uploaded to our website, and the remaining ones will be uploaded in due course.

21. We confirm that all requirements, other than regulations referred in clause 20 above have been duly complied.



Mian Sheikh Arshad Farooq
Chairman

Date: 24th September, 2025.

Report of Shariah Advisor

I have conducted Shariah Review of Trust Modaraba managed by Al-Zamin Modaraba Management (Private) Limited for the year ended on 30th June, 2025. In accordance with the Shariah rules and regulations for the Modarabas,

In my opinion:

I. the Modaraba has introduced a mechanism which has strengthened the Shariah compliance, and the policies adopted by the Modaraba are in line with the Shariah principles;

II. The agreements entered into by the Modaraba are Shariah compliant and the financing agreements have been executed on the formats as approved by the Religious Board and all the related conditions have been met.

III. To the best of my 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 Shariah requirements, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Regulations for Modarabas.

IV. No earnings have been realized by any means prohibited by Shariah.

In my opinion, the operations of Trust Modaraba are in conformity with the Shariah principles for the Modarabas.

Signature

MUHAMMAD ZUBAIR USMANI
SHARIAH ADVISOR

Muhammad Zubair Usmani
Jamia Darul Uloom Karachi

26th August, 2025.

Karachi

Independent Assurance Report

On Compliance with the Shariah Governance Regulations, 2023

To the Board of Directors of Trust Modaraba

1. **Introduction**

   We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of the Trust Modaraba (collectively referred to as "the Modaraba") for assessing compliance of the Modaraba's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. **Applicable Criteria**

   The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

   I. Legal and regulatory framework administered by the Commission;
   II. Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;
   III. Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
   IV. Guidance and recommendations of the Shariah advisory committee, as notified by Commission; and
   V. Approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

3. **Management's Responsibility for Shariah Compliance**

   Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Modarabas with its customers, unitholders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. **Our Independence and Quality Control**

   We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on Modarabaamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1 *"Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements"* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Modarabas' financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Modarabas' financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Modarabas' compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modarabas' internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Modaraba's financial arrangements, contracts and transactions for the year ended June 30, 2025, are in compliance with the Shariah principles, in all material respects.

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date:
Name of the Engagement Partner: **Muhammad Shaukat Naseeb**

AUDITOR'S REPORT
TO THE CERTIFICATE HOLDER OF TRUST MODARABA

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Trust Modaraba (the Modaraba), which comprise the statement of financial position as at **June 30, 2025,** and the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow, for the year then ended, and notes to the financial statements, including material accounting policy information 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 purpose of our 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 other 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, 2025** and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the 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 Trust Modaraba 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.

Emphasis of matters

1) We draw attention to note 7.1.1 to the financial statements for the year ended June 30, 2025, which inter alia states the details of land which is owned but not in the possession of the Modaraba; and

2) We further draw attention to note 23.2 to the financial statements for the year ended June 30, 2025, which states the details of unclaimed dividend for which management has maintained separate saving account of Rs 5.65 million against unclaimed profit distribution of Rs. 13.70 million; and

3) We further draw attention to note 5 of the financial statements which describe that financial statements have been restated.

Our opinion is not modified in respect of the above matters.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the key audit matters:

S. No.	Key Audit Matters	How the matters were addressed in our audit
1	**Islamic financings and related assets** (Refer note 6, 9, 10, 14, 15, and 16 to the financial statements)	
	Islamic financings and related assets are valued at Rs. 336.23 million which constitutes 84% of the total assets of the Modaraba. As the Islamic financings and related assets represent a significant element of the financial statements, a discrepancy in the existence or valuation could cause the financial statements to be materially misstated which would also impact the Modaraba's reported performance. In view of significance of financings and related assets in relation to total assets and the financial statements as a whole, we have considered the existence and valuation of financings as a key audit matter.	1. Our audit procedures included assessing and testing the design and operations of key controls over the recognition, valuation and existence of financing and related assets. 2. We performed detailed assessment of the credit approval procedures of the financings sanctioned in accordance with Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021 and performed credit review on sample basis. 3. We tested controls over addition, termination and periodic valuation of the portfolios and performed other substantive audit procedures on the year end balances. Moreover, we have reviewed documentation required in the facilities files of the parties and verified income from financing during the year by performing recalculation through amortization schedules on a sample basis. 4. In addition, we have checked repayment received from the clients on sample basis.

S. No.	Key Audit Matters	How the matters were addressed in our audit
	Islamic financings and related assets (continued)	
		5. We have assessed the ECL model used by the management to calculate the provision against financings of the Modaraba for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model. 6. We have evaluated management's assessment for classification of customer's financing facilities as required by Schedule-III of Modaraba Regulations 2021. 7. We also evaluated the adequacy of the overall disclosures in the financial statements in respect of financings issued and related assets in accordance with the requirements of the applicable financial reporting framework NBFC Regulations and with the applicable accounting standards, provisions of and directives issued under the Companies Act, 2017 and requirement of Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021.
2	**Profit on musharakah finances** (Refer note 32 to the financial statements)	
	Modaraba earns income from the musharaka finances which is its substantial income source. During the year, the Modaraba has recognized income of Rs. 50.7 million which represents an increase of Rs. 5.5 million (12%) over last year. We identified income from musharaka finances as a key audit matter as it is one of the key performance indicators of the Modaraba and because of the potential risk that income from musharaka transactions may not be accurately recorded, recognized in the appropriate period, and not properly disclosed in the financial statements.	Our audit procedures in respect of this matter included the following: 1. Obtained an understanding, including the design and implementation of internal controls over recording and processing of musharaka income. 2. Assessed the appropriateness of the Modaraba's accounting policy for recording of income and in line with the requirements of applicable law, accounting and reporting standards.

S. No.	Key Audit Matters	How the matters were addressed in our audit
	Profit on musharakah finances (continued)	
		3. Matched customer contracts with the income schedule and performed recalculation on sample basis to ensure that income is appropriately recorded and also evaluated that these contracts were appropriately classified and recorded in the appropriate accounting period. 4. On sample basis, traced the rentals received from the underlying records issued to contract holders and applied substantive analytical procedures to determine any variations. 5. We also evaluated the adequacy of the overall disclosures in the financial statements in respect of income from musharaka finances in accordance with the requirements of applicable financial reporting frameworks.

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 in 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 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 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 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.

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 therefore 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 and the statement of profit and loss, statement of 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 deducted by the Modaraba and deposited in the Central Zakat Fund established under section 07 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb.**

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi

Date: September 30, 2025

UDIN: AR20251012623P86buqH

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDER OF TRUST MODARABA

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Trust Modaraba** for the year ended **June 30, 2025,** in accordance with the requirements of regulation **36** of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Modaraba. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Modaraba's personnel and review of various documents prepared by the Modaraba to comply with the Regulations.

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 of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Modaraba's corporate governance procedures and risks.

The Regulations require the Modaraba 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. 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.

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 Modaraba's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended **June 30, 2025**.

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi

Date: September 30, 2025
UDIN: CR202510126s8qrwdtC9

STRATEGIC OBJECTIVES ON ESG

The Securities and Exchange Commission of Pakistan (SECP) has recently introduced ESG disclosure guidelines for listed companies which revolve around factors like protecting the environment, reduction of waste, promoting gender diversity, environmental sustainability. The scope of ESG initiatives is very diverse and comprehensive too. On its part, Trust Modaraba has played its role in promoting staff welfare activities and through humble donations to the health welfare organizations. Governance standards have always remained at the forefront of the organization. Trust Modaraba has put in place an effective framework of ethical business practices. ESG initiatives shall be further strengthened and a long-term plan in this regard shall be worked out in due course.

GENDER PAY GAP STATEMENT

Gender Pay Gap statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024 Following is gender pay gap calculated for the year ended June 30, 2025

a) Mean Gender Pay Gap: -106.14%

b) Median Gender Pay Gap: -194.12%

c) Any other data / details as deemed relevant:

Trust Modaraba will actively support and implement initiatives to foster gender diversity.

For and on behalf of the Board of Director



Chief Executive

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	2025	2024 (Restated)
		----------Rupees----------	
ASSETS			
Non-current assets			
Ijarah assets	6	31,484,673	74,450,750
Fixed assets	7	24,559,177	22,948,196
Intangible asset	8	541,612	948,940
Murabaha finances	9	7,156,581	6,109,160
Diminishing musharakah financing	10	144,117,878	129,420,831
Long term deposits	11	294,662	294,662
Long term investments	12	-	2,284,801
Deferred taxation - net	13	1,416,970	1,639,122
Total non-current assets		209,571,553	238,096,462
Current assets			
Current portion of long term murabaha finances	9	40,282,404	41,708,561
Current portion of diminishing musharakah finances	10	74,237,249	45,244,359
Murabaha finances - secured	14	25,380,000	25,400,000
Ijarah rental receivables - secured	15	3,387,715	3,788,925
Musharakah finances (secured - considered good)	16	10,178,689	13,395,756
Short term investments	17	14,287,295	20,970,987
Income tax refundable		5,280,459	3,997,069
Advances, prepayments and other receivables	18	10,291,497	11,365,248
Cash and bank balances	19	9,066,363	10,384,061
Total current assets		192,391,671	176,254,966
Total assets		401,963,224	414,351,428
EQUITY AND LIABILITIES			
LIABILITIES			
Non-current liabilities			
Deferred income on murabaha	20	1,009,498	907,964
Customers' long term security deposits	21	11,179,368	24,338,468
Lease liabilities against right of use assets	22	7,269,660	6,142,142
Total non-current liabilities		19,458,526	31,388,574
Current liabilities			
Current portion of deferred income on murabaha	20	2,043,402	2,272,786
Current portion of customers' security deposits	21	5,840,750	11,660,170
Current portion of lease liabilities against right of use assets	22	2,730,428	1,799,923
Unclaimed profit distributions	23	13,697,088	12,828,131
Creditors, accrued and other liabilities	24	9,328,475	12,738,558
Charity payable	25	108,608	269,532
Total current liabilities		33,748,751	41,569,100
Total liabilities		53,207,277	72,957,674
NET ASSETS		348,755,947	341,393,754
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital	26	298,000,000	298,000,000
Reserves	27	50,755,947	47,265,849
Total equity		348,755,947	345,265,849
Unrealized loss on revaluation of investments	28	-	(3,872,095)
		348,755,947	341,393,754
Contingencies and commitments	29		

The annexed notes from 1 to 54 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited

(Modaraba Management Company)

CHIEF EXECUTIVE | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024 (Restated)
		----------Rupees----------	
Income from ijarah - net	30	**7,409,613**	13,716,710
Profit on murabaha finances	31	**3,884,521**	4,235,806
Profit on musharakah finances	32	**50,645,697**	45,219,841
Dividend income on equity investments	33	**799,000**	660,670
Gain / (loss) on sale of short term investments		**4,564,535**	(5,197,370)
Other income	34	**5,272,294**	3,268,924
		72,575,660	61,904,581
Provision for doubtful receivables	35.1	**(124,447)**	(2,891,344)
Unrealized gain on revaluation of financial assets at fair value through profit or loss	17.2	**1,913,987**	13,712,270
Loss on disposal of assets classified as held for sale		**-**	(4,246,500)
		74,365,200	68,479,007
Operating expenses	36	**(47,501,657)**	(38,917,990)
		26,863,543	29,561,017
Modaraba Management Company's fee	37	**(2,686,354)**	(2,956,102)
Services sales tax on the Management Company's remuneration	37.2	**(402,953)**	(384,293)
Workers' Welfare Fund	4.21	**(475,485)**	(524,412)
Profit before taxation and levy		**23,298,751**	25,696,210
Levy, minimum tax and final taxes	38	**(103,913)**	(4,841,691)
Profit before taxation		**23,194,838**	20,854,519
Taxation	39	**(4,804,740)**	-
Profit for the year after taxation		**18,390,098**	20,854,519
Earnings per certificate - basic and diluted	40	**0.617**	0.712

The annexed notes from 1 to 54 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024 (Restated)
		----------Rupees----------	
Profit for the year		**18,390,098**	20,854,519
Other comprehensive income :			
Items that will not be reclassified to profit and loss account			
- Net change in fair value of investments classified as fair value through other comprehensive income - net of tax	28	**3,872,095**	2,629,357
Items that may be reclassified subsequently to profit and loss account		-	-
Other comprehensive income for the year		**3,872,095**	2,629,357
Total comprehensive income for the year		**22,262,193**	23,483,876

The annexed notes from 1 to 54 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR AND JUNE 30, 2025

Particulars	Certificate capital	Capital reserves	Revenue reserves	Total reserves	Total equity
		Statutory reserve (Note 27.1)	Accumulated losses		
	(Rupees)				
Balance as at June 30, 2023 as previously stated	298,000,000	83,785,844	(55,279,395)	28,506,449	326,506,449
Effect of restatement (note 5)	-	-	(2,095,119)	(2,095,119)	(2,095,119)
Balance as at June 30, 2023 - restated	298,000,000	83,785,844	(57,374,514)	26,411,330	324,411,330
Net profit for the year	-	-	20,854,519	20,854,519	20,854,519
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	20,854,519	20,854,519	20,854,519
Transfer to statutory reserve at 20%	-	4,170,904	(4,170,904)	-	-
Balance as at June 30, 2024 - restated	298,000,000	87,956,748	(40,690,899)	47,265,849	345,265,849
Net profit for the year	**-**	**-**	**18,390,098**	**18,390,098**	**18,390,098**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**18,390,098**	**18,390,098**	**18,390,098**
Transfer to statutory reserve at 20%	**-**	**3,678,020**	**(3,678,020)**	**-**	**-**
Transactions with owners					
Profit distribution for the year ended June 30, 2024 @ Rs. 0.50 per certificate	-	-	(14,900,000)	(14,900,000)	(14,900,000)
Balance as at June 30, 2025	**298,000,000**	**91,634,768**	**(40,878,821)**	**50,755,947**	**348,755,947**

The annexed notes from 1 to 54 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2025	2024 (Restated)
		----------Rupees----------	
Cash generated from operations			
Cash generated from operations	41	**36,351,106**	80,510,841
Decrease / (Increase) in non-current assets:			
- Long term murabaha finances		**379,954**	10,062,183
- Long term musharakah finances		**(39,955,115)**	(99,619,646)
(Decrease) / Increase in non-current liabilities:			
- Deferred income on murabaha		**(127,850)**	(232,186)
- Customers security deposits		**-**	220,000
Purchase of ijarah assets	6.1	**-**	(1,100,000)
Long term deposits		**-**	308,300
Proceeds from disposal of ijarah assets		**10,012,251**	3,933,537
Income tax paid / deducted		**(6,192,043)**	(6,249,081)
Net cash generated from / (used in) operating activities		**468,303**	(12,166,052)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets	7.1	**(981,626)**	(1,096,652)
Purchase of intangible assets		**-**	(1,022,000)
Contribution to assets acquired on lease		**(4,940,758)**	(1,728,300)
Proceeds from disposal of owned assets		**2,399,240**	555,760
Net proceeds from disposal of assets classified as held for sale		**-**	4,378,500
Disposal of investments - net		**20,267,828**	15,601,419
Dividends received		**799,000**	660,670
Net cash generated from investing activities		**17,543,684**	17,349,397
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment made against lease liability	22	**(5,298,642)**	(2,199,246)
Profit distributed to certificate holders	17	**(14,031,043)**	(3,476)
Net cash used in financing activities		**(19,329,685)**	(2,202,722)
Net (decrease) / increase in cash and cash equivalents		**(1,317,698)**	2,980,623
Cash and cash equivalents at the beginning of the year		**10,384,061**	7,403,438
Cash and cash equivalents at the end of the year	19	**9,066,363**	10,384,061

The annexed notes from 1 to 54 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

1 LEGAL STATUS AND NATURE OF BUSINESS

Trust Modaraba (the Modaraba) was formed in Pakistan under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and is being managed by Al-Zamin Modaraba Management (Private) Limited (AZMML). The Modaraba commenced its business operations on November 12, 1991.

The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabaha, Musharakah and Ijarah arrangement, investment in marketable securities, trading and other permissible businesses. The affairs, activities and transactions, performed by the modaraba during the year comply with the rules and principles of Islamic Sharia in the light of guidance and directives given by sharia advisor and are in accordance with the guideline issued by advisor of the registrar modaraba, SECP.

The principal place of business and registered office is located at 104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi - 75600 whereas regional office is located at 320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore.

The VIS Credit Rating Company Limited has maintained long term rating of BBB+ and short term rating of A-2 to the Modaraba. Outlook on the assigned rating is 'Stable'.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements otherwise stated have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and Islamic Financial Accounting Standards (IFASs), as are notified under the provisions of the Companies Act, 2017; and

- Provisions of and directives issued by securities and exchange commission of Pakistan (SECP), requirement of Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 and Companies Act, 2017.

Wherever the requirements of the approved accounting standards differ from the relevant laws, the relevant laws have been followed.

2.2 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees which is the Modaraba's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except investments, investment property, assets held for sale, lease liabilities and right-of-use assets. Investments and investment property are measured at fair value. Assets held for sale are measured at lower of fair value less cost to sell or carrying value. Lease liabilities and right-of-use assets are initially measured at the present value of the lease payments that are not paid at the commencement date. Basis of measurement has been discussed in related notes 4.3, 4.2 and 4.11.1 respectively. These financial statements have been prepared following accrual basis accounting except for cash flow information.

2.4 Initial application of standards, amendments or interpretations to existing standards

The following amendments and interpretations to published accounting and reporting standards that are applicable to the Modaraba's financial statements covering annual periods, beginning on or after the following dates:

2.4.1 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to published accounting and reporting standards that are mandatory for the Modaraba's accounting period beginning on July 1, 2024, but are considered not to be relevant or do not have any significant impact on the Modaraba's operations and are, therefore, not detailed in these financial statements.

		Effective date
IAS 21	The effects of changes in foreign exchange rates (Amendments)	July 1, 2025
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 1, 2025
IFRS S2	Climate-related Disclosures	July 1, 2025

2.4.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Modaraba

There are certain other interpretations and amendments that are mandatory for the Modaraba's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or will not have any significant effect on the Modaraba's operations and are, therefore, not detailed in these financial statements.

		Effective date
IFRS 7	Financial instruments : Disclosure	January 01, 2026
IFRS 9	Financial instruments	January 01, 2026
IAS 21	Lack of exchangeability	January 01, 2026

Other than the aforementioned standards, interpretation and amendments, IASB has also issued the following standards, which have been utilized locally in relation to the Modaraba, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30,2025

		Effective date
IFRS1	First time adoption	January 01, 2026
IFRS 18	Presentation and disclosure in financial statements	January 01, 2027
IFRS 19	Subsidies without public accountability:Disclosures	January 01, 2027

The management anticipates the adoption of above standards in future being will have material impact on financial statements items and presentation/ disclosures.

2.5 Corresponding figures

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. In the process of applying the Modaraba's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

3.1 Useful lives, pattern of flow of economic benefits and impairment

The Modaraba's management determines the useful lives and related depreciation charge, the residual values and impairment of its fixed assets on regular basis. These are reviewed at the end of each reporting period and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets and the residual values, the same is changed to reflect the changed pattern. Such change is accounted for as change in accounting estimate in accordance with International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

3.2 Provision against non performing financing

The Modaraba reviews its overdue receivables from ijarahs, murabahas and musharakahs at each reporting date to assess whether provision should be recorded in the statement of profit and loss, in addition to the mandatory provisions required in accordance with the Prudential Regulations issued by the Securities and Exchange Commission of Pakistan. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision. Income recognition on musharakah and Murabaha is suspended when it is past due by ninety days or more and classified as suspense income.

3.3 Impairment of other financial assets

Provision is recognized based on management judgment regarding the recoverability of balance under expected credit loss method. Balances considered bad and irrecoverable are written off when identified.

3.4 Provisions and Contingencies

The Modaraba reviews its provisions and contingencies at each reporting date to assess whether provision should be recorded in the statement of profit and loss. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy and information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and other short-term highly liquid investments with original maturities of three months or less, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

4.2 Advances, deposits and prepayments and other receivables

Advances, deposits and prepayments are initially recognized at cost being the fair value of the consideration paid together with the associated transaction cost. Trade and other receivables are initially measured at original invoice amount.

4.3 Financial instruments

Financial instruments include loans to / receivable from employees, long term deposits, trade receivables, advances, deposits and other receivables, cash and bank balances, murabaha finances, ijarah rental receivables, investments, creditors, accrued and other liabilities.

4.3.1 Financial assets

All financial assets are recognized at the time when the Modaraba becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

4.3.1.1 Classification

The management determines the classification of its financial assets at the time of initial recognition and classifies its financial assets in the following three categories:

a) *Financial assets at amortized cost*

A financial asset is measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) *Financial assets at fair value through other comprehensive income*

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition, the Modaraba can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

c) *Financial assets at fair value through profit or loss*

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Modaraba can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income unless these are held for trading in which case these have to be measured at fair value through profit or loss. The equity investments of the Modaraba held in short term investments are classified at fair value through profit or loss because they are frequently traded while equity investments in long term investments are classified at fair value through other comprehensive income because the Modaraba intends to held these to collect dividends.

Reclassification

When the Modaraba changes its business model for managing financial assets, it reclassifies all affected financial assets accordingly. The Modaraba applies the reclassification prospectively from the reclassification date.

In case of reclassification out of the amortized cost measurement category to fair value through profit or loss measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in profit or loss.

In case of reclassification out of fair value through profit or loss measurement category to the amortized cost measurement category, fair value of the financial asset at the reclassification date becomes its new gross carrying amount.

In case of reclassification out of fair value through other comprehensive income measurement category to the amortized cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through profit or loss measurement category to the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value.

In case of reclassification out of fair value through other comprehensive income measurement category to the fair value through profit or loss measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

4.3.1.2 Initial recognition and measurement

All financial assets are recognized at the time when the Modaraba becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date that is the date on which the Modaraba commits to purchase or sell the asset.

Except for receivables from Modaraba's main operations, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of profit and loss. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of profit and loss when the Modaraba's right to receive payments is established. Receivables from Modaraba's main operations are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15. Where the Modaraba uses settlement date accounting for an asset that is subsequently measured at amortized cost, the asset is recognized initially at its fair value on the trade debt.

4.3.1.3 Subsequent measurement

Financial assets carried at amortized cost are subsequently measured using the effective interest method. Gain or loss on financial assets not part of hedging relationship is recognized in the statement of profit and loss when the financial asset is derecognized, reclassified, through the amortization process or in order to recognize impairment gains or losses.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Modaraba recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in the statement of profit and loss.

Financial assets 'at fair value through other comprehensive income' are marked to market using the closing market rates and are carried in the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the statement of profit or loss. Dividends on equity instruments are credited to the statement of profit and loss when the Modaraba's right to receive payments is established.

Financial assets 'at fair value through profit and loss' are marked to market using the closing market rates and are carried in the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the statement of profit and loss in the period in which these arise. Fair values of quoted investments are based on current prices. Fair value hierarchies are described in note 4.19.

4.3.1.4 Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or
- the Modaraba has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
    a) the Modaraba has transferred substantially all the risks and rewards of the asset; or
    b) the Modaraba has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in the statement of profit and loss.

When the Modaraba has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Modaraba continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Modaraba also recognizes an associated liability which cannot be offset with the related asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Modaraba has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Modaraba could be required to repay.

If the Modaraba's continuing involvement is in only a part of a financial asset, the Modaraba allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the consideration received for the part no longer recognized is recognized in the statement of profit and loss.

4.3.1.5 Impairment of financial assets

The Modaraba assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The Modaraba recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes the time value of money; and

Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

The Modaraba applies the IFRS 9 general approach to measure Expected Credit Losses (ECL) for ijarah finance and diminishing musharika. A lifetime ECL is recorded on Ijarah finance and diminishing musharika in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and which are credit impaired as on the reporting date. A 12 months ECL is recorded for ijarah finance and diminishing musharika which do not meet the criteria for SICR or "credit impaired" as at the reporting date. To assess whether there is a significant increase in credit risk the Modaraba compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Modaraba also considers reasonable and supportive forward looking information in determination of ECL. The allowance is increased by provisions charged to statement of profit and loss and is decreased by charge-off, net of recoveries.

In evaluating the adequacy of ECL, the management considers various factors, including the nature and characteristics of the obligor, current economic conditions, credit concentrations or deterioration in collateral, historical loss experience and delinquencies.

The Modaraba Regulations, 2021 specifies a criteria for classification and provisioning of impaired assets. The Modaraba while recognising provision for impaired assets has considered the amount which is higher of (on a facility basis) in accordance with the guidance provided by Accounting Standard Board (ASB):

- the provision required under the Modaraba Regulations, 2021; and
- the provision required under IFRS 9 using the Expected Credit Loss (ECL) model.

4.3.1.6 Write offs

The gross carrying amount of a financial asset is written off when the Modaraba has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Against each customer's outstanding exposure which stands as impaired, Modaraba makes an assessment with respect to the timing and amount of write-off based on the expectation of recovery. However, financial assets that are written off remain subject to legal enforcement activities for recovery of amounts due.

4.3.2 Financial liabilities

4.3.2.1 Initial recognition and measurement

All financial liabilities are recognized at the time when the Modaraba becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost except for financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition.

The Modaraba does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the statement of profit and loss.

4.3.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

The amount of change in the fair value that is attributable to changes in the credit risk of financial liability is presented in other comprehensive income and the remaining amount of change in the fair value of the liability is presented in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if it eliminates or significantly reduces a measurement or recognition inconsistency or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Modaraba's key management personnel. The Modaraba has not designated any financial liability as at fair value through profit or loss.

All other liabilities

All other financial liabilities are measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

4.3.2.3 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit and loss. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit and loss.

If the Modaraba repurchases a part of a financial liability, the Modaraba allocates the previous carrying amount of the financial liability between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount allocated to the part derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognized is recognized in profit or loss.

4.3.3 Offsetting of financial assets and liabilities

A financial assets and a financial liabilities are offset and the net amount is reported in the statement of financial position if the Modaraba has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.4 Murabaha and Musharakah arrangements

4.4.1 Murabaha arrangements

Modaraba obtains an undertaking (promise to purchase) from the client and purchases the requested assets / goods from third parties and takes possession of such goods / assets that are the subject matter of murabaha arrangements. However, the Modaraba can appoint the client as its agent to purchase the assets/goods on its behalf. Thereafter, its sells these goods / assets to the client at cost plus the profit agreed upon in the promise. Murabaha sale is recorded at the invoiced amount and profit is recognized in accordance with IFAS-1 (Murabaha) to the extent of pro-rata portion of sale price received as compared to total agreed price. Profit on the portion of sale revenue not due for payment is deferred and recognized as liability. Goods purchased by the Modaraba but remained unsold, with the Modaraba constitute inventories, if any at reporting date.

4.4.2 Musharakah arrangements

The Modaraba measures the musharakah receivables on the basis of installments accrued during the year. The installments are accrued on pro-rata basis as per terms of the musharakah agreement between the Modaraba and customer.

4.5 Fixed Assets

4.5.1 Fixed assets in own use and related depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to income by applying the straight-line method at the rates given in note 7.

Depreciation on additions to operating fixed assets is charged from the month in which the asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain/loss on disposal of assets is charged to current year's income.

4.5.2 Assets given to customers held under Ijarah arrangements

Assets given to customers under ijarah arrangements are assets available / held for ijarah which are accounted for as operating lease assets in accordance with IFAS-2 and are stated at cost less accumulated depreciation and impairment loss, if any. Assets under ijarah arrangements are depreciated using the straight line basis over the period of lease term. In respect of additions and transfers during the year, depreciation is charged proportionately over the period of ijarah. Gain/loss on disposal of assets is charged to current year's income. At the end of the lease financing period, asset is transferred to the customer in accordance with the arrangement of Ijarah as per the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) shariah standard.

- Muj'ir (lessor) presents the asset subject to Ijarah in its statement of financial position according to the nature of the asset, distinguished from the assets in own use.
- Cost, 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.

4.6 Intangible Assets

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged using the straight line method over the asset's estimated useful life at the rate stated in note 19 of the financial statements, after taking into account the residual value, if any. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each reporting date. Amortisation on additions is charged from the date the assets are available for use up to the date the assets are disposed off in accordance with rate specified in respective note of the financial statements. Gain and losses on disposal of such assets, if any, are included in the statement of profit and loss.

4.7 Impairment of assets

The Modaraba assesses, at each reporting date, whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit and loss. A previously recognized impairment loss is reversed only if there is a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit and loss account. Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

4.8 Stock in trade

4.8.1 Stock in trade for murabaha transactions

Murabaha transactions are entered into on customer order basis. The requested goods / assets are procured on customer request and are immediately transferred to the customer. Therefore, in normal circumstances, there is no inventory. However, unsold inventory, if any, is measured at lower of cost and net realizable value as at the reporting date. Cost is determined on weighted average basis.

4.9 Provisions

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past 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 can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

4.10 Ijarah assets

Islamic Financial Accounting Standard (IFAS) 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan was adopted by the SECP vide SRO 431(1)/ 2007 dated May 22, 2007. Under IFAS 2, the Ijarah transactions are accounted for in the following manner:

Mustajir (lessors) presents the assets subject to Ijarah in their statement of financial position according to the nature of the asset. The Mustajir is required to distinguish these Ijarah assets from the assets in own use.

Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expenses.

Ijarah income is recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

The SECP, vide its letter No. SC/ M/ RW/ SCM /2009 dated March 9, 2009, allowed that in case of Modarabas, IFAS 2 shall be applied for Ijarah transactions executed on or after July 1, 2008. Accordingly, the Modaraba has accounted for Ijarah transactions executed before July 01, 2008 as _nance leases and has treated the Ijarah transactions executed on or after July 01, 2008 in accordance with the requirements of IFAS 2.

4.11 Leases

For contracts entered into, or modified, on or after July 1, 2019; the Modaraba applies IFRS 16 to such transactions, except for the transactions where Modaraba is a lessor and the lease is an operating lease, and in such cases, the provisions of IFAS-2 are applied. The Modaraba assesses whether a contract contains a lease or not at the inception of a contract. For lease contracts the Modaraba reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Modaraba determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Modaraba is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Modaraba is reasonably certain to not to exercise that option.

The Modaraba reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Modaraba and affects whether the Modaraba is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Modaraba revises the lease term if there is a change in the non-cancellable period of a lease.

4.11.1 Modaraba as a lessee

Recognition

The Modaraba recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Modaraba).

The Modaraba has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Modaraba. The Modaraba recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement

Lease liability

At the commencement date, the Modaraba measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Modaraba's incremental borrowing rate if the implicit rate is not readily available. Generally, the Modaraba uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Modaraba under residual value guarantees; the exercise price of a purchase option if the Modaraba is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Modaraba exercising an option to terminate the lease.

Right-of-use asset

The Modaraba initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Subsequent measurement

Lease liability

After the commencement date, the Modaraba re-measures the lease liability to reflect the effect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit and loss, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use asset

After the commencement date, the Modaraba measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Modaraba depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Modaraba by the end of the lease term or if the cost of the right-of-use asset reflects that the Modaraba will exercise the purchase option, the Modaraba depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Depreciation is charged to the statement of profit and loss at rates given in note 17.2.

4.11.2 Modaraba as a lessor

Leases in which the Modaraba does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Such leases are treated under IFAS-2 and the accounting policy for assets given to customers under ijarah arrangements (Note 4.5.2) is applied for such leases.

4.12 Revenue from contracts with customers

Revenue from ijarah and murabaha is recognized as per the requirements of the Islamic Financial Accounting Standards (IFASs). Repayment schedule is agreed at the start. Payments are usually due over the period of contract at different dates.

Murabaha profit

Profit on transactions under murabaha arrangements is recognized on a pro-rata basis taking into account the elapsed duration for payment of murabaha amounts payable by the customer. Profit not due for payment in the current year is deferred by accounting for unearned murabaha income with corresponding credit to deferred murabaha income which is recorded as a liability. The same is then recognized as revenue on a time proportionate basis as and when the due dates approach for payment of recoverable amounts by the customers.

Musharakah profit
Profit on diminishing musharakah transactions is recognized on accrual basis.

Ijarah rentals
Ijarah income is recognized in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

Documentation income
Documentation charges, front end fees and other ijarah related income are taken to the statement of profit and loss on an accrual basis.

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

Capital gain or loss
Capital gain or loss on sale of investments is recognized in the period in which it arises.

Rental income
Rental income from investment properties is recognized on time proportionate basis.

Return on deposit accounts
Return on deposit accounts is recognized on accrual basis. Income from shariah non compliant assets classified as charity payable.

4.13 Levy and income tax

Current
Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned. The current tax expense is calculated using prevailing tax rates or tax rates expected to apply to the taxable profits for the year at enacted tax rates. The charge for the current tax also includes adjustments, where considered necessary, relating to prior years arising from assessments made during the year for such years.

Deferred
Deferred taxation is accounted for using the balance sheet liability method providing for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary timing differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated based on the rates that have been enacted or notified for subsequent enactment up to the reporting date and are expected to apply to the period when the difference arises.

4.14 Levy

In accordance with Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21. There are no material final taxes/levy that fall within the scope of IFRIC 21 during the year ended June 30, 2025.

4.15 Post employment benefits

The Modaraba maintains a defined contribution plan for post employment benefits and operates an approved provident fund for all its employees. The Modaraba and the employees both make equal monthly contributions to the fund at the rate of 10% of the basic salary of employees.

4.16 Dividend - Profit distribution and other appropriations of profit

Dividend distribution to the Modaraba's certificate holders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Modaraba Management Company. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which these relate.

Appropriations to statutory reserves declared / approved subsequent to statement of financial position date are considered as non-adjusting event and are not recorded in financial statements of the current year. These are recognized in the year in which these are declared / approved.

4.17 Earnings per certificate

The Modaraba presents basic and diluted earnings per certificate (EPC). Basis EPC is calculated by dividing the profit or loss attributable to ordinary certificate holders of the Modaraba by the weighted average number of ordinary certificates outstanding during the year. Diluted EPC is determined by adjusting the profit or loss attributable to ordinary certificate holders and the weighted average number of ordinary certificates outstanding for the effects of all dilutive potential ordinary certificates, if any.

4.18 Operating segments

An operating segment is a component of an entity:

a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and

c) for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer of the Modaraba has been identified as Chief Operating Decision Maker.

The Modaraba is divided into four operating segments:

- Murabaha finances;
- Ijarah finances;
- musharakah finances; and
- Investments.

All these operating segments are located in Pakistan.

4.18.1 *Segment assets and liabilities*

The assets of a segment include all operating assets used by a segment and consist principally of receivables and fixed assets, net of allowances and provisions. Segment liabilities are primarily unallocable.

4.18.2 ***Allocation of segment expenses***

All identifiable expenses are directly attributed to the respective segments.

4.19 Fair value measurement

The Modaraba measures certain financial instruments, and non-financial assets such as assets classified as held for sale and investment property, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Modaraba has access at that date. The fair value of a liability reflects the effect of non-performance risk. When applicable, the Modaraba measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When measuring fair value, the Modaraba takes into account the characteristics of asset or liability which include the condition and location of the asset and restrictions, if any, on the sale or use of the asset.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Modaraba uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Valuation techniques used to measure fair value are applied consistently unless a change in a valuation technique or its application results in a measurement that is equally or more representative of fair value in the circumstances. Revisions resulting from a change in the valuation technique or its application are accounted for as a change in accounting estimate.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within different levels of the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

Fair value hierarchy categorizes into following three levels the inputs to valuation techniques used to measure fair value:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Modaraba can access at the measurement date.
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Unobservable inputs for the asset or liability.

For the purpose of fair value disclosures, the Modaraba has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

4.20 Assets classified as held for sale

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Modaraba's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortization. However, annual impairment testing is carried out by the management.

4.21 Workers' Welfare Fund

The modaraba accrues and pays 2% contribution of its total income to Sindh Revenue Board as required by the Sindh Workers Welfare Fund (SWWF) Act, 2014.

5 RESTATEMENT IN THE FINANCIAL STATEMENTS

The June 30, 2024 financial statements were restated for a correction in an accounting error relating to the change in accounting policy in respect of taxtion and an accounting arror related to provision of sales tax on management fee.

5.1 Change in accounting policy in respect of taxation

During the year, the Institute of Chartered Accountants of Pakistan ('ICAP') has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12, Application Guidance on Accounting for Minimum Taxes and Final Taxes' ('the Guidance'). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to designate the amount calculated on taxable income using the notified tax rate as an income tax expense. Any excess over the amount designated as income tax, is then recognised as a 'Levy' under 'IAS 37, Provisions, Contingent Liabilities and Contingent Assets', which were previously being recognised as 'income tax'.

5.2 Accounting error related to provision of Management fee

The June 30, 2024 financial statements were restated for a correction in an accounting error relating to the provision of sales tax payable on management fee. The 2024 financial information has been updated to correct this error.

The 2024 financial information has been updated to correct for this error, as follows:

Effect of prior period error adjustment on the financial statements for the year ended June 30, 2024	As previously reported	Correction of error	As restated
	---------- Rupees ----------		
STATEMENT OF PROFIT AND LOSS			
Profit net of operating expenses	29,561,017	-	29,561,017
Modaraba Management Company's fee	(2,956,102)	-	(2,956,102)
Services sales tax on the Management Company's remuneration	-	(384,293)	(384,293)
Workers' Welfare Fund	(532,098)	7,686	(524,412)
Profit before taxation and levy	26,072,817	(376,607)	25,696,210
Levy, minimum tax and final taxes	-	(4,841,691)	(4,841,691)
Profit before taxation	26,072,817	(5,218,298)	20,854,519
Taxation	(4,841,691)	4,841,691	-
Profit for the year after taxation	21,231,126	(376,607)	20,854,519

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

6 IJARAH ASSETS

	Note	2025	2024
		Rupees	
	6.1	**51,484,675**	74,450,750

6.1 Ijarah assets

Year ended June 30, 2025

Description	Cost				Depreciation rate	Accumulated depreciation				Book value as at June 30, 2025
	As at July 01, 2024	Additions	Disposals	As at June 30, 2025		As at July 01, 2024	Charge for the year	Disposals	As at June 30, 2025	
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees
Plant and machinery	**21,757,895**	**-**	**(21,757,895)**	**-**	**20% to 50%**	**16,268,280**	**1,122,036**	**(17,390,316)**	**-**	**-**
Vehicles	**125,205,401**	**-**	**(52,971,517)**	**72,233,884**	**20% to 50%**	**56,224,266**	**14,761,563**	**(30,256,618)**	**40,749,211**	**31,484,673**
	146,963,296	**-**	**(74,729,412)**	**72,233,884**		**72,492,546**	**15,883,599**	**(47,646,934)**	**40,749,211**	**31,484,673**

Year ended June 30, 2024

Description	Cost				Depreciation rate	Accumulated depreciation				Book value as at June 30, 2024
	As at July 01, 2023	Additions	Disposals	As at June 30, 2024		As at July 01, 2023	Charge for the year	Disposals	As at June 30, 2024	
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees
Plant and machinery	31,293,739	1,100,000	(12,710,731)	19,683,008	20% to 50%	15,159,215	8,449,052	(9,222,078)	14,386,189	5,296,819
Vehicles	159,000,688	-	(31,740,400)	127,260,288	20% to 50%	51,707,650	25,757,647	(19,358,940)	58,106,357	69,153,931
	190,294,427	1,100,000	(44,451,131)	146,943,296		66,866,865	34,206,699	(28,581,018)	72,492,546	74,450,750

6.1.1 The assets leased out by the Modaraba under Ijarah arrangements are secured as the title to the asset is held by the Modaraba.

6.1.2 The Modaraba has filed suits for re-possession of leased assets costing Rs. 7.537 million (2024: Rs. 7.537 million) against 2 clients (2024: 2 clients). The Court has awarded decree in favour of Modaraba in 2 (2024: 2) cases for recovery of Rs. 4.652 million (2024: Rs. 4.652 million). The Courts have decided to attach some properties of customers in addition to their assets to the Modaraba. However, execution petitions for recovery of the decretal amount are still pending.

6.1.3 Aggregate amount of future Ijarah rentals receivable on the basis of agreements executed upto the reporting date are as follows:

	2025	2024
	Rupees	
Receivable not later than one year	**15,989,632**	31,649,042
Receivable later than one year but not later than 5 years	**6,330,196**	29,509,001
	22,319,828	61,158,043

6.1.4 During the year, an asset previously classified under Vehicles with a gross carrying amount of PKR 2.05 million and accumulated depreciation of PKR 1.88 million has been reclassified to Plant and Machinery.

6.1.5 Disposal of operating fixed assets

6.1.5.1 Disposal of fixed assets given on ijarah

Description	Cost	Accumulated Depreciation	Book Value	Adjustment / Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyer
	---------- Rupees ----------						
Vehicles:							
Vehicles	1,985,000	1,588,000	397,000	397,000	-	Term of ijarah agreement	GASCO ENGINEERING (PVT) LTD.
Vehicles	2,185,000	1,966,500	218,500	218,500	-	Term of ijarah agreement	NORDICA HEALTH PRODUCTS (PVT) LTD
Vehicles	2,185,000	1,966,500	218,500	218,500	-	Term of ijarah agreement	NORDICA HEALTH PRODUCTS (PVT) LTD
Vehicles	2,900,000	1,754,128	1,145,872	1,145,872	-	Term of ijarah agreement	MUHAMMAD NAEEM BAIG
Vehicles	2,707,000	1,658,880	1,048,120	1,155,869	107,749	Term of ijarah agreement	GASCO ENGINEERING (PVT) LTD.
Vehicles	3,393,000	2,376,600	1,016,400	1,016,400	-	Term of ijarah agreement	PACIFIC PHARMACEUTICALS LIMITED
Vehicles	2,800,000	1,453,727	1,346,273	1,346,273	-	Term of ijarah agreement	FAHIM AKRAM
Vehicles	1,400,000	849,254	550,746	550,746	-	Term of ijarah agreement	LAIQ ALI
Vehicles	1,795,000	1,436,000	359,000	359,000	-	Term of ijarah agreement	PACIFIC PHARMACEUTICALS LIMITED
Vehicles	3,175,000	1,508,144	1,666,856	1,926,063	259,207	Term of ijarah agreement	MUHAMMAD ISLAH UDDIN
Vehicles	4,099,000	1,298,004	2,800,996	3,002,256	201,260	Term of ijarah agreement	NORDICA HEALTH PRODUCTS (PVT) LTD
Vehicles	2,430,000	1,944,000	486,000	486,000	-	Term of ijarah agreement	THE ARTS COUNCIL OF PAKISTAN
Vehicles	7,000,000	3,164,573	3,835,427	4,214,056	378,629	Term of ijarah agreement	MUHAMMAD ZAKI
Vehicles	1,117,000	893,600	223,400	223,400	-	Term of ijarah agreement	MAULANA MUHAMMAD ALI JAUHAR MEMORIAL
Vehicles	2,300,000	1,047,219	1,252,781	1,302,523	49,742	Term of ijarah agreement	MEHBOOB ALI KHAN
Vehicles	1,754,500	1,403,600	350,900	350,900	-	Term of ijarah agreement	MAULANA MUHAMMAD ALI JAUHAR MEMORIAL
Vehicles	2,500,000	1,057,282	1,442,718	1,597,056	154,338	Term of ijarah agreement	MUHAMMAD ZAKI
Vehicles	1,335,500	556,450	779,050	897,434	118,384	Term of ijarah agreement	AIRWAVES MEDIA PRIVATE LIMITED
Vehicles	1,335,500	556,450	779,050	897,434	118,384	Term of ijarah agreement	AIRWAVES MEDIA PRIVATE LIMITED
Vehicles	2,589,000	1,019,424	1,569,576	1,886,977	317,401	Term of ijarah agreement	AIRWAVES MEDIA PRIVATE LIMITED
Vehicles	1,986,017	738,283	1,247,734	1,450,933	203,199	Term of ijarah agreement	AIRWAVES MEDIA PRIVATE LIMITED
Total	**52,971,517**	**30,236,618**	**22,734,899**	**24,643,192**	**1,908,293**		
Plant & machinery	2,000,000	1,600,000	400,000	400,000	-	Term of ijarah agreement	NORDICA HEALTH PRODUCTS (PVT) LTD
Plant & machinery	7,055,000	5,644,000	1,411,000	1,411,000	-	Term of ijarah agreement	THE ARTS COUNCIL OF PAKISTAN
Plant & machinery	7,055,000	5,644,000	1,411,000	1,411,000	-	Term of ijarah agreement	THE ARTS COUNCIL OF PAKISTAN
Plant & machinery	4,340,000	3,472,000	868,000	868,000	-	Term of ijarah agreement	THE ARTS COUNCIL OF PAKISTAN
Plant & machinery	1,287,895	1,030,316	257,579	257,579	-	Term of ijarah agreement	FAMCO ASSOCIATES PRIVATE LIMITED
	21,737,895	**17,390,316**	**4,347,579**	**4,347,579**	**-**		
Total 2025	**74,709,412**	**47,626,934**	**27,082,478**	**28,990,771**	**1,908,293**		
Total 2024	44,451,131	28,581,018	15,840,113	16,472,412	602,299		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

7 **FIXED ASSETS**

	Note	2025	2024
		Rupees	
Assets in own use	7.1	15,719,220	15,979,664
Right of use assets	7.2	10,839,957	8,968,532
		26,559,177	22,948,196

7.1 **Assets in own use**

Year ended June 30, 2025

Description	Cost				Depreciation rate	Accumulated depreciation				Book Value as at June 30, 2025
	As at July 01, 2024	Additions	Disposals	As at June 30, 2025		As at July 01, 2024	Charge for the year	Disposals	As at June 30, 2025	
	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees
Land (7.1.1)	10,728,400	-	-	10,728,400	-	-	-	-	-	10,728,400
Furniture & fixtures	1,007,156	-	-	1,007,156	10%	494,674	77,475	-	572,147	435,009
Office equipment	5,578,442	860,626	-	6,239,068	50%	2,655,520	515,449	-	3,168,969	1,070,099
Vehicles	1,995,172	-	(720,000)	1,275,172	20%	988,755	278,628	(504,000)	765,383	509,789
Leasehold improvements	700,000	-	-	700,000	20%	700,000	-	-	700,000	-
Books	16,425	-	-	16,425	20%	16,425	-	-	16,425	-
Electrical equipment	1,704,209	121,000	(60,500)	1,764,709	10%	744,766	121,740	(27,720)	838,786	955,923
	19,527,802	981,626	(780,500)	19,728,928		5,548,138	993,290	(531,720)	6,009,708	13,719,220

Year ended June 30, 2024

Description	Cost				Depreciation rate	Accumulated depreciation				Book Value as at June 30, 2024
	As at July 01, 2023	Additions	Disposals	As at June 30, 2024		As at July 01, 2023	Charge for the year	Disposals	As at June 30, 2024	
	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees
Land (7.1.1)	10,728,400	-	-	10,728,400	-	-	-	-	-	10,728,400
Furniture & fixtures	984,156	25,000	-	1,007,156	10%	405,616	89,058	-	494,674	512,482
Office equipment	2,854,957	591,652	(68,167)	5,578,442	50%	2,211,400	470,287	(68,167)	2,655,520	744,922
Vehicles	2,220,572	-	(227,400)	1,995,172	20%	646,625	452,758	(90,608)	988,755	1,004,417
Leasehold improvements	700,000	-	-	700,000	20%	700,000	-	-	700,000	-
Books	16,425	-	-	16,425	20%	16,425	-	-	16,425	-
Electrical equipment	1,222,209	482,000	-	1,704,209	10%	621,055	95,715	-	714,766	989,445
	18,706,717	1,096,652	(295,567)	19,527,802		4,601,117	1,085,796	(158,775)	5,548,138	13,979,664

7.1.1 It represents a piece of land measuring 10 Kanals, costing Rs. 10,728,400 situated at Mauza Amer Sidhu, Lahore Cantt acquired through settlement of certain Murabaha facilities. The subject land is presently in the possession of Defence Housing Authority, Lahore (DHA). The Modaraba has filed legal suit in the Civil Court, Lahore for possession of land. The management and legal counsel of the Modaraba are confident that Modaraba has valid claim against DHA because title and sale deed is in the name of the Modaraba and accordingly no loss has been recorded against such land. Management is also making efforts to achieve out of court settlement and next date of hearing is 17th July, 2025 for further processing of the case.

		Note	2025	2024
7.2	**Right of use assets**		----------Rupees----------	
	Opening balance		**8,968,532**	2,240,663
	Additions during the year		**5,731,851**	8,584,347
			14,700,383	10,825,010
	Depreciation charge for the year	36	**(3,860,426)**	(1,856,478)
	Closing balance	7.3 & 7.4	**10,839,957**	8,968,532
	Lease term		**1-5 years**	1-5 years
	Depreciation rate		**20%**	20%

7.3 There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Modaraba is committed.

7.4 All assets are geographically located in Pakistan.

8	**INTANGIBLE ASSET**			
	Cost			
	Balance at beginning of the year		**2,272,000**	1,250,000
	Additions during the year		**-**	1,022,000
	Closing balance		**2,272,000**	2,272,000
	Accumulated amortisation			
	Balance at beginning of the year		**1,323,060**	1,094,448
	Charged during the year	36	**407,328**	228,612
	Closing balance		**1,730,388**	1,323,060
	Written down value		**541,612**	948,940
	Rate %		**33%**	33%
9	**MURABAHA FINANCES - SECURED**			
	Considered good	9.1 & 9.2	**17,357,111**	16,579,718
	Considered doubtful	9.3	**36,755,652**	37,912,999
	Provision for doubtful long term murabaha finances	9.4	**(6,673,778)**	(6,674,996)
			47,438,985	47,817,721
	Current portion		**(40,282,404)**	(41,708,561)
	Non-current portion		**7,156,581**	6,109,160

9.1 The Modaraba has sold goods under murabaha arrangements whereby payment is deferred along with specified profit margin. These finances are secured by way of hypothecation stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees.

9.2 The maximum aggregate amount outstanding during the year at any point is Rs 66,265,408 (2024: Rs. 60,909,052).

9.3 **Break up of considered doubtful Murabaha finances**

Considered doubtful		**38,251,245**	39,511,777
Suspended income	9.3.1	**(1,495,593)**	(1,598,778)
		36,755,652	37,912,999

9.3.1 Suspended income	Note	2025	2024
		----------Rupees----------	
Opening balance		**1,598,778**	1,710,508
Reversal during the year	31	**(103,185)**	(221,600)
Suspension made during the year	31	**-**	109,870
		1,495,593	1,598,778

9.3.2 The doubtful murabaha finances include receivables from 6 (2024: 6) customers under murabaha finance which is under litigation. Legal proceedings against these customers are in process in the Courts of Law. The Courts have awarded decree in favor of Modaraba in 2 (2024: 2) cases for recovery of Rs. 54.002 million (2024: Rs. 54.002 million).

9.4 Provision for doubtful long term murabaha finances	2025	2024
	----------Rupees----------	
Opening balance	**6,674,996**	5,511,015
Provision for the year	**-**	1,430,395
Reversals for the year	**(1,218)**	(266,414)
	(1,218)	1,163,981
Closing balance	**6,673,778**	6,674,996

10 DIMINISHING MUSHARAKAH FINANCING - SECURED

Considered good		**222,089,949**	178,400,012
Current portion		**(74,237,249)**	(45,244,359)
Provision for Diminishing Musharakah finances	10.3	**(3,734,822)**	(3,734,822)
Non-current portion		**144,117,878**	129,420,831

10.1 This represents facility given to 58 (2024: 48) customers. The facilities are secured by way of asset. Customer will participate in cost ranging between 25% to 50% in purchasing the musharakah asset.

10.2 The maximum aggregate amount outstanding during the year at any point is Rs 222,089,949 (2024: Rs 183,356,803).

10.3 Provision for Diminishing Musharakah finances	2025	2024
	----------Rupees----------	
Opening balance	**3,734,822**	1,389,102
Charge for the year	**-**	2,345,720
Closing balance	**3,734,822**	3,734,822

11 LONG TERM DEPOSITS

Central Depository Company of Pakistan Limited	**154,862**	154,862
Rented property	**105,000**	105,000
Others	**34,800**	34,800
	294,662	294,662

12 LONG TERM INVESTMENTS

Long term investments at fair value through OCI

Investment in shares of listed companies

Unless otherwise stated, the holdings are in fully paid ordinary shares of Rs. 10 each.

Number of shares		Name of Investee	June 30, 2025		June 30, 2024	
2025	2024		Average Cost	Market Value	Average Cost	Market Value
			---------- Rupees ----------			
-	40,000	The Searle Company Limited	-	-	4,163,294	2,284,801
			-	-	4,163,294	2,284,801

		Note	2025	2024
13	**DEFERRED TAXATION**		----------Rupees----------	
	Taxable / (deductible) temporary difference in respect of:			
	Fixed assets in own use		**2,068,858**	1,503,741
	Right of use assets		**3,143,588**	2,600,874
	Provision for short term Murabaha finances		**(5,800)**	-
	Provision for doubtful Ijarah rental receivables		**(366,862)**	(368,688)
	Provision for doubtful Murabaha finances		**(1,915,022)**	(1,048,303)
	Provision for short term Musharakah finances		**(93,108)**	(93,108)
	Provision for Diminishing Musharakah finances		**(1,083,098)**	(1,083,098)
	Provision against receivable - FSD property		-	(159,210)
	Unrealized loss on revaluation of financial			
	- assets at fair value through profit or loss		**(265,500)**	(437,910)
	Unrealized loss on revaluation of financial assets at			
	- fair value through other comprehensive income		-	(250,221)
	Lease liabilities against right of use assets		**(2,900,026)**	(2,303,199)
			(1,416,970)	(1,639,122)
14	**MURABAHA FINANCES - SECURED**			
	Considered good		-	-
	Considered doubtful:			
	- Regular parties		**5,000,000**	-
	- Parties under litigation	14.1	**28,800,000**	33,800,000
			33,800,000	33,800,000
	Provision for doubtful receivables	14.2	**(8,420,000)**	(8,400,000)
		14.4	**25,380,000**	25,400,000

14.1 These represent receivables from 2 (2024: 3) customers under Murabaha finance. Legal proceedings against these customers are in process in the Honorable Courts of Law (Banking court of Lahore). The Courts have awarded decree in favor of Modaraba in 2 (2024: 3) cases for recovery of Rs. 33.944 million (2024: Rs. 39.727 million).

14.2 Provision for doubtful receivables

	Note	2025	2024
Opening balance		**8,400,000**	11,540,988
Income suspended during the year	35.1	**20,000**	-
Reversal during the year		**-**	(130,577)
Written off during the year due to settlement		**-**	(3,010,411)
		8,420,000	8,400,000

14.3 The maximum aggregate amount outstanding during the year at any point is Rs 33,800,000 (2024: Rs. 33,800,000).

14.4 The Modaraba has sold goods under Murabaha arrangements whereby payment is deferred along with specified profit margin. These finances are secured by way of hypothecation of stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees.

15	**IJARAH RENTAL RECEIVABLES - SECURED**			
	Considered good	15.1	**470,042**	877,656
	Parties under litigation - considered doubtful	15.2	**5,026,212**	5,026,107
	Suspended ijarah income - considered doubtful	15.3	**(843,499)**	(843,499)
	Provision for doubtful ijarah rental receivables	15.4	**(1,265,040)**	(1,271,339)
			3,387,715	3,788,925

15.1 These are secured against ijarah assets and personal guarantees. In some ijarahs, additional collateral is also obtained in the form of mortgaged property. The Modaraba is entitled to repossess and sell the ijarah assets in case of default by the customers.

15.2 The doubtful Ijarah rentals include receivables from 2 (2024: 2) customers under Ijarah finance which is under litigation. Legal proceedings against these customers are in process in the Courts of Law. The Courts have awarded decree in favor of Modaraba in 2 (2024: 2) cases for recovery of Rs. 5.026 million (2024: Rs. 5.026 million).

15.3 Suspended ijarah income - considered doubtful	Note	2025	2024
		----------Rupees----------	
Opening balance		**843,499**	843,499
Income suspended during the year	30	-	-
Reversal during the year		-	-
		843,499	843,499

15.4 Provision for doubtful Ijarah rental receivables			
Opening balance		**1,271,339**	1,259,706
Provision for the year		-	11,633
Reversal during the year		**(6,299)**	-
Closing balances	15.4.1	**1,265,040**	1,271,339

15.4.1 All rentals receivable pertain to arrangements executed under Islamic modes of financing.

16 MUSHARAKAH FINANCES - SECURED	Note	2025	2024
		----------Rupees----------	
Considered good		**10,499,750**	13,716,817
Provision for Musharakah finances	16.1	**(321,061)**	(321,061)
		10,178,689	13,395,756

16.1 Provision for Musharakah finances			
Opening balance		**321,061**	820,474
Reversal for the year		-	(499,413)
Closing balance		**321,061**	321,061

17 SHORT TERM INVESTMENTS			
Financial assets at fair value through profit or loss:			
NIT Islamic Equity Fund		-	814
Shares of listed companies	17.1	**14,287,295**	20,970,173
		14,287,295	20,970,987

17.1 Shares of listed companies

Unless otherwise stated, the holdings are in fully paid ordinary shares of Rs. 10 each.

Number of shares		Name of Investee	June 30, 2025		June 30, 2024	
2025	2024		Average Cost	Market Value	Average Cost	Market Value
			----------Rupees----------			
		CEMENT				
-	40,000	Fauji Cement Company Limited	-	-	888,863	916,400
-	20,000	Maple Leaf Cement Limited	-	-	756,280	760,000
			-	-	1,645,143	1,676,400
		OIL & GAS MARKETING COMPANIES				
-	11,000	Pakistan State Oil Company Limited	-	-	1,968,341	1,828,310
-	15,000	Shell Pakistan Limited	-	-	2,427,483	2,011,500
-	120,000	Hascol Petroleum Limited	-	-	1,622,511	742,800
-	6,086	Sui Northern Gas Pipelines Limited	-	-	434,668	386,278
10,000	-	Sui Southern Gas Company Limited	376,996	427,900	-	-
			376,996	427,900	6,453,003	4,968,888
		OIL & GAS EXPLORATION COMPANIES				
-	30,000	Pakistan Petroleum Limited	-	-	3,563,730	3,513,300
-	10,000	Oil & Gas Development Company Limited	-	-	1,377,431	1,353,700
			-	-	4,941,161	4,867,000
		REFINERY				
-	4,000	Attock Refinery Limited	-	-	1,509,564	1,406,360
20,000	25,000	Pakistan Refinery Limited	717,236	678,600	822,742	580,000
320,000	100,000	Cnergyico Pk Limited	2,628,231	2,281,600	1,092,241	385,000
			3,345,467	2,960,200	3,424,547	2,371,360
		POWER GENERATION & DISTRIBUTION				
10,000	10,000	Hub Power Company	1,354,090	1,378,100	1,632,763	1,630,800
			1,354,090	1,378,100	1,632,763	1,630,800
		FOOD & PERSONAL CARE PRODUCTS				
-	10,000	Unity Foods Ltd	-	-	327,977	301,500
-	20,000	Fauji Foods Limited	-	-	220,678	177,400
			-	-	548,655	478,900
		TEXTILE COMPOSITE				
-	25,500	Nishat Mills Limited	-	-	2,488,379	1,806,675
			-	-	2,488,379	1,806,675
		PHARMACEUTICALS				
50,000	-	Citi Pharma Limited	4,547,833	4,198,500	-	-
10,000	5,000	The Searle Company Limited	887,028	877,000	294,629	285,600
			5,434,861	5,075,500	294,629	285,600
		TECHNOLOGY & COMMUNICATION				
-	10,000	Netsol Technologies Limited	-	-	1,372,309	1,357,600
50,000	-	Octopus Digital Limited	3,047,250	2,575,000	-	-
			3,047,250	2,575,000	1,372,309	1,357,600
		CHEMICALS				
40,000	20,000	Engro Polymer & Chemical Limited	1,707,262	1,262,000	959,374	898,400
			1,707,262	1,262,000	959,374	898,400
		TRANSPORT				
-	25,000	Pakistan International Bulk Terminal	-	-	163,098	154,250
			-	-	163,098	154,250
		PROPERTY				
-	20,000	TPL Properties Limited	-	-	231,678	174,800
			-	-	231,678	174,800
		PAPER, BOARD & PACKAGING				
19,500	10,000	Century Paper and Board Mills	790,112	608,595	498,164	299,500
			790,112	608,595	498,164	299,500
			16,056,038	14,287,295	24,652,903	20,970,173

		Note	2025	2024
			----------Rupees----------	
17.2	**Unrealized gain on revaluation of financial assets at fair value through profit or loss**			
	Unrealized gain on shares	17.2.1	1,913,987	13,476,480
	Unrealized gain on mutual funds	17.2.2	-	235,790
			1,913,987	13,712,270
17.2.1	**Unrealized gain on shares**			
	Difference between market value and average cost			
	- Current year		(1,768,743)	(3,682,730)
	- Prior year		3,682,730	17,159,210
			1,913,987	13,476,480
17.2.2	**Unrealized gain on mutual funds**			
	Difference between market value and average cost			
	- Current year		-	153
	- Prior year		-	235,637
			-	235,790
18	**ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**			
	Loans to / receivable from employees - considered good	18.1	399,000	344,500
	Prepayments		4,927,915	4,128,226
	Advance against lease		-	962,000
	Advance against expenses		22,222	550,000
	Accrued profit (secured - considered good)	18.2	2,353,774	2,527,683
	Trade receivables - considered good (secured)	18.3	-	-
	Legal suits' charges receivable (secured - considered good)	18.4	2,204,112	2,311,076
	Sundry receivables (unsecured - considered good)		384,474	541,763
			10,291,497	11,365,248

18.1 This includes the loan given to and receivables from executives amounting to Rs. 0.232 million (2024: Rs. 0.15 million). The executives are included in the key management personnel of the Modaraba. The loans are provided for maximum period of one year period and deductible from employees salaries.

Maximum aggregate balance due from executives and employees, at the end of any month during the year, was Rs. 0.595 million (2024: Rs. 0.872 million).

		Note	2025	2024
			----------Rupees----------	
18.2	**Accrued profit**			
	Profit receivable on musharakah finances		2,353,774	2,527,653
	Less: Suspended income		-	-
			2,353,774	2,527,653
18.3	**Trade receivables**			
	Opening balance		100,000	100,000
	Gross amount		100,000	100,000
	Allowance for doubtful trade receivables	18.3.1	-	(100,000)
	Written of during the year		(100,000)	
			-	-
18.3.1	**Movement in provision for doubtful trade receivables**			
	Opening balance		100,000	100,000
	Less: provision written off during the year		(100,000)	-
	Closing balance		-	100,000

		Note	2025	2024
			----------Rupees----------	
18.4	**Legal suits' charges receivable**			
	Opening balance		2,718,002	2,675,852
	Expenses incurred		5,000	102,150
	Write off due to settlement	18.4.1	-	(60,000)
	Gross amount		2,723,002	2,718,002
	Allowance for doubtful legal suits' charges receivables	18.4.1	(518,890)	(406,926)
			2,204,112	2,311,076
18.4.1	**Movement in provision for doubtful legal suits' charges receivables**			
	Opening balance		406,926	466,926
	Provision made during the year		111,964	-
	Provision written off during the year due to settlement		-	(60,000)
			518,890	406,926
18.5	**Receivable against sale of Faisalabad Property**			
	Opening balance		549,000	549,000
	Less: provision written off during the year		(549,000)	-
			-	549,000
	Less: provision recognized		-	(549,000)
			-	-

19 CASH AND BANK BALANCES	Note	2025	2024
		----------Rupees----------	
- Current accounts	19.1	27,538	12,144
- Saving accounts	19.2	3,364,844	5,366,270
		3,392,382	5,378,414
Savings account - dividend		5,647,679	5,003,881
Balances with banks - total		9,040,061	10,382,295
Cash in hand		26,302	1,766
		9,066,363	10,384,061

19.1 This include bank account maintained by Modaraba with State Bank of Pakistan as per the requirement of BSD circular No. 04 of 2003 for recovering CIB service charges having balance of Rs 26,850 (2024: Rs. 11,427).

19.2 These carry profit at rates ranging from 2.78% to 10.01 % (2024:10.01% to 11.01%) per annum.

20 DEFERRED INCOME ON MURABAHA	Note	2025	2024
		----------Rupees----------	
Opening balance		3,180,750	3,412,936
Additions during the year		3,458,086	3,715,948
Recognized during the year		(3,585,936)	(3,948,134)
		3,052,900	3,180,750
Current portion		(2,043,402)	(2,272,786)
Non-current portion		1,009,498	907,964

21 CUSTOMERS' LONG TERM SECURITY DEPOSITS			
Opening balance		35,998,638	48,317,513
Received during the year		-	220,000
Adjusted during the year		(18,978,520)	(12,538,875)
Closing balance	21.1	17,020,118	35,998,638
Current portion shown as current liabilities		(5,840,750)	(11,660,170)
Non-Current portion shown as non-current liabilities		11,179,368	24,338,468

21.1 These represent deposits received from customers to secure the ijarah assets given to them.

22 LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS			
Opening balance		7,942,065	2,528,769
Additions during the year		4,678,651	6,809,682
		12,620,716	9,338,451
Add: unwinding of lease liabilities	36	2,678,014	756,495
Add: adjustment due to lease modifications		-	46,365
Less: payments made during the year		(5,298,642)	(2,199,246)
Gross liability		10,000,088	7,942,065
Less: current portion		(2,730,428)	(1,799,923)
Non-current portion		7,269,660	6,142,142

22.1 **Maturity analysis of contractual cash flows**

At June 30, 2025	Within one year	Later than one year but not later than five years	Later than five years
		(Rupees)	
Undiscounted cash flows	**4,994,496**	**10,527,402**	-
Less: discounting	**(2,265,029)**	**(3,256,781)**	-
Discounted cash flows	**2,729,467**	**7,270,621**	-
At June 30, 2024			
Undiscounted cash flows	3,583,248	9,486,172	-
Less: discounting	(1,783,325)	(3,344,030)	-
Discounted cash flows	1,799,923	6,142,142	-

22.2 Summary of amounts relating to leases charged in different line items of the financial statements is as follows:

Carrying amount of ROU assets	7.2	**10,839,957**	8,968,532
Depreciation charge	7.2	**3,860,426**	1,856,478
Unwinding of lease liabilities	36	**2,678,014**	756,495
Repayment of lease liability	22	**5,298,642**	2,199,246

23 **UNCLAIMED PROFIT DISTRIBUTIONS**

Opening balance		**12,828,131**	12,831,607
Add: dividend declared during the year		**14,900,000**	-
Less: dividends paid		**(14,031,043)**	(3,476)
Closing balance	23.1	**13,697,088**	12,828,131

23.1 **Movement in dividend bank account:**

Opening balance		**5,003,881**	4,823,407
Add: dividend declared during the year		**14,900,000**	-
Dividend claim received and settled		**(14,031,043)**	(3,476)
Profit received		**287,578**	529,886
Tax on profit received		**(43,018)**	(79,483)
Charity paid	25	**(469,000)**	(266,000)
Bank charges		**(719)**	(453)
Closing balance	19	**5,647,679**	5,003,881

23.2 Management has maintained funds of Rs. 5,647,679 (2024: Rs. 5,003,881) against unclaimed profit distribution of Rs. 13,697,088 (2024: Rs. 12,828,131) resulting shortage of funds of Rs 8,049,409 (2024: Rs. 7,824,250). This shortage of funds of Rs. 8,049,409 relates to unclaimed profit distribution when Modaraba was managed by Trust Management Services (previous management company) from incorporation till 2009 when change of management took place through appointment of administrator by registrar under section 19 and 20 of Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980. Modaraba has maintained complete funds for unclaimed profit distribution after acquisition of Al-Zamin Management Company Limited in 2009 till date.

24 **CREDITORS, ACCRUED AND OTHER LIABILITIES**	Note	2025	2024 (Restated)
		Rupees	
Payable to Modaraba Management Company (Related party)	37	**2,686,354**	2,956,102
Provision for Workers' Welfare Fund		**517,762**	574,375
Accrued expenses		**1,310,336**	760,802
Other liabilities		**1,931,658**	5,967,867
Sales tax on management fee payable	37.2	**2,882,365**	2,479,412
		9,328,475	12,738,558

25 **CHARITY PAYABLE**

Opening balance		**269,532**	-
Additions during the year	25.1	**408,076**	535,532
Paid to recognized charitable institutions		**(569,000)**	(266,000)
Closing balance		**108,608**	269,532

25.1 It represents the profit earned on unclaimed dividends held in a specialized dividend account maintained with Meezan Bank, as well as the Shariah non-compliant portion of dividend income. The profits received are donated to approved charitable institutions.

26 CERTIFICATE CAPITAL

26.1 Authorized certificate capital

2025	2024		Note	2025	2024
Number of certificates				---------Rupees----------	
70,000,000	70,000,000	Modaraba certificates of Rs. 10 each		700,000,000	700,000,000

26.2 Certificate capital

2025	2024				
Number of certificates					
15,000,000	15,000,000	Modaraba certificates of Rs. 10 each fully paid in cash.		150,000,000	150,000,000
12,300,000	12,300,000	Modaraba certificates of Rs. 10 each fully paid in cash issued as fully paid bonus	26.3	123,000,000	123,000,000
2,500,000	2,500,000	Modaraba certificates issued of Rs. 10 each issued in consideration of assets as result of take over	26.4	25,000,000	25,000,000
29,800,000	29,800,000			298,000,000	298,000,000

26.3 These fully paid bonus modaraba certificates of Rs. 10 each were issued before 2009 when modaraba was managed by Trust Management Services. After change of management company no modaraba certificates were issued as bonus certificates from 2009 till date.

26.4 Al-Zamin Modaraba Management (Private) Limited holds 5,261,388 (2024: 5,261,388) Modaraba certificates which represents 18% (2024: 18%) of the equity stake in the Modaraba (as against 10%) as required by the SECP vide Order No. SC/M/RW/Trust/2009-44.

26.5 Subsequent to reporting date, Mr. Sohail Asim has become a substantial certificate holder with a cumulative holding of 17.96% on August 29, 2025.

26.6 All certificates rank equally with regard to residual assets of the Modaraba. Certificate holders are entitled to receive all distributions including profit distributions and other entitlements in the form of bonus and right certificates as and when declared by the Modaraba. Voting and other rights are in proportion to the shareholding.

27 RESERVES

	Note	2025	2024 (Restated)
		----------Rupees----------	
Statutory reserve	27.1	91,634,768	88,032,069
Revenue reserves:			
- Accumulated losses		(40,878,821)	(38,294,494)
		50,755,947	49,737,575

27.1 This represents profit set aside as required under section 13(1) of the Modaraba Regulations, 2021 for Modarabas as issued by the Securities and Exchange Commission of Pakistan. During the current year, the Modaraba has transferred an amount of Rs. 3,678,020 (2024: Rs. 4,772,097) which represents 20% (2024: 20%) of the profit after tax.

28	UNREALIZED LOSS ON REVALUATION OF INVESTMENTS	2025	2024
		----------Rupees----------	
	Opening balance	**(3,872,095)**	(6,501,452)
	Surplus on revaluation during the year	**3,872,095**	2,629,357
	Closing balance	**-**	(3,872,095)

29 CONTINGENCIES AND COMMITMENTS

29.1 *Contingencies*

29.1.1 Notice was served to Trust Modaraba dated 28 August 2018, along with certain other modarabas, by Sindh Revenue Board (SRB) for the recovery of tax under Sindh Sales Tax on Services Act, 2011 amounting to Rs. 38.52 million comprising allegedly unpaid sales tax on services rendered in Sindh from years 2011-12 to 2017-18.

The Modaraba along with other Modarabas has filed a petition in Honorable Sindh High Court (SHC) on September 1, 2018, challenging the demand of Sindh Revenue Board (SRB) on the grounds of non-applicability of sales tax. A stay order in this regard has been granted by the SHC stating that no adverse order in respect of the proposed treatment shall be made against the Petitioners. The management of the Modaraba based on its discussions with its legal counsel is of the view that in light of the stay order of the Court and the merits of the matter involved, the impugned charge of sales tax will be quashed and favorable outcome is expected. Therefore, no provision for any sales tax liability on rentals of lease financing has been made in the financial statements. The court directed that no further coercive action shall be taken against the petitioner, and that the matter may be adjudicated vide a speaking order after providing an opportunity of hearing to the petitioner. The learned counsel for the respondent raised no objection, and the petition was accordingly disposed of in these terms.

29.1.1.2 The Assistant commissioner Inland Revenue (ACIR) has issued order dated June 30, 2022 by creating demand under sub-section 161 of Rs 1,038,285 along with default surcharge of Rs 809,862. The tax payer has filed appeal against said order on July 16, 2022 before commissioner Inland Revenue (CIR). During the year, CIR remanded back the case to (ACIR) and taxpayer being aggrieved by the order of CIR filed appeal before Appellate Tribunal Inland Revenue (ATIR). The ATIR annulled the findings of ACIR and remit the matter to officer of Inland Revenue (OIR). As at year end, the matter is pending before the OIR.

29.1.3 The Deputy commissioner Inland Revenue (DCIR) has issued order dated August 31, 2021 by creating demand under sub-section 122 (1) of the Income Tax Ordinance, 2001 for Rs 5,776,892. The Modaraba had filed appeal against said order before Commissioner Inland Revenue - Appeals (CIRA), who vide order dated 24-Jan-2022 remanded the case with directions to pass a speaking order by going through the relevant record. Opportunities of hearing were provided. During the year, DCIR passed the order dated June 24, 2024 by creating a demand of Rs. 5,776,892 and taxpayer being aggrieved by the order of DCIR filed appeal before CIRA, which is pending for adjudication. The management, in consultation with its tax advisor, has determined that favorable outcome is expected.

29.1.4 The Deputy commissioner Inland Revenue (DCIR) issued notices dated August 18, 2023 by confronting amount of Rs. 143,347 and Rs. 732,850 against tax years 2020 and 2021 respectively under sub-section 221(2) of the Income Tax Ordinance, 2001. These demands pertain to the adjustment of refunds against the admitted tax liabilities. The Modaraba has submitted a detailed response to the DCIR, accompanied by comprehensive documentary evidence. Decision is pending but the management, in consultation with its tax advisor, has determined that favorable outcome is expected.

29.1.5 On December 06, 2022, Sindh Revenue Board (SRB) issued a notice under Section 73 of the Stamps Act, 1899 to several modaraba companies for inspection of the records regarding stamp duty applicability. The Modaraba responded on December 22, 2022 that the Modaraba is a non-banking financial institution and Stamps act, 1899 is not applicable. However without prejudice to the rights and remedies and only as a matter of cooperation, the management partially complied.

On December 12, 2023 the Modaraba received a demand from Sindh Revenue Board (SRB) against stamp duty of Rs. 280,509 and Rs. 108,900 applicable on purchase orders and promissory notes respectively, covering the period July 01, 2020 to March 03, 2023. The Modaraba responded on January 08, 2024 that Article 15(b) of the stamps act, 1899 deals with the manufacturing concerns or business which undertake cartage of stores and materials and as such it is not applicable to NBFCs and Modarabas involved in Shariah compliant asset financing. The matter is being dealt at the association level.

Regarding the stamp duty on promissory note under Sec 2(22) of Article 28 of the Stamps Act 1899, the management has acknowledged its application and has recognized a provision for the period of July 01, 2022 to June 30, 2025 in Note 18 amounting to Rs. 145,800.

29.1.6 The Modaraba had entered into the following financing agreements with different parties who had defaulted:

S. No.	Financing	Outstanding amount	Parties under litigation	Parties for decree	Note No.
1	Ijarah	5,026,212	2	2	15
2	Short term Murabaha	28,800,000	2	2	14
3	Long term Murabaha	36,755,652	5	2	9
		70,581,864			

Legal proceedings were initiated to recover the outstanding amounts and are being pursued. The management, in consultation with its legal advisor, believes that the outcomes will be favorable.

29.2 Diminishing Musharaka commitments

The Modaraba has entered into Diminishing Musharaka arrangements for vehicles. These arrangements have remaining terms of less than five years. Such arrangements also include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future installment payments due under these arrangements at the year end are as follows:

		2025	2024
	Note	----------Rupees----------	
Not later than one year		**4,553,496**	3,163,248
Later than one year and not later than five years		**10,527,402**	9,486,147
		15,080,898	12,649,395
Disbursement of Ijarah / Murabaha / Musharakah to be made to customers		**11,000,000**	5,164,880

30 INCOME FROM IJARAH - NET

Income from ijarah operations		**25,081,272**	51,329,593
Less: depreciation on fixed assets given on ijarah	6.1	**(15,883,599)**	(34,206,699)
Less: takaful on ijarah assets		**(1,788,060)**	(3,406,184)
		7,409,613	13,716,710

31 PROFIT ON MURABAHA FINANCES

Profit on murabaha finances		**3,781,336**	4,124,076
Income suspended during the year	9.3.1	**-**	(109,870)
Reversal of suspension income	9.3.1	**103,185**	221,600
		3,884,521	4,235,806

32 PROFIT ON MUSHARAKAH FINANCES

Profit on musharakah finances	**57,280,082**	49,604,659
Income suspense reversed during the year	**-**	23,200
Less: commission of selling agent	**(282,500)**	-
Less: takaful on diminishing musharakah	**(6,351,885)**	(4,408,018)
	50,645,697	45,219,841

33 DIVIDEND INCOME ON EQUITY INVESTMENTS

Company Name	Note	2025	2024
		----------Rupees----------	
Hub Power Company Limited		**512,500**	95,000
Attock Refinery Limited		**75,000**	-
Nishat Mills Limited		**91,500**	140,000
Pakistan Refinery Limited		**50,000**	-
Pak Petroleum Limited		**70,000**	50,000
Sui Northern Gas Pipe Line Limited		**-**	135,000
Dawood Hercules Corporation Limited		**-**	5,154
Lucky Cement Limited		**-**	90,000
Descon Oxychem Limited		**-**	20,000
Oil & Gas Development Company		**-**	40,500
Shell Pakistan Limited		**-**	25,000
Faysal Bank Limited		**-**	20,000
Engro Polymer & Chemical Limited		**-**	10,000
Lalpir Power Limited		**-**	30,000
		799,000	660,654

33.1 Dividend income has been purified by an amount of Rs. 38,430 using the purification rates prescribed by the Pakistan Stock Exchange (PSX) to eliminate the portion relating to non-Shariah compliant income.

34 OTHER INCOME

	Note	2025	2024
		----------Rupees----------	
Gain on disposal of ijarah assets	6.1.5.1	**1,908,293**	602,299
Gain on disposal of owned fixed assets		**2,150,460**	418,968
Profit on deposit and saving accounts with banks		**378,779**	526,759
Miscellaneous income	34.1	**834,762**	1,720,898
		5,272,294	3,268,924

34.1 This includes an amount of Rs. 591,600 (2024: Rs. 734,750) pertaining to documentation fee.

35 PROVISION FOR DOUBTFUL RECEIVABLES

Opening balance		**21,458,144**	21,637,211
Add: charged during the year	35.1	**124,447**	2,891,344
Less: Murabaha provision written off due to settlement	14.2	**-**	(3,010,411)
Less: trade receivables written off during the year	18.3	**(100,000)**	-
Less: legal charges receivables' written off during the year			(60,000)
Less: receivable against sale of Faisalabad Property written off during the year	18.5	**(549,000)**	-
Net provision reversal for the year		**(524,553)**	(179,067)
Closing balance	35.2	**20,933,591**	21,458,144

35.1 Break up of provision (net of reversals) for doubtful receivables charged during the year are as follow:

	Note	2025	2024
		----------Rupees----------	
Long term murabaha finances	9.4	**(1,218)**	1,163,981
Short term murabaha finances	14.2	**20,000**	(130,577)
Long term musharakah finances	10.3	**-**	2,345,720
Short term musharakah finances	16.1	**-**	(499,413)
Ijarah rent receivables	15.4	**(6,299)**	11,633
Legal suits charges receivable	18.4.1	**111,964**	-
		124,447	2,891,344

35.2 Break up of provision for doubtful receivables are as follows:

Provision for doubtful long term murabaha finances	9.4	**6,673,778**	6,674,996
Provision for doubtful short term murabaha finances	14.2	**8,420,000**	8,400,000
Provision for Musharakah finances	16.1	**321,061**	321,061
Provision for Diminishing Musharakah finances	10.3	**3,734,822**	3,734,822
Provision for trade receivables	18.3.1	**-**	100,000
Provision for legal suits charges receivable	18.4.1	**518,890**	406,926
Receivable against sale of Faisalabad Property	18.5	**-**	549,000
Provision for doubtful ijarah rental receivables	15.4	**1,265,040**	1,271,339
		20,933,591	21,458,144

36 OPERATING EXPENSES

Salaries, allowances and other benefits	36.1 & 36.2	**20,559,931**	18,105,318
Fees and subscription		**4,306,369**	3,811,794
Depreciation on right of use assets	7.2	**3,860,426**	1,856,478
Vehicle running		**2,783,196**	2,077,625
Unwinding of lease liabilities		**2,678,014**	756,495
Repairs and maintenance		**2,337,285**	2,734,103
Rent, rates and taxes		**2,039,826**	989,601
Telephone, postage and courier		**1,604,910**	1,475,991
Electricity, gas and water		**1,476,878**	1,464,146
Depreciation on own assets	7.1	**993,290**	1,085,796
Printing and stationery		**779,265**	843,485
Bad debts written off		**-**	500,000
Auditors' remuneration	36.3	**889,000**	581,900
Entertainment		**536,335**	727,267
Traveling and conveyance		**489,565**	522,563
Office supply		**415,384**	-
Amortization on intangible assets	8	**407,328**	228,612
Legal and professional charges		**293,000**	385,000
Advertisement		**218,983**	118,435
Insurance		**161,937**	230,505
Registrar's services		**161,801**	126,522
Bank charges and commission		**24,380**	18,580
Miscellaneous		**484,554**	277,774
		47,501,657	38,917,990

36.1 This includes Rs. 1.014 million (2024: Rs. 0.985 million) in respect of contribution to the staff provident fund.

36.2 Salaries and wages also include salaries and allowances of executives as per the following details:

2025	Chief Executives Officer	Executives	Others
	----------	Rupees	----------
Basic salary	-	**6,056,184**	**6,277,565**
House rent allowance	-	**2,422,248**	**2,534,090**
Medical allowance	-	**605,568**	**931,141**
Other allowances	-	**44,400**	**674,350**
Retirement benefits	-	**605,616**	**408,769**
	-	**9,734,016**	**10,825,915**
Number of person(s)	**1**	**3**	**15**
2024			
Basic salary	-	5,976,144	4,921,284
House rent allowance	-	2,390,292	1,965,660
Medical allowance	-	597,564	493,056
Other allowances	-	75,537	700,953
Retirement benefits	-	597,612	387,216
	-	9,637,149	8,468,169
Number of person(s)	1	3	13

36.2.1 Executives have been provided with modaraba maintained cars and are also entitled for reimbursement of fuel expenses. As per fourth schedule to the Companies Act, 2017, "Executive" means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

36.3 Auditors' remuneration	2025	2024
	---------- Rupees ----------	
Annual audit fee	**364,000**	316,800
Half yearly review	**98,000**	84,700
Code of corporate governance	**120,000**	104,500
Shariah audit fee	**150,000**	-
Out of pocket expenses	**157,000**	75,900
	889,000	581,900

37 MODARABA MANAGEMENT COMPANY'S FEE

37.1 The modaraba management company is entitled to a remuneration for services rendered to the modaraba under provision of the Modaraba Companies and Modarabas (Floatation and control) Ordinance, 1980 up to a maximum of 10% per anum of the annual profits of the Modaraba.

37.2 Sindh sales tax levied by Sindh Government on remuneration of Modaraba Management Company has been charged at the rate of 15% (June 30, 2024:13%).

38 LEVY, MINIMUM TAX AND FINAL TAXES

Final tax	38.1	**103,913**	99,101
Minimum tax		**-**	4,742,590
		103,913	4,841,691

38.1 This represents final taxes paid under section 150 of Income Tax Ordinance, 2001, in terms of requirements of IFRIC 21 and IAS 37.

		Note	2025	2024
			----------Rupees----------	
39	**TAXATION**			
	Current tax expense for the year		**4,356,796**	4,309,915
	Prior year taxation		**225,792**	62,043
	Deferred tax		**222,152**	370,632
		39.1	**4,804,740**	4,742,590
39.1	**Relationship between accounting profit and taxation**			
	Accounting profit before taxation		**23,298,751**	25,696,210
	Tax at the applicable tax rate of 29% (2024: 17%)		**4,356,796**	4,368,356
	Tax effect of:			
	- Permanent differences		**222,152**	-
	- Adjustments relating to prior years		**225,792**	62,043
	- Others		**-**	347,269
			4,804,740	4,777,668
40	**EARNINGS PER CERTIFICATE - BASIC AND DILUTED**			
	Net profit for the year	Rupees	**18,390,098**	21,231,126
	Weighted average number of certificates	Number	**29,800,000**	29,800,000
	Earnings per certificate	Rupees	**0.617**	0.712

40.1 There is no dilution effect on the basic earnings per certificate of the Modaraba.

41 CASH GENERATED FROM OPERATIONS	Note	2025	2024 (Restated)
		----------Rupees----------	
Profit before taxation		**23,298,751**	20,854,519
Adjustments for non-cash and other items:			
- Depreciation:			
Under ijarah	6.1	**15,883,599**	34,206,699
In own use	7.1	**993,290**	1,085,796
Right of use assets	7.2	**3,860,426**	1,856,478
Amortization on intangible assets	8	**407,328**	228,612
- Provision for doubtful receivables		**124,447**	2,891,344
- Gain on disposal of ijarah assets	34	**(1,908,293)**	(602,299)
- Gain on disposal of owned fixed assets	34	**(2,150,460)**	(418,968)
- Loss on disposal of asset held for sale		**-**	4,246,500
- Loss / (profit) on long term investment		**(797,752)**	2,232,230
- Balances written off	36	**-**	500,000
- Loss / (profit) on sale of short term investments		**(4,564,535)**	5,197,370
- Unrealized loss / (gain) on revaluation of financial assets at fair value through profit or loss	17.2	**(1,795,730)**	(13,712,270)
- Unwinding of lease liabilities	22	**2,678,014**	756,495
- Workers' Welfare Fund		**475,485**	524,412
- Dividend income	33	**(799,000)**	(660,670)
		12,406,819	38,331,729
Operating profit before working capital changes		**35,705,570**	59,186,248
Decrease / (increase) in current assets			
- Advances, deposits, prepayments and other receivables		**1,073,751**	(2,113,074)
- Short term murabaha finances receivables		**-**	7,368,608
- Short term musharakah finances receivables		**3,217,067**	3,502,792
- Ijarah rental receivables		**401,210**	(1,002,728)
Increase/ (decrease) in current liabilities			
- Charity payable		**(160,924)**	269,532
- Creditors, accrued and other liabilities		**(3,885,568)**	13,299,463
		645,536	21,324,593
Cash generated from operations		**36,351,106**	80,510,841

41.1 Changes in Financing Activities

	As at June 30, 2024	Non - cash Changes	Cash flows (Net)	As at June 30, 2025
		----------Rupees----------		
Unclaimed profit distribution	**12,828,131**	**(12,494,176)**	**(14,031,043)**	**13,697,088**
Lease liabilities against right of use assets	**7,942,065**	**(12,643,511)**	**(5,298,642)**	**10,000,088**
	20,770,196	**(25,137,687)**	**(19,329,685)**	**23,697,176**

	As at June 30, 2023	Non - cash Changes	Cash flows (Net)	As at June 30, 2024
		----------Rupees----------		
Unclaimed profit distribution	12,831,607	-	(3,476)	12,828,131
Lease liabilities against right of use assets	2,528,769	7,612,542	(2,199,246)	7,942,065
	15,360,376	7,612,542	(2,202,722)	20,770,196

Impact of non-cash changes in lease liabilities comprise of interest charge on lease liabilities Rs. 2,678,014 (2024: Rs. 756,495) (refer to note 22).

42 MATURITIES OF ASSETS AND LIABILITIES

	Note	2025			
		Total	Up to one year	One year to five years	Over five years
		Rupees			
Assets:					
Operating fixed assets given on lease / ijarah - tangible	6	31,484,673	15,989,632	15,495,041	-
Operating fixed assets in own use - tangible	7.1	13,719,220	-	11,238,189	2,481,031
Right of use assets	7.2	10,839,957	2,730,428	8,109,529	-
Intangible asset	8	541,612	66,672	474,940	-
Long term murabaha finances	9	47,438,985	40,282,404	7,156,581	-
Long term musharakah finances	10	218,355,127	74,237,249	144,117,878	-
Long term deposits	11	294,662	-	139,800	154,862
Long term investments	12	-	-	-	-
Deferred taxation - net	13	1,416,970	1,416,970	-	-
Short term murabaha finances - secured	14	25,380,000	25,380,000	-	-
Ijarah rental receivables - secured	15	3,387,715	3,387,715	-	-
Short term musharakah finances	16	10,178,689	10,178,689	-	-
Income tax refundable		5,280,459	5,280,459	-	-
Short term investments	17	14,287,295	14,287,295	-	-
Advances, prepayments and other receivables	18	10,291,497	10,291,497	-	-
Cash and bank balances	19	9,066,363	9,066,363	-	-
		401,963,224	212,595,373	186,731,958	2,635,893
Liabilities:					
Deferred income on murabaha	20	3,052,900	2,043,402	1,009,498	-
Customers' long term security deposits	21	17,020,118	5,840,750	11,179,368	-
Lease liabilities against right of use assets	22	10,000,088	2,730,428	7,269,660	-
Unclaimed profit distributions	23	13,697,088	13,697,088	-	-
Creditors, accrued and other liabilities	24	9,328,475	9,328,475	-	-
Charity payable		108,608	108,608	-	-
		53,207,277	33,748,751	19,458,526	-
Net Balance		348,755,947	178,846,622	167,273,432	2,635,893
Certificate holders' equity		348,755,947			
Unrealized loss on revaluation of investments		-			
Surplus on revaluation of fixed assets		-			
Net Balance		348,755,947			

	Note	2024			
		Total	Up to one year	One year to five	Over five years
		Rupees			
Assets:					
Cash and bank balances	19	10,384,061	10,384,061	-	-
Investments	17	20,970,987	20,970,987	-	-
Advances, deposits, prepayments and other receivables	18	11,365,248	11,365,248	-	-
Ijarah rental receivables - secured	15	3,788,925	3,788,925	-	-
Income tax refundable		3,997,069	3,997,069	-	-
Long term murabaha finances	9	47,817,721	41,708,561	6,109,160	-
Asset held for sale	8	-	-	-	-
Short term murabaha finances - secured	14	25,400,000	25,400,000	-	-
Long term musharakah finances	10	174,665,190	45,244,359	129,420,831	-
Short term musharakah finances	16	13,395,756	13,395,756	-	-
Deferred taxation - net	13	1,639,122	1,639,122	-	-
Deposits	11	294,662	-	139,800	154,862
Investments	12	2,284,801	-	2,284,801	-
Operating fixed assets given on lease / ijarah - tangible	6	74,450,750	15,554,871	58,895,879	-
Operating fixed assets in own use - tangible	7.1	13,979,664	-	11,732,817	2,246,847
Right of use assets	7.2	8,968,532	1,799,923	7,168,609	-
Intangible asset	8	948,940	66,672	882,268	
		414,351,428	195,315,554	216,634,165	2,401,709

43 RISK MANAGEMENT

43.1 FINANCIAL RISK MANAGEMENT

The Modaraba's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Modaraba's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board) of the Management Company, chief operating officer and chief financial officer. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

The Modaraba's overall risk management procedures, to minimize the potential adverse effects of financial market on its performance, are as follows:

43.1.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, profit rate, commodity price and equity price that will affect the Modaraba's income or the value of its holdings of financial instruments.

43.1.2 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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Modaraba is not exposed to currency risk arising from currency exposure as Modaraba is not involved in foreign currency transactions.

43.1.3 Profit rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

As at the reporting date the profit rate profile of the Modaraba's profit bearing financial instruments were as under:

	Note	2025	2024
Fixed rate instruments		----------Rupees----------	
Financial assets			
Short term murabaha finances	14	**25,380,000**	25,400,000
Ijarah rental receivables	15	**3,387,715**	3,788,925
Long term murabaha finances	9	**47,438,985**	47,817,721
Long term musharakah finances	10	**222,089,949**	178,400,012
Short term musharakah finances	16	**10,178,689**	13,395,756
Floating rate instruments			
Financial assets			
Bank balances - deposit accounts	19	**3,364,844**	5,366,270
Bank balances - dividend account	19	**5,647,679**	5,003,881

Fair value sensitivity analysis for fixed rate instruments

The Modaraba does not account for any fixed rate financial assets at fair value through profit and loss. Therefore, a change in profit rate at the reporting date would not affect profit or loss of the Modaraba.

Fair value sensitivity analysis for variable rate instruments

The Modaraba accounts for any variable rate financial assets at fair value through profit and loss. Therefore, a change in profit rate at the reporting date would affect profit or loss of the Modaraba.

Cash flow sensitivity analysis for variable rate instruments

If profit rates, as at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 33,648 (2024: Rs. 53,663) higher / lower. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the whole year.

43.1.4 Price risk

Equity price risk represents the risk of adverse movements in the fair value of equity securities due to fluctuations in the KMI-30 Index or the prices of individual shares. Such risk arises from the Modaraba's investments in equity securities whose future prices are uncertain. In line with the Modaraba Regulations, 2021 and internal risk management policies, the Modaraba manages price risk through diversification and by maintaining exposures within prescribed limits.

The Modaraba controls this risk by restricting exposure to a single investee company to a maximum of 10% of the investee company's issued capital and the Modaraba's net assets, in accordance with the Modaraba Regulations, 2021. Portfolio allocations are reviewed regularly and at least on a quarterly basis to ensure appropriate diversification across industries and individual stocks.

43.2 Credit risk

43.2.1 Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date, net of impairment, was as follows:

	Note	2025	2024
		----------Rupees----------	
Bank balances	19	**9,040,061**	10,382,295
Short term murabaha finances	14	**25,380,000**	25,400,000
Ijarah rental receivables	15	**3,387,715**	3,788,925
Long term musharakah finances	10	**222,089,949**	178,400,012
Short term musharakah finances	16	**10,178,689**	13,395,756
Long term murabaha finances	9	**47,438,985**	47,817,721
Long term deposits	11	**294,662**	294,662
Short term Investments	17	**14,287,295**	20,970,987
Long term Investments	12	**-**	2,284,801
Advances, deposits and other receivables	18	**10,291,497**	11,365,248
		342,388,853	314,100,407

43.2.2 Concentration of credit risk

Geographically all credit exposure is concentrated in Pakistan.

The maximum exposure to credit risk for receivables (murabaha financing, musharakah financing and ijarah) as at the reporting date by type of customer was:

	2025	2024
	----------Rupees----------	
Individuals	**112,740,683**	75,465,076
Trading of goods and services	**47,398,433**	51,632,834
Educational Institutions	**18,484,693**	51,024,603
Food and Allied	**31,630,653**	33,372,362
Technology & Communication	**15,637,203**	17,455,756
Oil & Gas	**27,742,927**	15,693,553
Registrar Services	**15,079,548**	14,384,799
Agriculture	**14,800,000**	14,050,000
Insurance/Tracker	**10,885,800**	10,290,231
Steel	**16,704,292**	9,835,928
Advertising/Media agency	**-**	9,639,229
Construction	**7,400,043**	8,653,112
Packaging	**5,048,957**	7,996,383
Healthcare	**30,158,328**	7,463,671
Dairy & poultry	**1,661,380**	2,256,775
Textile	**1,096,727**	1,831,297
Clearing Forwarding	**-**	877,545
Societies	**-**	532,140
	356,469,667	332,455,294

43.2.3 The aging of murabaha, musharakah, lease / ijarah rental and trade receivables and related impairment loss as at the reporting date is as follows:

Aging of murabaha, musharakah, lease / ijarah rental and trade receivables

Not past due	**272,446,445**	252,467,785
Past due 1 - 180 days	**1,739,850**	3,395,763
Past due 181 days - 1 year	**1,581,595**	947,877
Past due 1 - 2 years	**2,300,000**	236,292
More than 2 years	**73,047,470**	70,478,771
	351,115,360	327,526,488

Aging of impaired murabaha, musharakah, ijarah rental and trade receivables

Past due 181 - 365 days	**-**	-
1 - 2 years	**6,804,441**	6,779,994
More than 2 years	**14,678,150**	14,678,150
	21,482,591	21,458,144

The Modaraba has adopted a policy of only dealing with creditworthy parties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Modaraba also uses other publicly available financial information and its own trading records to rate its customers. The Modaraba's exposure and the credit ratings of its parties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed annually.

The management monitors and limits Modaraba's exposure to credit risk through monitoring of clients' credit exposure, reviews and conservative estimates of provisions for doubtful receivables, if any, and through the prudent use of collateral policy. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in organizations of sound financial standing covering various industrial sectors and segments.

43.2.4 The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate. The table below shows the bank balances and investments held with some major counterparties at the reporting date:

	Rating Short tern	Rating Agency	2025	2024
			Rupees	Rupees
Meezan Bank Limited	A-1+	JCR-VIS	**9,013,211**	10,370,868
State Bank of Pakistan	-	-	**26,850**	11,427
			9,040,061	10,382,295

Further, the Modaraba's exposure to credit risk and impairment losses related to Investments, Murabaha financing, Ijarah financing, and other receivables are disclosed in the relevant notes to the financial statements.

The Modaraba's exposure related to ijarah receivables, murabaha receivables and musharakah receivables are secured by collaterals held and the Modaraba's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

43.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

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. Owing to the fact that the Modaraba is in a positive working capital position at the year end, the management believes the liquidity risk to be low.

The table below analyses the Modaraba's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equate to their carrying balances as the impact of discounting is not significant.

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	(Rupees)				
June 30, 2025					
Lease liabilities against right of use assets	**10,000,088**	**10,000,088**	**2,730,428**	**7,269,660**	**-**
Unclaimed profit distributions	**13,697,088**	**13,697,088**	**13,697,088**	**-**	**-**
Creditors, accrued and other liabilities	**9,328,475**	**9,328,475**	**6,453,796**	**2,874,679**	**-**
Charity payable	**108,608**	**108,608**	**108,608**	**-**	**-**
	33,134,259	**33,134,259**	**22,989,920**	**10,144,339**	**-**
June 30, 2024					
Lease liabilities against right of use assets	7,942,065	7,942,065	1,799,923	6,142,142	-
Unclaimed profit distributions	12,828,131	12,828,131	12,828,131	-	-
Creditors, accrued and other liabilities	10,266,832	10,266,832	10,266,832	-	-
Charity payable	269,532	269,532	269,532	-	
	31,306,560	31,306,560	25,164,418	6,142,142	-

Note 42 to the financial statements summarizes the maturity profile of the Modaraba's assets and liabilities.

43.4 Fair value of financial instruments

All financial assets and financial liabilities are initially recognized at the fair value of consideration paid or received, net of transaction costs as appropriate, and subsequently carried at fair value or amortized cost.

The carrying values of all financial assets and liabilities reflected in financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Fair value estimation

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as there is an active market for the Modaraba listed equity investments.

Fair value hierarchy

Fair value hierarchy categories are described in note 4.16 to the financial statements.

The following table presents the Company's financial assets that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
June 30, 2025				
Financial Assets:				
Short term investments (note 17)	**14,287,295**	**-**	**-**	**14,287,295**
Long term investments (note 12)	**-**	**-**	**-**	**-**
June 30, 2024				
Financial Assets:				
Short term investments (note 17)	20,970,987	-	-	20,970,987
Long term investments (note 12)	2,284,801	-	-	2,284,801

43.5 Financial instruments by categories

	Note	At fair value through OCI (equity instruments designated upon initial recognition)	Amortized cost	Assets at fair value through profit or loss (Mandatorily Measured)	Total
2025		----------Rupees----------			
Cash and bank balances	**19**	**-**	**9,066,363**	**-**	**9,066,363**
Short term investments	**17**	**-**	**-**	**14,287,295**	**14,287,295**
Advances, deposits and other receivables	**18**	**-**	**10,291,497**	**-**	**10,291,497**
Murabaha finances - secured	**14**	**-**	**25,380,000**	**-**	**25,380,000**
Short term musharakah finances (secured - considered good)	**16**	**-**	**10,178,689**	**-**	**10,178,689**
Diminishing musharakah financing	**10**	**-**	**218,355,127**	**-**	**218,355,127**
Ijarah rental receivables - secured	**15**	**-**	**3,387,715**	**-**	**3,387,715**
Murabaha finances	**9**	**-**	**47,438,985**	**-**	**47,438,985**
Long term deposits	**11**	**-**	**294,662**	**-**	**294,662**
		-	**324,393,038**	**14,287,295**	**338,680,333**
2024					
Cash and bank balances	19	-	10,384,061	-	10,384,061
Short term investments	17	-	-	20,970,987	20,970,987
Advances, deposits and other receivables	18	-	11,365,248	-	11,365,248
Murabaha finances - secured	14	-	25,400,000	-	25,400,000
Short term musharakah finances (secured - considered good)	16	-	13,395,756	-	13,395,756
Diminishing musharakah financing	10	-	174,665,190	-	174,665,190
Ijarah rental receivables - secured	15	-	3,788,925	-	3,788,925
Murabaha finances	9	-	47,817,721	-	47,817,721
Long term deposits	11	-	294,662	-	294,662
Long term investments	12	2,284,801	-	-	2,284,801
		2,284,801	287,111,563	20,970,987	310,367,351

Financial liabilities at amortized cost	Note	2025	2024
		----------Rupees----------	
Lease liabilities against right of use assets	22	**10,000,088**	7,942,065
Unclaimed profit distributions	23	**13,697,088**	12,828,131
Creditors, accrued and other liabilities	24	**9,328,475**	10,266,832
Charity payable	25	**108,608**	269,532
		33,134,259	31,306,560

43.6 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Modaraba's operations either internally within the Modaraba or externally at the Modaraba's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Modaraba's activities.

The Modaraba's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for certificate holders.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors of the Management Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

43.7 Capital risk management

The Modaraba's objectives when managing capital are to safeguard the Modaraba's ability to continue as a going concern in order to provide return for certificate holders and benefits for other stakeholders and to maintain healthier capital ratios in order to support its business and maximize certificate holders value. The Modaraba manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. There were no changes to the Modaraba's approach to capital management during the year and the Modaraba is not subject to externally imposed capital requirement.

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.

	2025	2024
	----------Rupees----------	
Total equity	**348,755,947**	347,737,575
Less: cash and bank balances	**(9,066,363)**	(10,384,061)
Capital	**339,689,584**	337,353,514
Total liabilities	**53,207,277**	72,957,674
Debt to equity ratio	**16%**	22%

Further, the Modaraba's exposure to credit risk and impairment losses related to Investments, Murabaha financing, Ijarah financing, and other receivables are disclosed in the relevant notes to the financial statements.

The Modaraba's exposure related to ijarah receivables, murabaha receivables and musharakah receivables are secured by collaterals held and the Modaraba's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

44 REMUNERATION OF EXECUTIVES / KEY MANAGEMENT PERSONNEL

Aggregate amounts charged in the financial statements for the year as remuneration and benefits to executives / key management personnel of the Modaraba are as follows:

	Executives / Key Management Personnel	
	2025	2024
	----------Rupees----------	
Managerial remuneration	**6,056,184**	5,976,144
House rent allowance	**2,422,248**	2,390,292
Medical allowance	**605,568**	597,564
Other allowances	**44,400**	75,537
Retirement benefits	**605,616**	597,612
	9,734,016	10,938,823
Number of persons	**3**	4

44.1 These executives have been provided with the Modaraba maintained cars and are also entitled for reimbursement of fuel expenses. Chief executive officer has nil salary benefits as disclosed in note 36.2.

45 GENDER PAY GAP STATEMENT

Gender Pay Gap statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024 Following is gender pay gap calculated for the year ended June 30, 2025:

	2025	2024
	----------Rupees----------	
Mean hourly rate - Male	**23,156**	22,693
Mean hourly rate - Female	**47,733**	50,667
	--------Percentage-------	
Mean Gender pay gap	**-106.14%**	-123.27%
Median Gender pay gap	**-194.12%**	-227.59%

The disclosed ratios reflect the overall gender pay gap across the Modaraba. Compensation is determined equitably for all employees, with female members remunerated on the basis of role, experience, qualifications, and performance, in line with SECP requirements.

46 TRANSACTIONS WITH RELATED PARTIES

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

A related party is a person or entity that is related to the entity. Related parties of the Modaraba include the Modaraba Management Company [Al-Zamin Modaraba Management (Private) Limited], directors and key management personnel of the Modaraba Management Company, key management personnel of the Modaraba and their close family members, the provident fund trust and entities with common directors or under common management and control.

Contribution to the provident fund is made in accordance with the services rules. Modaraba Management fee, if any, is accrued in accordance with the requirements of the Modaraba Regulations. Remuneration of key management personnel are in accordance with the terms of their employment. Other transactions are carried out at agreed terms.

Amounts due from and due to related parties are shown under respective notes to these financial statements. All transactions are based on commercial terms and are approved by the Board of Directors. Outstanding balances at the reporting date are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables.

Transactions during the year			Note	2025	2024
				----------Rupees----------	
Related party	**Basis of Relationship**	**Nature of transaction**			
Al-Zamin Modaraba Management (Private) Limited	Modaraba Management Company	Management fee	37	**2,686,354**	2,956,102
		Office rent		**1,776,000**	624,000
		Electric bill back-charged		**312,465**	129,113
Employees' Provident Fund	Associated undertaking	Contribution for the year		**1,014,385**	984,828
Executives and close relatives thereof	Associated persons	Loan given during the year	18.1	**200,000**	-
		Repayment of loan received	18.1	**178,000**	-
Executives and close relatives thereof	Associated persons	Gain on diposal		**2,163,240**	408,968

The amounts above do not include salaries and other employee benefits of the executives of the Modaraba which have been disclosed in note 44.

Outstanding balance as at the reporting date		Note	2025	2024
			----------Rupees----------	
Al-Zamin Modaraba Management (Private) Limited	Payable against management fee		**2,686,354**	114,947
Executives	Loan receivables	18.1	**232,000**	500,000
Executives	Payable to Ather Imam - Vice President Finance		**46,000**	-
Executives	Payable to Hamida Aqeel - Company Secretary		**620,000**	620,000

47 SEGMENT REPORTING

47.1 An operating segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Chief Executive Officer (Chief Operating Decision Maker) for allocation of resources and assessments of performance. Based on internal management reporting structure and products produced and sold, the Modaraba is organized into following four operating segments:

Types of segments	Nature of business
- Murabaha finances	Sale of goods under murabaha arrangement
- Ijarah finances	Giving right to the benefit of using an asset for a consideration
- Musharakah finances	Joint enterprise formed for conducting some business
- Investments	Investments made in equity instruments of other companies and other investments

No operating segments have been aggregated to or form the above reportable operating segments.

The Chief Executive Officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. There were no transfers between operating segments during the year (2024: Nil).

47.2 Segment analysis

The segment information for the reportable segments for the year ended June 30, 2025 is as follows:

	June 30, 2025					June 30, 2024				
	Murabaha Finances	Ijarah Finances	Musharakah Finances	Investments	Total	Murabaha Finances	Ijarah Finances	Musharakah Finances	Investments	Total
	Rupees									
Segment revenues / profits										
Note number	31	30	32	-		31	30	32	-	
Gross revenue from external customers	3,884,521	25,081,272	57,280,082	5,363,535	91,609,410	4,235,806	51,329,593	49,627,859	(4,536,700)	100,656,558
Depreciation	-	(15,883,599)	-	-	(15,883,599)	-	(34,206,699)	-	-	(34,206,699)
Insurance expense	-	(1,788,060)	(6,634,385)	-	(8,422,445)	-	(3,406,184)	(4,408,018)	-	(7,814,202)
Other income	-	1,908,293	-	-	1,908,293	-	602,299	1,720,898	-	2,323,197
Net revenue	3,884,521	9,317,906	50,645,697	5,363,535	69,211,659	4,235,806	14,319,009	46,940,739	(4,536,700)	60,958,854
Unrealized Profit / (loss) on revaluation of investments	-	-	-	1,913,987	1,913,987	-	-	-	13,712,270	13,712,270
(Provision)/ Reversal for doubtful receival	(124,447)	-	-	-	(124,447)	(1,430,395)	-	(1,460,949)	-	(2,891,344)
Reportable segment profit	3,760,074	9,317,906	50,645,697	7,277,522	71,001,199	2,805,411	14,319,009	45,479,790	9,175,570	71,779,780
Reportable segment assets	74,397,061	36,181,081	234,288,044	14,287,295	359,153,481	74,790,797	80,089,894	193,121,382	23,255,788	371,257,861
Reportable segment liabilities	3,052,900	17,020,118	-	-	20,073,018	3,180,750	35,998,638	-	-	39,179,388
Additions to non-current assets	-	-	-	-	-	-	1,100,000	-	-	1,100,000

Reconciliation of reportable segments revenues, profit or loss, assets and liabilities is as follows:

	2025	2024
	----------Rupees----------	
Revenues		(Restated)
Total revenues for reportable segments	**69,211,659**	60,958,854
Other revenues	**3,364,001**	945,727
Modaraba's revenues	**72,575,660**	61,904,581
Profit		
Total profit for reportable segments	**71,001,199**	71,779,780
Other income	**3,364,001**	945,727
Fair value loss on asset held for sale	**-**	(4,246,500)
Operating expenses	**(47,501,657)**	(38,917,990)
Modaraba Management Company's fee	**(2,686,354)**	(2,956,102)
Services sales tax on the Management Company's remuneration	**(402,953)**	(384,293)
Workers' Welfare Fund	**(475,485)**	(524,412)
Levy, minimum tax and final taxes	**(4,908,653)**	(4,841,691)
	18,390,098	20,854,519
Assets		
Total assets for reportable segments	**359,153,481**	371,257,861
Corporate assets unallocated:		
Advances, prepayments and other receivables	**1,650,500**	2,881,517
Income tax refundable	**5,280,459**	3,997,069
Deferred taxation - net	**1,416,970**	1,639,122
Long term deposits	**294,662**	294,662
Ijarah assets	**25,100,789**	23,897,136
Cash and bank balances	**9,066,363**	10,384,061
	42,809,743	43,093,567
Total assets as per the balance sheet	**401,963,224**	414,351,428
Liabilities		
Total liabilities for reportable segments	**20,073,018**	39,179,388
Corporate liabilities unallocated:		
Unclaimed profit distributions	**13,697,088**	12,828,131
Creditors, accrued and other liabilities	**9,328,475**	10,266,832
Charity payable	**108,608**	269,532
Lease liabilities against right of use assets	**10,000,088**	7,942,065
Total liabilities as per the balance sheet	**53,207,277**	70,485,948

Certain liabilities, assets, other income and other operating charges of the Modaraba cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

There are no differences between the measurements of the reportable segments' profits or losses, assets and liabilities with the Modaraba's profits or losses, assets and liabilities.

There are no changes from prior years in the measurement methods used to determine reported segment profit or loss.

There are no asymmetrical allocations to reportable segments.

47.3 All non-current assets of the Modaraba are located in Pakistan as at the reporting date.

48 NUMBER OF EMPLOYEES	2025	2024
	------ No of employees -----	
Number of employees as at June 30,	**16**	16
Average number of employees during the year	**16**	16

49 PROVIDENT FUND	2025 Audited	2024 Audited
Size of the fund (in rupees)	**9,705,492**	9,003,025
Percentage of investments made	**77.28%**	83.31%
Fair value of investments (in rupees)	**7,500,000**	7,500,000
Cost of investments made (in rupees)	**7,500,000**	7,500,000

49.1 Break-up of investment in terms of amount and percentage of the size of the provident fund are as follows:

	2025		2024	
	Investment Rupees	**Investment as a % of size of funds**	Investment Rupees	Investment as a % of size of funds
Investment in Term Deposits	**7,500,000**	**77.28%**	7,500,000	83.31%
	7,500,000		7,500,000	

49.2 Investments out of the funds of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

50 Specific Disclosures for Sharia Compliant Companies

i) Balance as at June 30, 2025:		Note	2025	2024
			----------Rupees----------	
Liabilities				
Lease liabilities against right of use assets			**7,269,660**	6,142,142
Assets				
Long term investments	Shariah compliant	12	**-**	2,284,801
Short term investments	Shariah compliant	17	**14,287,295**	20,970,987
Cash and bank balances	Shariah compliant	19	**9,066,363**	10,384,061
ii) Transactions for the year ended June 30, 2025:				
Income from ijarah - net	Shariah compliant	30	**7,409,613**	13,716,710
Profit on murabaha finances	Shariah compliant	31	**3,884,521**	4,235,806
Profit on musharakah finances	Shariah compliant	32	**50,645,697**	45,219,841
Dividend income on equity investments	Shariah compliant	33	**799,000**	660,670
Gain / (loss) on sale of short term investments	Shariah compliant		**4,564,535**	(5,197,370)
Other income	Shariah compliant	34	**5,272,294**	3,268,924
Source and detailed breakup of other income:				
Gain on disposal of ijarah assets	Shariah compliant	6.1.5.1	**1,908,293**	602,299
Gain on disposal of owned fixed assets	Shariah compliant		**2,150,460**	418,968
Profit on deposit and saving accounts with banks	Shariah compliant		**378,779**	526,759
Miscellaneous income	Shariah compliant	34.1	**834,762**	1,720,898
Expense on ijarah assets:				
Unwinding of lease liabilities	Shariah compliant	36	**(2,678,014)**	(756,495)

iii) Names of the Company's shariah compliant financial institutions	**Arrangement**
1. Meezan Bank Limited	Bank deposit
2. First Habib Modaraba	Ijarah Assets
3. UDL Modaraba	Ijarah Assets

iv) Takaful operators:	
Adamjee Insurance Company Limited	Window Takaful
IGI General Insurance Limited	Window Takaful
Security General Insurance Company Limited	Window Takaful
Jubilee General Insurance Company Limited	Window Takaful
Premier Insurance Limited	Window Takaful
TPL Direct Insurance Limited	Window Takaful

51 SUBSEQUENT EVENT

Subsequent to reporting date, Mr. Sohail Asim has become a substantial certificate holder with a cumulative holding of 17.96% on August 29, 2025.

52 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary, for purposes of comparison and better presentation. No significant rearrangements or reclassifications have been made in these financial statements during the current year, except as disclosed in Note 5.

53 GENERAL

The figures have been rounded off to the nearest rupees unless otherwise stated.

54 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the Board of Directors of the Management Company in its meeting held on 24th September, 2025.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE | DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

Pattern of Certificate Holding

As on 30 June 2025

Number of Certificate Holders	Certificate Holding From - To	Total Certificate	Percentage Held
719	1 - 100	30,259	0.10%
905	101 - 500	264,469	0.89%
593	501 - 1000	516,942	1.73%
318	1001 - 5000	800,834	2.69%
79	5001 - 10000	598,231	2.01%
24	10001 - 15000	299,347	1.00%
21	15001 - 20000	375,837	1.26%
14	20001 - 25000	315,412	1.06%
10	25001 - 30000	275,507	0.92%
3	30001 - 35000	98,780	0.33%
6	35001 - 40000	228,443	0.77%
1	40001 - 45000	45,000	0.15%
8	45001 - 50000	389,460	1.31%
3	50001 - 55000	155,910	0.52%
2	55001 - 60000	110,573	0.37%
2	60001 - 65000	127,000	0.43%
3	65001 - 70000	207,740	0.70%
3	70001 - 75000	219,040	0.74%
1	75001 - 80000	78,382	0.26%
2	85001 - 90000	176,652	0.59%
1	90001 - 95000	90,333	0.30%
1	95001 - 100000	96,705	0.32%
1	105001 - 110000	107,971	0.36%
1	115001 - 120000	118,100	0.40%
1	120001 - 125000	121,457	0.41%
1	130001 - 135000	131,060	0.44%
1	140001 - 145000	141,000	0.47%
1	160001 - 165000	164,506	0.55%
1	225001 - 230000	227,655	0.76%
1	290001 - 295000	291,200	0.98%
2	295001 - 300000	600,000	2.01%
1	310001 - 315000	310,500	1.04%
1	395001 - 400000	396,500	1.33%
1	495001 - 500000	500,000	1.68%
1	5260001 - 5265000	5,261,388	17.66%
1	15925001 - 15930000	15,927,807	53.45%
2,734		**29,800,000**	**100%**

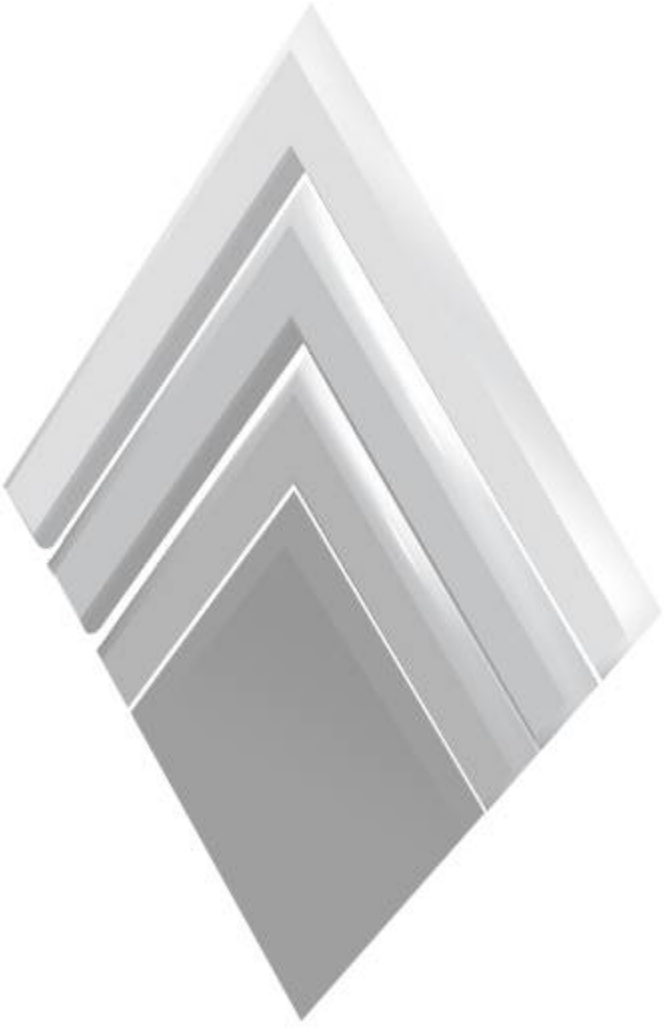
CATEGORIES OF CERTIFICATEHOLDERS

AS AT JUNE 2025

Categories of Certificateholders	Number of Certificate Certificate-Holders	Total Certificates Held	Percentage
Associated companies, undertakings and related parties			
Al-Zamin Modaraba Management (Private) Limited	1	5,261,388	17.66%
Investment Corporation of Pakistan	1	9,100	0.03%
Directors, CEO & their spouse and minor children	-	-	-
Executives	-	-	-
Public sector companies and Corporations	-	-	-
Banks, Development Finance Institutions,	11	312,040	1.05%
Non-Banking Finance Institutions, Insurance	1	400	0.00%
Companies, Modarabas and Mutual Funds	3	1,800	0.01%
Joint Stock Companies	23	167,699	0.56%
Individuals	2,686	23,961,073	80.41%
Others	8	86,500	0.29%
Total	2,734	29,800,000	100.00

Certificateholders holding five percent or more certificate in the Modaraba

Faisal	1	15,927,807	53.45
Al-Zamin Modaraba Management (Pvt.) LTD.	1	5,261,388	17.66





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